



**Powers &  
Sullivan, LLC**  
CPAs AND ADVISORS

***TOWN OF PLYMOUTH, MASSACHUSETTS***

***REPORT ON EXAMINATION OF  
BASIC FINANCIAL STATEMENTS***

***YEAR ENDED JUNE 30, 2023***

# TOWN OF PLYMOUTH, MASSACHUSETTS

## REPORT ON EXAMINATION OF BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

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## **Independent Auditor's Report**

To the Honorable Select Board  
Town of Plymouth, Massachusetts

## **Report on the Audit of the Financial Statements**

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the Town of Plymouth, Massachusetts, as of and for the year ended June 30, 2023 (except for the Plymouth Contributory Retirement System and Plymouth Growth & Development Corporation, which are as of and for the year ended December 31, 2022), and the related notes to the financial statements, which collectively comprise the Town of Plymouth, Massachusetts' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the Town of Plymouth, Massachusetts, as of June 30, 2023 (except for the Plymouth Contributory Retirement System and Plymouth Growth & Development Corporation, which are as of and for the year ended December 31, 2022), and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Plymouth, Massachusetts and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Plymouth, Massachusetts' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Plymouth, Massachusetts' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Plymouth, Massachusetts' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United

States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2024, on our consideration of the Town of Plymouth, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Plymouth, Massachusetts' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Plymouth, Massachusetts' internal control over financial reporting and compliance.

*Powers & Sullivan, LLC*

May 1, 2024

# ***Management's Discussion and Analysis***

## ***Management's Discussion and Analysis***

As management of the Town of Plymouth, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2023.

### ***Overview of the Financial Statements***

This discussion and analysis is intended to serve as an introduction to the Town of Plymouth's basic financial statements. These basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, education, public works, health and human services, culture and recreation, community preservation, and interest. The business-type activities include the water, sewer, airport, solid waste, and cable activities.

The government-wide financial statements include not only the Town of Plymouth itself (known as the *primary government*), but also a legally separate public employee retirement system, for which the Town of Plymouth is financially accountable, and the Plymouth Growth & Development Corporation, which are component units of the Town. Financial information for the retirement system is blended within the fiduciary fund statements while the Plymouth Growth & Development Corporation financial information is discretely presented.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Plymouth adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

**Proprietary funds.** The Town maintains two types of proprietary funds.

*Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements, only in more detail. The Town uses enterprise funds to account for its water, sewer, airport, solid waste, and cable access activities.

*Internal service funds* are an accounting device used to accumulate and allocate costs internally among various functions. The Town uses internal service funds to account for health insurance activities and employee benefit programs. Because these services predominately benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements provide separate information for the pension and other employee benefit trust funds and the private purpose trust funds of the Town.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the progress in funding its obligation to provide pension and other postemployment benefits to its employees.

## ***Government-wide Financial Analysis***

### **Governmental Activities**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Governmental liabilities and deferred inflows exceeded assets and deferred outflows by \$366.7 million at the close of 2023.

Governmental net position of \$315.7 million reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, vehicles and infrastructure), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.



Although the investment in capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position, \$26.9 million, represents resources that are subject to external restrictions on how they may be used. The Town has a deficit of \$366.7 million of *unrestricted net position* at year end. The deficit is the result of the recognition of the net pension liability of \$169.5 million, and the other postemployment liability of \$566.1 million.

The governmental activities net position increased by \$173.9 million in 2023. Contributing to the current year increase is the recognition of a net decrease in the other postemployment benefits liability and its associated deferred inflows/outflows of \$162.3 million, a general fund surplus of \$2.8 million, a community preservation fund surplus of \$2.4 million, the amortization of bond premiums of \$1.9 million, the receipt of \$2.8 million of capital grants, and a surplus in the non-major funds of \$2.8 million. These increases were offset by an increase in the net pension liability and its associated deferred inflows/outflows of \$5.4 million.

Condensed financial data for 2023 and 2022 is presented below:

	2023	2022
<b>Assets:</b>		
Current assets.....	\$ 166,054,506	\$ 143,548,646
Noncurrent assets (excluding capital).....	5,234,030	-
Capital assets, non depreciable.....	143,232,397	127,381,770
Capital assets, net of accumulated depreciation....	335,749,173	344,441,918
<b>Total assets.....</b>	<b>650,270,106</b>	<b>615,372,334</b>
<b>Deferred outflows of resources.....</b>	<b>151,642,257</b>	<b>180,691,083</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	31,915,925	25,990,385
Noncurrent liabilities (excluding debt).....	738,017,972	870,749,264
Current debt.....	31,815,134	14,748,967
Noncurrent debt.....	143,774,010	154,396,249
<b>Total liabilities.....</b>	<b>945,523,041</b>	<b>1,065,884,865</b>
<b>Deferred inflows of resources.....</b>	<b>223,063,227</b>	<b>270,754,180</b>
<b>Net position:</b>		
Net investment in capital assets.....	315,739,039	306,369,826
Restricted.....	26,936,182	24,593,599
Unrestricted.....	(709,349,126)	(871,539,053)
<b>Total net position.....</b>	<b>\$ (366,673,905)</b>	<b>\$ (540,575,628)</b>

	2023	2022
<b>Program Revenues:</b>		
Charges for services..... \$	19,421,992	\$ 19,679,541
Operating grants and contributions.....	74,794,075	67,772,703
Capital grants and contributions.....	2,784,213	2,617,301
<b>General Revenues:</b>		
Real estate and personal property taxes, net of tax refunds payable.....	203,497,218	191,359,894
Tax and other liens.....	474,748	816,203
Motor vehicle and other excise taxes.....	10,909,699	10,503,592
Community preservation tax.....	3,213,046	2,791,158
Penalties and interest on taxes.....	822,407	938,723
Payments in lieu of taxes.....	81,312	76,323
specific programs.....	7,759,141	8,185,357
Unrestricted investment income.....	3,465,390	69,471
Gain (loss) on sale of capital assets.....	1,206,000	-
Miscellaneous.....	7,854	15,984
<b>Total revenues.....</b>	<b>328,437,095</b>	<b>304,826,250</b>
<b>Expenses:</b>		
General government.....	12,242,355	18,247,061
Public safety.....	24,229,051	56,747,079
Education.....	88,159,113	212,823,849
Public works.....	18,441,728	25,371,026
Health and human services.....	1,879,865	2,772,717
Culture and recreation.....	4,056,544	5,795,507
Community preservation.....	1,140,692	2,010,176
Interest.....	4,224,928	4,721,165
<b>Total expenses.....</b>	<b>154,374,276</b>	<b>328,488,580</b>
<b>Excess (Deficiency) before transfers.....</b>	<b>174,062,819</b>	<b>(23,662,330)</b>
<b>Transfers.....</b>	<b>(161,096)</b>	<b>(615,173)</b>
<b>Change in net position.....</b>	<b>173,901,723</b>	<b>(24,277,503)</b>
<b>Net position, beginning of year.....</b>	<b>(540,575,628)</b>	<b>(516,298,125)</b>
<b>Net position, end of year..... \$</b>	<b>(366,673,905)</b>	<b>(540,575,628)</b>

Overall expenses decreased as a result of the net change in the Net Other Postemployment Benefits liability and the Net Pension Liability and their associated deferred inflows/outflows.

## Business-type Activities

Business-type assets and deferred outflows exceeded liabilities and deferred inflows by \$123.2 million at June 30, 2023. Net investment in capital assets was \$122.9 million. The remaining balance of *unrestricted* net position was a balance of \$318 thousand.

There was an increase of \$5.5 million in net position reported in connection with the water, sewer, airport, solid waste, and cable access business-type activities.

Condensed financial data for 2023 and 2022 is presented below:

	2023	2022
<b>Assets:</b>		
Current assets.....	\$ 27,246,583	\$ 23,844,357
Noncurrent assets (excluding capital).....	3,219,131	1,876,764
Capital assets, non depreciable.....	49,220,931	46,495,779
Capital assets, net of accumulated depreciation....	123,799,173	126,394,620
<b>Total assets.....</b>	<b>203,485,818</b>	<b>198,611,520</b>
<b>Deferred outflows of resources.....</b>	<b>3,516,756</b>	<b>3,811,532</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	2,326,601	1,551,500
Noncurrent liabilities (excluding debt).....	17,926,215	20,646,152
Current debt.....	9,522,460	4,989,013
Noncurrent debt.....	45,919,762	49,327,025
<b>Total liabilities.....</b>	<b>75,695,038</b>	<b>76,513,690</b>
<b>Deferred inflows of resources.....</b>	<b>8,100,712</b>	<b>8,252,086</b>
<b>Net position:</b>		
Net investment in capital assets.....	122,889,032	119,812,345
Unrestricted.....	317,792	(2,155,069)
<b>Total net position.....</b>	<b>\$ 123,206,824</b>	<b>\$ 117,657,276</b>

	2023	2022
<b>Program Revenues:</b>		
Charges for services.....	\$ 21,665,810	\$ 21,540,336
Operating grants and contributions.....	22,006	44,764
Capital grants and contributions.....	398,785	1,991,782
<b>General Revenues:</b>		
Unrestricted investment income.....	518,478	81,346
<b>Total revenues.....</b>	<b>22,605,079</b>	<b>23,658,228</b>
<b>Expenses:</b>		
Water.....	3,243,079	5,716,506
Sewer.....	6,930,334	7,129,447
Airport.....	4,275,246	4,017,698
Solid Waste.....	905,370	1,384,087
Cable access.....	1,862,598	1,480,585
<b>Total expenses.....</b>	<b>17,216,627</b>	<b>19,728,323</b>
<b>Excess (Deficiency) before transfers .....</b>	<b>5,388,452</b>	<b>3,929,905</b>
<b>Transfers.....</b>	<b>161,096</b>	<b>615,173</b>
<b>Change in net position.....</b>	<b>5,549,548</b>	<b>4,545,078</b>
<b>Net position, beginning of year.....</b>	<b>117,657,276</b>	<b>113,112,198</b>
<b>Net position, end of year.....</b>	<b>\$ 123,206,824</b>	<b>\$ 117,657,276</b>

The water enterprise net position increased by \$4.0 million during the year. The change is attributable to a decrease in overall reported operating costs mainly due to the decrease in the net OPEB liability and its associated deferred inflows/outflows, as well as an increase in investment income.

The sewer enterprise net position increased by \$2.2 million during the year. The change is attributable to budgeted revenues exceeding budget by \$600 thousand, net decreases in the net pension and the net OPEB liabilities and their associated deferred inflows/outflows of \$543 thousand, along with decreases in depreciation expense.

The airport enterprise net position decreased by \$463 thousand during the year. The change is attributable to the receipt of capital grants of \$399 thousand related to the runway and new administration building projects, offset by a transfer out of \$125 thousand and increases in operating costs.

The solid waste enterprise net position increased by \$208 thousand during the year. The change is attributable to a net decrease in the net pension and net OPEB liabilities and their associated deferred inflows/outflows of \$255 thousand.

The cable access enterprise fund is funded through long term contracts with Verizon (15 years) and Comcast (10 years) to receive the fees charged for local government and educational access. The revenues of this fund will be distributed to help fund both the PACTV and the local ED-TV programs. The net position decreased by \$384 thousand during the year. The change is the result of an increase in operating costs.

## ***Financial Analysis of the Government's Funds***

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

***Governmental funds.*** The focus of the Town of Plymouth's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town of Plymouth's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, governmental funds reported combined ending fund balances of \$94.6 million, a decrease of \$930 thousand in comparison with the prior year. This decrease is primarily attributable to the general fund surplus of \$2.8 million, a surplus in the Community Preservation fund of \$2.4 million, and the nonmajor surplus of \$2.8 million, offset by a deficit in the Town Building/Land Capital Fund of which the Town has BAN's in place until the projects are permanently funded.

The *general fund* is the chief operating fund. At the end of the year, unassigned fund balance of the general fund totaled \$47.9 million which is comprised of four components: a general fund balance of \$15.9 million and a stabilization fund balance of \$32.0 million (this includes the general stabilization fund balance of \$12.5 million, the Nuclear Plant mitigation stabilization fund balance of \$8.6 million, the Pavement Management Plan stabilization fund balance of \$5.1 million, and the Facility Capital stabilization fund of \$5.8 million). Assigned fund balance, which represents amounts designated for the 2024 budget as well as amounts that have been reserved for the use of liquidating prior period purchase orders and contracts totaled \$9.2 million. Committed fund balance, which represents the Town's various capital articles, totaled \$9.8 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. At year-end, unassigned fund balance equaled 17.0% of total general fund expenditures, while total fund balance equaled 23.7% of the same amount.

The current year general fund net change in fund balance was an increase of \$2.8 million. This is mainly due to a budgetary revenue surplus of \$6.8 million, budgetary appropriation turnbacks of \$6.0 million offset by the planned use of free cash to balance the budget.

The *community preservation fund* is used to account for funds received in accordance with the Massachusetts Community Preservation Act (the "CPA"). At year end, the fund had an accumulated fund balance of \$7.7 million; this is an increase of \$2.4 million from the prior year. This is due to the timing of the expenditures of CPA funds on the various ongoing projects.

The *town building/land capital articles fund* is used to account for all financial resources for Town building and land related capital projects. At the end of the current year, the fund had a fund balance deficit of \$6.2 million, a decrease of \$6.3 million. This is due to the timing of the expenditures on various projects related to the long-term financing of the projects.

The *school capital projects fund* is used to account for financial resources related to school capital projects. At the end of the current year, the fund had a fund balance deficit of \$2.9 million, a decrease of \$2.5 million. This is due to the timing of the expenditures on various projects related to the long-term financing of the projects.

The *American Rescue Plan Act fund* is used to account for Federal funds received under this Act to assist communities with the negative economic impacts of the COVID-19 pandemic. The Town spent \$5.7 million in FY23 and has cash remaining of \$14.4 million that must be committed by December 31, 2024 and spent by December 31, 2026.

The *internal service proprietary fund* provides for health insurance coverage for the Town's employees. Results of operations reports a decrease in net position of \$230 thousand in 2023 and an accumulated net position of \$11.2 million. The decrease is due to claims payments exceeding employee and employer contributions offset by 234 thousand of investment income.

### ***Pension and Other Employee Benefits Financial Highlights***

The Plymouth Contributory Retirement System (the System) was established to provide retirement benefits to Town employees, the Town Housing Authority employees, and their beneficiaries. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements. At the end of the year, the System had accumulated net position of \$229 million. This represents a decrease of \$29.0 million from the previous year. The decrease was the result of unfavorable market conditions that resulted in investment losses for the year.

The Other Postemployment Benefit Trust fund (the Trust) was established during 2012 to account for assets relating to the pre-funding of the Town's Other Postemployment Benefit liability. During 2023, the fund reported \$1.2 million of employer contributions and had investment income of \$1.1 million resulting in accumulated net position of \$10.8 million at the end of the year.

### ***General Fund Budgetary Highlights***

The \$6.79 million increase between the original budget and the final amended budget was due to appropriation increases in appropriations across the board including transfers out.

### ***Capital Asset and Debt Administration***

In conjunction with the operating budget, the Town annually prepares a capital budget for the upcoming year and a five-year Capital Improvement Plan (CIP) that is used as a guide for future capital expenditures.

During the fiscal year, the Town incurred \$28.2 million and \$4.5 million of capitalized governmental and enterprise expenditures, respectively, and recognized depreciation expense of \$21.0 million and \$4.3 million. The Town's major capital projects relate to the fire station project, purchase of land, wetlands restoration, various school construction and renovation projects, equipment and vehicle purchases, and water main projects. These projects are expected to continue through 2024.

Outstanding governmental long-term debt, as of June 30, 2023, totaled \$144.1 million.

The sewer enterprise fund has \$11.4 million in general obligation bonds and \$22.2 million in direct borrowings. The water enterprise fund has \$13.4 million in general obligation bonds. The airport enterprise fund has \$300 thousand in general obligation bonds. All of the borrowings are fully supported by the user fees.

Please refer to the notes for further discussion of the major capital and debt activity.

### ***Requests for Information***

This financial report is designed to provide a general overview of the Town of Plymouth's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Municipal Finance, Town Hall, 26 Court Street, Plymouth, Massachusetts 02360.

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# ***Basic Financial Statements***



## STATEMENT OF NET POSITION

JUNE 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Plymouth Growth & Development
<b>ASSETS</b>				
<b>CURRENT:</b>				
Cash and cash equivalents.....	\$ 126,801,047	\$ 21,880,839	\$ 148,681,886	\$ 3,842,438
Investments.....	26,523,097	-	26,523,097	-
Receivables, net of allowance for uncollectibles:				
Real estate and personal property taxes.....	1,900,847	-	1,900,847	-
Real estate tax escrow.....	-	-	-	15,885
Tax liens.....	769,751	20,783	790,534	-
Community preservation fund surtax.....	25,706	-	25,706	-
Motor vehicle and other excise taxes.....	786,654	-	786,654	-
User charges.....	-	4,095,271	4,095,271	-
Departmental and other.....	918,996	22,119	941,115	-
Intergovernmental.....	3,942,588	1,601	3,944,189	-
Community preservation state share.....	620,000	-	620,000	-
Special assessments.....	468,081	911,858	1,379,939	-
Lease receivable.....	230,747	314,112	544,859	-
Parking tickets.....	-	-	-	123,660
Prepaid expenses.....	-	-	-	40,382
Tax foreclosures.....	1,626,375	-	1,626,375	-
Other assets.....	1,440,617	-	1,440,617	-
Total current assets.....	166,054,506	27,246,583	193,301,089	4,022,365
<b>NONCURRENT:</b>				
Receivables, net of allowance for uncollectibles:				
Lease receivable.....	5,234,030	3,219,131	8,453,161	-
Capital assets, nondepreciable.....	143,232,397	49,220,931	192,453,328	1,325,033
Capital assets, net of accumulated depreciation.....	335,749,173	123,799,173	459,548,346	2,224,969
Total noncurrent assets.....	484,215,600	176,239,235	660,454,835	3,550,002
<b>TOTAL ASSETS.....</b>	<b>650,270,106</b>	<b>203,485,818</b>	<b>853,755,924</b>	<b>7,572,367</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows for refunding debt.....	419,895	-	419,895	-
Deferred outflows related to pensions.....	14,668,973	652,810	15,321,783	-
Deferred outflows related to other postemployment benefits.....	136,553,389	2,863,946	139,417,335	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>151,642,257</b>	<b>3,516,756</b>	<b>155,159,013</b>	<b>-</b>
<b>LIABILITIES</b>				
<b>CURRENT:</b>				
Warrants payable.....	9,872,067	1,717,104	11,589,171	25,488
Accrued payroll.....	1,201,861	49,597	1,251,458	6,655
Health claims payable.....	2,818,000	-	2,818,000	-
Tax refunds payable.....	1,642,433	-	1,642,433	-
Accrued interest.....	867,148	234,024	1,101,172	-
Other liabilities.....	2,262,667	317,770	2,580,437	695
Unearned Revenue.....	12,964,749	-	12,964,749	-
Landfill closure.....	50,000	-	50,000	-
Compensated absences.....	237,000	8,300	245,300	18,446
Mortgage payable.....	-	-	-	49,319
Notes payable.....	20,892,892	6,115,000	27,007,892	-
Bonds payable.....	10,922,242	3,407,266	14,329,508	-
Total current liabilities.....	63,731,059	11,849,061	75,580,120	100,603
<b>NONCURRENT:</b>				
Landfill closure.....	250,000	-	250,000	-
Mortgage payable.....	-	-	-	1,378,790
Compensated absences.....	2,133,000	74,700	2,207,700	-
Net pension liability.....	169,527,283	7,544,427	177,071,710	-
Net other postemployment benefits.....	566,107,689	10,306,894	576,414,583	-
Bonds payable.....	143,774,010	45,919,956	189,693,966	-
Total noncurrent liabilities.....	881,791,982	63,845,977	945,637,959	1,378,790
<b>TOTAL LIABILITIES.....</b>	<b>945,523,041</b>	<b>75,695,038</b>	<b>1,021,218,079</b>	<b>1,479,393</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to leases.....	5,464,777	3,533,243	8,998,020	-
Deferred inflows related to pensions.....	161,384	7,183	168,567	-
Deferred inflows related to other postemployment benefits.....	217,437,066	4,560,286	221,997,352	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<b>223,063,227</b>	<b>8,100,712</b>	<b>231,163,939</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets.....	315,739,039	122,889,032	438,628,071	2,121,893
Restricted for:				
Permanent funds:				
Expendable.....	1,051,840	-	1,051,840	-
Nonexpendable.....	1,747,794	-	1,747,794	-
Gifts and grants.....	15,788,353	-	15,788,353	-
Community preservation.....	8,348,195	-	8,348,195	-
Unrestricted.....	(709,349,126)	317,792	(709,031,334)	3,971,081
<b>TOTAL NET POSITION.....</b>	<b>\$ (366,673,905)</b>	<b>\$ 123,206,824</b>	<b>\$ (243,467,081)</b>	<b>\$ 6,092,974</b>

See notes to basic financial statements.

# STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

		Program Revenues				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue	
<b>Primary Government:</b>						
<i>Governmental Activities:</i>						
General government.....	\$ 12,242,355	\$ 7,005,656	\$ 9,274,953	\$ -	\$ 4,038,254	
Public safety.....	24,229,051	5,642,424	1,003,736	-	(17,582,891)	
Education.....	88,159,113	2,921,651	61,575,180	-	(23,662,282)	
Public works.....	18,441,728	1,735,216	2,078,886	1,930,376	(12,697,250)	
Health and human services.....	1,879,865	725,281	403,720	-	(750,864)	
Culture and recreation.....	4,056,544	1,391,764	457,600	-	(2,207,180)	
Community preservation.....	1,140,692	-	-	853,837	(286,855)	
Interest.....	4,224,928	-	-	-	(4,224,928)	
Total Governmental Activities.....	154,374,276	19,421,992	74,794,075	2,784,213	(57,373,996)	
<i>Business-Type Activities:</i>						
Water.....	3,243,079	6,842,503	-	-	3,599,424	
Sewer.....	6,930,334	8,776,115	22,006	-	1,867,787	
Airport.....	4,275,246	3,502,936	-	398,785	(373,525)	
Trash.....	905,370	1,066,073	-	-	160,703	
Cable.....	1,862,598	1,478,183	-	-	(384,415)	
Total Business-Type Activities.....	17,216,627	21,665,810	22,006	398,785	4,869,974	
Total Primary Government.....	\$ 171,590,903	\$ 41,087,802	\$ 74,816,081	\$ 3,182,998	\$ (52,504,022)	
<b>Component Units:</b>						
Plymouth Growth & Development.....	\$ 1,325,559	\$ 2,635,248	\$ -	\$ -	\$ 1,309,689	

See notes to basic financial statements.

(Continued)

# STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Plymouth Growth & Development
<b>Changes in net position:</b>				
Net (expense) revenue from previous page.....	\$ (57,373,996)	\$ 4,869,974	\$ (52,504,022)	\$ 1,309,689
<i>General revenues:</i>				
Real estate and personal property taxes, net of tax refunds payable.....	203,497,218	-	203,497,218	-
Tax and other liens.....	474,748	-	474,748	-
Motor vehicle and other excise taxes.....	10,909,699	-	10,909,699	-
Community preservation tax.....	3,213,046	-	3,213,046	-
Penalties and interest on taxes.....	822,407	-	822,407	-
Payments in lieu of taxes.....	81,312	-	81,312	-
Grants and contributions not restricted to specific programs.....	7,759,141	-	7,759,141	-
Unrestricted investment income.....	3,465,390	518,478	3,983,868	5,402
Gain (loss) on sale of capital assets.....	1,206,000	-	1,206,000	-
Miscellaneous.....	7,854	-	7,854	-
<i>Transfers, net</i> .....	(161,096)	161,096	-	-
Total general revenues and transfers.....	231,275,719	679,574	231,955,293	5,402
Change in net position.....	173,901,723	5,549,548	179,451,271	1,315,091
<i>Net position:</i>				
Beginning of year.....	(540,575,628)	117,657,276	(422,918,352)	4,777,883
End of year.....	\$ (366,673,905)	\$ 123,206,824	\$ (243,467,081)	\$ 6,092,974

(Concluded)

See notes to basic financial statements.

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2023

	General	Community Preservation	Town Building/ Land Capital	School Capital Projects Fund	ARPA Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents.....	\$ 47,218,568	\$ 8,002,130	\$ 10,149,785	\$ 4,970,378	\$ 14,362,818	\$ 30,379,831	\$ 115,083,510
Investments.....	24,681,777	-	-	-	-	1,841,320	26,523,097
Receivables, net of uncollectibles:							
Real estate and personal property taxes.....	1,900,847	-	-	-	-	-	1,900,847
Tax liens.....	762,934	6,817	-	-	-	-	769,751
Community preservation fund surtax.....	-	25,706	-	-	-	-	25,706
Motor vehicle and other excise taxes.....	786,654	-	-	-	-	-	786,654
Departmental and other.....	41,075	-	-	-	-	-	41,075
Intergovernmental.....	143,341	-	-	-	-	3,799,247	3,942,588
Community preservation state share.....	-	620,000	-	-	-	-	620,000
Special assessments.....	-	-	-	-	-	468,081	468,081
Tax foreclosures.....	1,623,225	3,150	-	-	-	-	1,626,375
<b>TOTAL ASSETS.....</b>	<b>\$ 77,158,421</b>	<b>\$ 8,657,803</b>	<b>\$ 10,149,785</b>	<b>\$ 4,970,378</b>	<b>\$ 14,362,818</b>	<b>\$ 36,488,479</b>	<b>\$ 151,787,684</b>
<b>LIABILITIES</b>							
Warrants payable.....	\$ 3,239,012	\$ 309,608	\$ 1,277,606	\$ 2,027,709	\$ 1,397,346	\$ 1,620,786	\$ 9,872,067
Accrued payroll.....	1,110,576	-	-	-	1,391	89,894	1,201,861
Tax refunds payable.....	1,642,433	-	-	-	-	-	1,642,433
Other liabilities.....	112,571	-	-	-	-	2,150,096	2,262,667
Unearned Revenue.....	-	-	-	-	12,964,081	668	12,964,749
Notes payable.....	-	-	15,030,000	5,800,000	-	62,892	20,892,892
<b>TOTAL LIABILITIES.....</b>	<b>6,104,592</b>	<b>309,608</b>	<b>16,307,606</b>	<b>7,827,709</b>	<b>14,362,818</b>	<b>3,924,336</b>	<b>48,836,669</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue.....	4,112,498	655,671	-	-	-	3,573,434	8,341,603
<b>FUND BALANCES</b>							
Nonspendable.....	-	-	-	-	-	1,747,794	1,747,794
Restricted.....	-	7,692,524	-	-	-	27,242,915	34,935,439
Committed.....	9,843,102	-	-	-	-	-	9,843,102
Assigned.....	9,197,392	-	-	-	-	-	9,197,392
Unassigned.....	47,900,837	-	(6,157,821)	(2,857,331)	-	-	38,885,685
<b>TOTAL FUND BALANCES.....</b>	<b>66,941,331</b>	<b>7,692,524</b>	<b>(6,157,821)</b>	<b>(2,857,331)</b>	<b>-</b>	<b>28,990,709</b>	<b>94,609,412</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....</b>	<b>\$ 77,158,421</b>	<b>\$ 8,657,803</b>	<b>\$ 10,149,785</b>	<b>\$ 4,970,378</b>	<b>\$ 14,362,818</b>	<b>\$ 36,488,479</b>	<b>\$ 151,787,684</b>

See notes to basic financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION**

JUNE 30, 2023

Total governmental fund balances.....	\$ 94,609,412
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	478,981,570
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....	8,341,603
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not reported.....	(65,956,193)
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....	11,218,075
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(867,148)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable.....	(154,696,252)
Net pension liability.....	(169,527,283)
Other postemployment benefits.....	(566,107,689)
Landfill closure.....	(300,000)
Compensated absences.....	(2,370,000)
Net effect of reporting long-term liabilities.....	(893,001,224)
Net position of governmental activities.....	\$ (366,673,905)

See notes to basic financial statements.

**GOVERNMENTAL FUNDS**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2023

	General	Community Preservation	Town Building/ Land Capital	School Capital Projects Fund	ARPA Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>							
Real estate and personal property taxes, net of tax refunds.....	\$ 203,386,720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 203,386,720
Tax liens.....	329,383	-	-	-	-	-	329,383
Motor vehicle and other excise taxes.....	11,070,251	-	-	-	-	-	11,070,251
Charges for services.....	130,255	-	-	-	-	10,973	141,228
Penalties and interest on taxes.....	822,407	-	-	-	-	-	822,407
Fees and rentals.....	-	-	-	-	-	3,648	3,648
Payments in lieu of taxes.....	81,312	-	-	-	-	-	81,312
Intergovernmental - federal.....	408,357	-	-	-	5,663,773	7,460,213	13,532,343
Intergovernmental - state aid.....	37,096,390	-	1,000,000	-	-	9,704,563	47,800,953
Intergovernmental - Teachers Retirement.....	17,384,849	-	-	-	-	-	17,384,849
Departmental and other.....	9,964,973	-	-	-	-	14,257,500	24,222,473
Community preservation taxes.....	-	2,947,784	-	245,262	-	20,000	3,213,046
Community preservation state match.....	-	1,072,107	-	-	-	-	1,072,107
Contributions and donations.....	-	-	-	-	-	624,777	624,777
Investment income (loss).....	2,900,255	217,280	-	-	-	114,085	3,231,620
<b>TOTAL REVENUES.....</b>	<b>283,575,152</b>	<b>4,237,171</b>	<b>1,000,000</b>	<b>245,262</b>	<b>5,663,773</b>	<b>32,195,759</b>	<b>326,917,117</b>
<b>EXPENDITURES:</b>							
Current:							
General government.....	10,405,420	-	98,491	-	5,663,773	2,131,786	18,299,470
Public safety.....	32,315,610	-	4,920,395	-	-	2,847,070	40,083,075
Education.....	112,127,056	-	-	2,769,791	-	17,434,848	132,331,695
Public works.....	13,876,600	-	3,021,450	-	-	4,899,653	21,797,703
Health and human services.....	1,583,929	-	-	-	-	613,984	2,197,913
Culture and recreation.....	3,686,722	-	-	-	-	1,139,979	4,826,701
Community preservation.....	-	1,916,538	-	-	-	-	1,916,538
Pension benefits.....	16,307,471	-	-	-	-	-	16,307,471
Pension benefits - Teachers Retirement.....	17,384,849	-	-	-	-	-	17,384,849
Employee benefits.....	48,532,048	-	-	-	-	-	48,532,048
State and county charges.....	10,067,899	-	-	-	-	-	10,067,899
Debt service:							
Principal.....	9,660,664	-	-	-	-	-	9,660,664
Interest.....	6,083,044	-	-	-	-	-	6,083,044
<b>TOTAL EXPENDITURES.....</b>	<b>282,031,312</b>	<b>1,916,538</b>	<b>8,040,336</b>	<b>2,769,791</b>	<b>5,663,773</b>	<b>29,067,320</b>	<b>329,489,070</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>1,543,840</b>	<b>2,320,633</b>	<b>(7,040,336)</b>	<b>(2,524,529)</b>	<b>-</b>	<b>3,128,439</b>	<b>(2,571,953)</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Issuance of bonds.....	-	-	-	-	-	300,000	300,000
Premium from issuance of bonds and notes.....	-	-	-	-	-	296,873	296,873
Proceeds from the sale of capital assets.....	-	-	-	-	-	1,206,000	1,206,000
Transfers in.....	2,175,967	55,732	812,500	-	-	32,999	3,077,198
Transfers out.....	(960,136)	-	(90,000)	-	-	(2,188,158)	(3,238,294)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>1,215,831</b>	<b>55,732</b>	<b>722,500</b>	<b>-</b>	<b>-</b>	<b>(352,286)</b>	<b>1,641,777</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>2,759,671</b>	<b>2,376,365</b>	<b>(6,317,836)</b>	<b>(2,524,529)</b>	<b>-</b>	<b>2,776,153</b>	<b>(930,176)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>64,181,660</b>	<b>5,316,159</b>	<b>160,015</b>	<b>(332,802)</b>	<b>-</b>	<b>26,214,556</b>	<b>95,539,588</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 66,941,331</b>	<b>\$ 7,692,524</b>	<b>\$ (6,157,821)</b>	<b>\$ (2,857,331)</b>	<b>\$ -</b>	<b>\$ 28,990,709</b>	<b>\$ 94,609,412</b>

See notes to basic financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds.....	\$ (930,176)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay.....	28,170,019
Depreciation expense.....	<u>(21,012,137)</u>
Net effect of reporting capital assets.....	7,157,882
Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue.....	
	80,208
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.	
Issuance of bonds.....	(300,000)
Premium from issuance of bonds.....	(296,873)
Net amortization of premium from issuance of bonds.....	1,859,163
Net change in deferred charge on refunding.....	(69,982)
Debt service principal payments.....	<u>9,660,664</u>
Net effect of reporting long-term debt.....	10,852,972
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Net change in compensated absences accrual.....	(62,000)
Net change in accrued interest on long-term debt.....	68,932
Net change in deferred outflow/(inflow) of resources related to pensions.....	38,329,941
Net change in net pension liability.....	(43,744,215)
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits...	(14,153,055)
Net change in other postemployment benefits liability.....	176,481,507
Net change in landfill closure.....	<u>50,000</u>
Net effect of recording long-term liabilities.....	<u>156,971,110</u>
The net activity of internal service funds is reported with Governmental Activities.....	<u>(230,273)</u>
Change in net position of governmental activities.....	<u>\$ 173,901,723</u>

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**

JUNE 30, 2023

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Fund
	Water	Sewer	Airport	Solid Waste	Cable Access	Total	
<b>ASSETS</b>							
<b>CURRENT:</b>							
Cash and cash equivalents.....	\$ 11,525,291	\$ 7,889,496	\$ 733,554	\$ 1,655,692	\$ 76,806	\$ 21,880,839	\$ 11,717,537
Receivables, net of allowance for uncollectibles:							
Liens - user charges.....	149	20,634	-	-	-	20,783	-
User charges.....	2,001,524	2,090,330	3,417	-	-	4,095,271	-
Departmental and other.....	-	-	-	22,119	-	22,119	877,921
Intergovernmental.....	-	1,601	-	-	-	1,601	-
Special assessments.....	4,743	907,115	-	-	-	911,858	-
Lease receivable.....	-	-	314,112	-	-	314,112	-
Other assets.....	-	-	-	-	-	-	1,440,617
Total current assets.....	13,531,707	10,909,176	1,051,083	1,677,811	76,806	27,246,583	14,036,075
<b>NONCURRENT:</b>							
Receivables, net of allowance for uncollectibles:							
Lease receivable.....	-	-	3,219,131	-	-	3,219,131	-
Capital assets, non depreciable.....	22,612,294	14,005,937	12,463,278	139,422	-	49,220,931	-
Capital assets, net of accumulated depreciation.....	29,615,823	77,185,728	15,964,497	1,033,125	-	123,799,173	-
Total noncurrent assets.....	52,228,117	91,191,665	31,646,906	1,172,547	-	176,239,235	-
<b>TOTAL ASSETS.....</b>	<b>65,759,824</b>	<b>102,100,841</b>	<b>32,697,989</b>	<b>2,850,358</b>	<b>76,806</b>	<b>203,485,818</b>	<b>14,036,075</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred outflows related to pensions.....	357,198	61,586	160,123	73,903	-	652,810	-
Deferred outflows related to other postemployment benefits.....	1,955,348	249,240	399,755	259,603	-	2,863,946	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>2,312,546</b>	<b>310,826</b>	<b>559,878</b>	<b>333,506</b>	<b>-</b>	<b>3,516,756</b>	<b>-</b>
<b>LIABILITIES</b>							
<b>CURRENT:</b>							
Warrants payable.....	739,843	359,785	218,666	20,680	378,130	1,717,104	-
Accrued payroll.....	26,972	6,364	11,308	4,953	-	49,597	-
Health claims payable.....	-	-	-	-	-	-	2,818,000
Accrued interest.....	71,298	160,493	2,233	-	-	234,024	-
Other liabilities.....	-	-	-	317,770	-	317,770	-
Compensated absences.....	4,900	1,200	1,700	500	-	8,300	-
Notes payable.....	5,700,000	415,000	-	-	-	6,115,000	-
Bonds payable.....	1,669,591	1,712,675	25,000	-	-	3,407,266	-
Total current liabilities.....	8,212,604	2,655,517	258,907	343,903	378,130	11,849,061	2,818,000
<b>NONCURRENT:</b>							
Compensated absences.....	44,100	10,800	15,300	4,500	-	74,700	-
Net pension liability.....	4,128,084	711,740	1,850,515	854,088	-	7,544,427	-
Net other postemployment benefits.....	6,613,439	804,617	1,758,847	1,129,991	-	10,306,894	-
Bonds payable.....	12,878,378	32,766,578	275,000	-	-	45,919,956	-
Total noncurrent liabilities.....	23,664,001	34,293,735	3,899,662	1,988,579	-	63,845,977	-
<b>TOTAL LIABILITIES.....</b>	<b>31,876,605</b>	<b>36,949,252</b>	<b>4,158,569</b>	<b>2,332,482</b>	<b>378,130</b>	<b>75,695,038</b>	<b>2,818,000</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred inflows related to leases.....	-	-	3,533,243	-	-	3,533,243	-
Deferred inflows related to pensions.....	3,930	678	1,762	813	-	7,183	-
Deferred inflows related to other postemployment benefits.....	3,113,477	396,899	636,567	413,343	-	4,560,286	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<b>3,117,407</b>	<b>397,577</b>	<b>4,171,572</b>	<b>414,156</b>	<b>-</b>	<b>8,100,712</b>	<b>-</b>
<b>NET POSITION</b>							
Net investment in capital assets.....	37,267,011	56,321,699	28,127,775	1,172,547	-	122,889,032	-
Unrestricted.....	(4,188,653)	8,743,139	(3,200,049)	(735,321)	(301,324)	317,792	11,218,075
<b>TOTAL NET POSITION.....</b>	<b>\$ 33,078,358</b>	<b>\$ 65,064,838</b>	<b>\$ 24,927,726</b>	<b>\$ 437,226</b>	<b>\$ (301,324)</b>	<b>\$ 123,206,824</b>	<b>\$ 11,218,075</b>

See notes to basic financial statements.



**PROPRIETARY FUNDS**  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Fund
	Water	Sewer	Airport	Solid Waste	Cable Access	Total	
<b>OPERATING REVENUES:</b>							
Employee contributions.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,281,780
Employer contributions.....	-	-	-	-	-	-	39,330,196
Charges for services.....	6,758,357	8,774,545	3,047,564	1,057,203	1,478,183	21,115,852	-
Rentals.....	-	-	453,752	-	-	453,752	-
Other operating revenues.....	84,146	1,570	1,620	8,870	-	96,206	1,031,800
<b>TOTAL OPERATING REVENUES .....</b>	<b>6,842,503</b>	<b>8,776,115</b>	<b>3,502,936</b>	<b>1,066,073</b>	<b>1,478,183</b>	<b>21,665,810</b>	<b>50,643,776</b>
<b>OPERATING EXPENSES:</b>							
Cost of services and administration.....	2,737,878	4,956,003	2,576,007	739,656	1,862,598	12,872,142	-
Salaries and wages.....	1,437,754	338,813	637,967	266,834	-	2,681,368	-
Change in OPEB and NPL benefit accruals.....	(3,060,356)	(542,860)	(144,344)	(254,786)	-	(4,002,346)	-
Depreciation.....	1,737,407	1,255,666	1,191,175	153,666	-	4,337,914	-
Employee benefits.....	-	-	-	-	-	-	51,107,819
<b>TOTAL OPERATING EXPENSES.....</b>	<b>2,852,683</b>	<b>6,007,622</b>	<b>4,260,805</b>	<b>905,370</b>	<b>1,862,598</b>	<b>15,889,078</b>	<b>51,107,819</b>
<b>OPERATING INCOME (LOSS).....</b>	<b>3,989,820</b>	<b>2,768,493</b>	<b>(757,869)</b>	<b>160,703</b>	<b>(384,415)</b>	<b>5,776,732</b>	<b>(464,043)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>							
Investment income.....	216,083	234,332	23,302	44,761	-	518,478	233,770
Interest expense.....	(390,396)	(922,712)	(14,441)	-	-	(1,327,549)	-
Intergovernmental - state.....	-	22,006	-	-	-	22,006	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES), NET.....</b>	<b>(174,313)</b>	<b>(666,374)</b>	<b>8,861</b>	<b>44,761</b>	<b>-</b>	<b>(787,065)</b>	<b>233,770</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS.....</b>	<b>3,815,507</b>	<b>2,102,119</b>	<b>(749,008)</b>	<b>205,464</b>	<b>(384,415)</b>	<b>4,989,667</b>	<b>(230,273)</b>
<b>CAPITAL CONTRIBUTIONS.....</b>	<b>-</b>	<b>-</b>	<b>398,785</b>	<b>-</b>	<b>-</b>	<b>398,785</b>	<b>-</b>
<b>TRANSFERS:</b>							
Transfers in.....	165,249	105,841	12,317	2,689	-	286,096	-
Transfers out.....	-	-	(125,000)	-	-	(125,000)	-
<b>TOTAL TRANSFERS.....</b>	<b>165,249</b>	<b>105,841</b>	<b>(112,683)</b>	<b>2,689</b>	<b>-</b>	<b>161,096</b>	<b>-</b>
<b>CHANGE IN NET POSITION.....</b>	<b>3,980,756</b>	<b>2,207,960</b>	<b>(462,906)</b>	<b>208,153</b>	<b>(384,415)</b>	<b>5,549,548</b>	<b>(230,273)</b>
<b>NET POSITION AT BEGINNING OF YEAR.....</b>	<b>29,097,602</b>	<b>62,856,878</b>	<b>25,390,632</b>	<b>229,073</b>	<b>83,091</b>	<b>117,657,276</b>	<b>11,448,348</b>
<b>NET POSITION AT END OF YEAR.....</b>	<b>\$ 33,078,358</b>	<b>\$ 65,064,838</b>	<b>\$ 24,927,726</b>	<b>\$ 437,226</b>	<b>\$ (301,324)</b>	<b>\$ 123,206,824</b>	<b>\$ 11,218,075</b>

**PROPRIETARY FUNDS**  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Fund
	Water	Sewer	Airport	Solid Waste	Cable Access	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Receipts from customers and users.....	\$ 6,822,128	\$ 9,106,824	\$ 3,499,519	\$ 1,066,073	\$ 1,478,183	\$ 21,972,727	\$ -
Receipts from interfund services provided.....	-	-	-	-	-	-	51,073,663
Payments to vendors.....	(2,747,673)	(5,067,681)	(2,563,569)	(622,464)	(1,485,628)	(12,487,015)	(1,288,085)
Payments to employees.....	(1,431,445)	(332,960)	(630,862)	(268,291)	-	(2,663,558)	-
Payments for interfund services used.....	-	-	-	-	-	-	(51,048,189)
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>2,643,010</b>	<b>3,706,183</b>	<b>305,088</b>	<b>175,318</b>	<b>(7,445)</b>	<b>6,822,154</b>	<b>(1,262,611)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>							
Transfers in.....	165,249	105,841	12,317	2,689	-	286,096	-
Transfers out.....	-	-	(125,000)	-	-	(125,000)	-
<b>NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....</b>	<b>165,249</b>	<b>105,841</b>	<b>(112,683)</b>	<b>2,689</b>	<b>-</b>	<b>161,096</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>							
Proceeds from the issuance of bonds and notes.....	5,700,000	415,000	-	-	-	6,115,000	-
Capital contributions.....	-	278,873	398,785	-	-	677,658	-
Acquisition and construction of capital assets.....	(1,627,593)	(1,764,738)	(539,345)	(143,164)	-	(4,074,840)	-
Principal payments on bonds and notes.....	(1,945,650)	(2,640,485)	(25,000)	-	-	(4,611,135)	-
Interest expense.....	(642,284)	(1,045,911)	(14,650)	-	-	(1,702,845)	-
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>	<b>1,484,473</b>	<b>(4,757,261)</b>	<b>(180,210)</b>	<b>(143,164)</b>	<b>-</b>	<b>(3,596,162)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>							
Investment income.....	216,083	234,332	23,302	44,761	-	518,478	233,770
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>4,508,815</b>	<b>(710,905)</b>	<b>35,497</b>	<b>79,604</b>	<b>(7,445)</b>	<b>3,905,566</b>	<b>(1,028,841)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....</b>	<b>7,016,476</b>	<b>8,600,401</b>	<b>698,057</b>	<b>1,576,088</b>	<b>84,251</b>	<b>17,975,273</b>	<b>12,746,378</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR.....</b>	<b>\$ 11,525,291</b>	<b>\$ 7,889,496</b>	<b>\$ 733,554</b>	<b>\$ 1,655,692</b>	<b>\$ 76,806</b>	<b>\$ 21,880,839</b>	<b>\$ 11,717,537</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</b>							
Operating income (loss).....	\$ 3,989,820	\$ 2,768,493	\$ (757,869)	\$ 160,703	\$ (384,415)	\$ 5,776,732	\$ (464,043)
Adjustments to reconcile operating income to net cash from operating activities:							
Depreciation.....	1,737,407	1,255,666	1,191,175	153,666	-	4,337,914	-
Deferred (outflows)/inflows related to pensions.....	(834,027)	(167,945)	(392,391)	(198,269)	-	(1,592,632)	-
Deferred (outflows)/inflows related to other postemployment benefits.....	201,574	30,269	49,270	31,104	-	312,217	-
Deferred inflows related to leases.....	-	-	1,423,817	-	-	1,423,817	-
Changes in assets and liabilities:							
User charges.....	(20,375)	150,356	(3,417)	-	-	126,564	-
Departmental and other.....	-	-	-	(1,000)	-	(1,000)	429,887
Intergovernmental.....	-	180,353	-	-	-	180,353	-
Lease receivable.....	-	-	(1,423,817)	-	-	(1,423,817)	-
Other assets.....	-	-	-	-	-	-	(1,288,085)
Warrants payable.....	(9,795)	(111,678)	12,438	(21,028)	376,970	246,907	(1,370)
Accrued payroll.....	7,309	2,853	4,105	1,543	-	15,810	-
Health claims payable.....	-	-	-	-	-	-	61,000
Other liabilities.....	-	-	-	139,220	-	139,220	-
Compensated absences.....	(1,000)	3,000	3,000	(3,000)	-	2,000	-
Net pension liability.....	1,589,655	146,580	614,824	193,138	-	2,544,197	-
Other postemployment benefits.....	(4,017,558)	(551,764)	(416,047)	(280,759)	-	(5,266,128)	-
<b>Total adjustments.....</b>	<b>(1,346,810)</b>	<b>937,690</b>	<b>1,062,957</b>	<b>14,615</b>	<b>376,970</b>	<b>1,045,422</b>	<b>(798,568)</b>
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>\$ 2,643,010</b>	<b>\$ 3,706,183</b>	<b>\$ 305,088</b>	<b>\$ 175,318</b>	<b>\$ (7,445)</b>	<b>\$ 6,822,154</b>	<b>\$ (1,262,611)</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>							
Principal and interest intergovernmental subsidies.....	\$ -	\$ (198,257)	\$ -	\$ -	\$ -	\$ (198,257)	\$ -

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2023

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Fund
<b>ASSETS</b>		
Cash and cash equivalents.....	\$ 3,527,908	\$ 276,525
Investments:		
Investments in Pension Reserve Investment Trust.....	6,662,967	-
Equity securities.....	81,188,196	-
Equity mutual funds.....	51,941,703	-
Fixed income mutual funds.....	32,591,669	-
Alternative Investments.....	63,566,392	-
Other investments.....	-	3,320,750
Receivables, net of allowance for uncollectibles:		
Departmental and other.....	15,535	-
Other assets.....	19,844	-
<b>TOTAL ASSETS.....</b>	<b>239,514,214</b>	<b>3,597,275</b>
<b>LIABILITIES</b>		
Warrants payable.....	171,287	-
<b>NET POSITION</b>		
Restricted for pensions.....	228,523,105	-
Restricted for other postemployment benefits.....	10,819,822	-
Held in trust for other purposes.....	-	3,597,275
<b>TOTAL NET POSITION.....</b>	<b>\$ 239,342,927</b>	<b>\$ 3,597,275</b>

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2023

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Fund
<b>ADDITIONS:</b>		
Contributions:		
Employer contributions.....	\$ 18,605,852	\$ -
Employer contributions for other postemployment benefit payments.....	17,636,873	-
Member contributions.....	5,487,830	-
Retirement benefits - transfers from other systems.....	1,320,968	-
Retirement benefits - 3(8)c contributions from other systems.....	545,107	-
Retirement benefits - federal grant reimbursements.....	55,427	-
Retirement benefits - state COLA reimbursements.....	106,570	-
Retirement benefits - member makeup payments and redeposits.....	105,385	-
Retirement benefits - interest not refunded.....	532	-
Private donations.....	-	518,435
Miscellaneous.....	116,239	-
	<u>43,980,783</u>	<u>518,435</u>
Total contributions.....	<u>43,980,783</u>	<u>518,435</u>
Net investment income:		
Net change in fair value of investments.....	9,620,346	-
Investment income (loss).....	(35,442,234)	56,084
Less: investment expense.....	<u>(1,380,007)</u>	<u>-</u>
Net investment income (loss).....	<u>(27,201,895)</u>	<u>56,084</u>
	<u>16,778,888</u>	<u>574,519</u>
TOTAL ADDITIONS.....	<u>16,778,888</u>	<u>574,519</u>
<b>DEDUCTIONS:</b>		
Administration.....	833,747	-
Retirement benefits - transfers to other systems.....	321,398	-
Retirement benefits - 3(8)c transfer to other systems.....	753,733	-
Retirement benefits and refunds.....	24,032,144	-
Other postemployment benefit payments.....	17,636,873	-
Educational scholarships.....	<u>-</u>	<u>41,750</u>
	<u>43,577,895</u>	<u>41,750</u>
TOTAL DEDUCTIONS.....	<u>43,577,895</u>	<u>41,750</u>
NET INCREASE (DECREASE) IN NET POSITION.....	(26,799,007)	532,769
NET POSITION AT BEGINNING OF YEAR.....	<u>266,141,934</u>	<u>3,064,506</u>
NET POSITION AT END OF YEAR.....	<u>\$ 239,342,927</u>	<u>\$ 3,597,275</u>

See notes to basic financial statements.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements of the Town of Plymouth, Massachusetts (Town) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant Town accounting policies are described herein.

**A. Reporting Entity**

The Town of Plymouth, Massachusetts is a municipal corporation that is governed by an elected Select Board.

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the primary government) and its component units. Two entities have been included as component units in the reporting entity, because of the significance of their operational and/or financial relationship.

*Component Unit Presented as a Fiduciary Fund* – The following component unit is presented as a Fiduciary Fund of the primary government due to the nature and significance of the relationship between the Town and the component unit.

The Plymouth Contributory Retirement System (System) was established to provide retirement benefits to Town employees, the Plymouth Housing Authority employees, and their beneficiaries. The System is governed by a five-member board comprised of the Town Finance Director (ex-officio), two members elected by the System's participants and two members appointed by the Board members. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements.

*Discretely Presented Component Units* – Discretely presented component units are entities that are legally separate from the Town, but are financially accountable to the Town, or whose relationships with the Town are such that exclusion would cause the Town's financial statements to be misleading or incomplete. The Town has presented the following discretely presented component unit.

The Plymouth Growth & Development Corporation was established under Chapter 182 of the Acts of 2002 for the purpose of aiding the Town of Plymouth in developing unused or underused areas and supporting the economic viability of Plymouth. In addition, the Corporation can carry out any other public purpose designated by the Select Board. The seven-member Board of Directors is appointed by the Select Board.

**Availability of Financial Information for Component Units**

The System issues a publicly available audited financial report in accordance with guidelines established by the Commonwealth of Massachusetts' (Commonwealth) Public Employee Retirement Administration Commission (PERAC). That report may be obtained by contacting the System located at 10 Cordage Park Circle, Suite 240, Plymouth, Massachusetts, 02360.

Complete financial statements of the Plymouth Growth & Development Corporation may be obtained by contacting the Corporation at 4 North Street, Suite 2, Plymouth, Massachusetts, 02360.

## B. Government-Wide and Fund Financial Statements

### *Government-Wide Financial Statements*

The government-wide financial statements (i.e., statement of net position and statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

### *Fund Financial Statements*

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and displayed in a single column.

#### *Major Fund Criteria*

Major funds must be reported if the following criteria are met:

- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental or total enterprise funds), *and*
- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

Additionally, any other governmental or enterprise fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

Internal service funds and fiduciary funds are reported by fund type.

## C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

### *Government-Wide Financial Statements*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.

- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues.

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions are charges between the general fund and the water, sewer, airport, solid waste, and cable access enterprise funds and the internal service fund. Elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

#### *Fund Financial Statements*

**Governmental** fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Real estate and personal property tax revenues are considered available if they are collected within 60 days after year-end. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred, and all other grant requirements are met.

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

The *community preservation fund* is used to account for funds received in accordance with the Massachusetts Community Preservation Act (the "CPA"). Funds are received under the CPA through a surcharge of up to 3% of the real property tax levy and matching state grants. These funds are spent for the acquisition, creation and preservation of open space, historic resources and affordable housing.

The *Town building/land capital fund* is used to account for all financial resources appropriated to fund Town building and land purchase related capital projects.

The *school capital projects fund* is used to account for all financial resources appropriated to fund school building construction and renovations.

The ARPA Grant fund is used to account for funds the Town received through the American Rescue Plan Act.

The nonmajor governmental funds consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than permanent funds or capital projects. The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds.

The *permanent fund* is used to account for and report financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

**Proprietary** fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The following major proprietary funds are reported:

The *water enterprise fund* is used to account for the Town's water activities.

The *sewer enterprise fund* is used to account for the Town's sewer activities.

The *airport enterprise fund* is used to account for the Town's airport activities.

The *solid waste enterprise fund* is used to account for the Town's disposal activities.

The *cable access enterprise fund* is used to account for the Town's cable access activities.

Additionally, the following proprietary fund type is reported:

The *internal service fund* is used to account for the financing of services provided by one department to other departments or governmental units. This fund is used to account for risk financing activities related to health insurance and employee benefit programs.

**Fiduciary** fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity by the Town for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported:

The *pension and other employee benefit trust fund* is used to account for the activities of the Plymouth Contributory Retirement System, which accumulates resources to provide pension benefits to eligible retirees and their beneficiaries and of the OPEB (other postemployment benefits) trust which accumulates resources to provide funding for future OPEB liabilities.



The *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The donor restrictions and trustee policies only allow the trustees to authorize spending of the realized investment earnings. The Town's educational scholarship trusts are accounted for in this fund.

#### D. Cash and Investments

##### *Government-Wide and Fund Financial Statements*

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. Investments are carried at fair value.

#### E. Fair Value Measurements

The Town reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Town's financial instruments, see Note 3 – Cash and Investments.

F. Accounts Receivable*Government-Wide and Fund Financial Statements*

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and the proprietary funds and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

***Real Estate, Personal Property Taxes and Tax Liens***

Real estate and personal property taxes are levied and based on values assessed on January 1<sup>st</sup> of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1<sup>st</sup>, November 1<sup>st</sup>, February 1<sup>st</sup> and May 1<sup>st</sup> and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the year of the levy.

Real estate tax liens are processed during the year on delinquent properties and are recorded as receivables in the year they are processed.

Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

Personal property taxes cannot be secured through the lien process. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

***Motor Vehicle Excise***

Motor vehicle excise taxes are assessed annually for each vehicle registered in the Town and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

***Water and Sewer***

User fees are levied monthly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Water and Sewer liens are processed every year and included as a lien on the property owner's tax bill. Water and Sewer charges and liens are recorded as receivables in the year of the levy.

Since the receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

***Departmental and Other***

Departmental and other receivables are recorded as receivables in the year accrued. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

***Intergovernmental***

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred, and all other grant requirements are met.

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

**G. Inventories*****Government-Wide and Fund Financial Statements***

Inventories are recorded as expenditures at the time of purchase. Such inventories are not material in total to the government-wide and fund financial statements, and therefore are not reported.

**H. Capital Assets*****Government-Wide and Proprietary Fund Financial Statements***

Capital assets, which include land, construction in progress, land improvements, buildings, machinery and equipment, vehicles, and infrastructure (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government-wide financial statements, and the proprietary fund financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. Except for the capital assets of the governmental activities' column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets.

All purchases and construction costs in excess of \$15,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets (excluding land and construction in progress) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Land improvements.....	20 - 50
Buildings.....	30 - 50
Machinery and equipment.....	5 - 20
Vehicles.....	5 - 8
Infrastructure.....	20 - 50

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

***Governmental Fund Financial Statements***

Capital asset costs are recorded as expenditures in the acquiring fund in the year of the purchase.

I. Deferred Outflows/Inflows of Resources*Government-Wide Financial Statements (Net Position)*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reported deferred charges on refunding, deferred outflows related to both pensions and other postemployment benefits in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reported deferred inflows related to lease receivables, pensions and other postemployment benefits in this category.

*Governmental Fund Financial Statements*

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents assets that have been recorded in the governmental fund financial statements, but the revenue is not available and so will not be recognized as an inflow of resources (revenue) until it becomes available. The Town has recorded unavailable revenue as deferred inflows of resources in the governmental funds balance sheet.

J. Unavailable Revenue*Fund Financial Statements*

Unavailable revenue at the governmental fund financial statement level represents billed receivables that do not meet the available criterion in accordance with the current financial resources' measurement focus and the modified accrual basis of accounting, i.e. receivables that are not considered to be available to liquidate liabilities of the current period. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

K. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

*Government-Wide Financial Statements*

Transactions of a buyer/seller nature between and within governmental funds and internal service funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as "internal balances".

*Fund Financial Statements*

Transactions of a buyer/seller nature between and within funds are *not* eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as "Due from other funds" or "Due to other funds" on the balance sheet.

### L. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out.

#### *Government-Wide Financial Statements*

Transfers between and within governmental funds and internal service funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers, net".

*Fund Financial Statements*

Transfers between and within funds are *not* eliminated from the individual fund statements and are reported as transfers in and transfers out.

### M. Net Position and Fund Equity

#### *Government-Wide Financial Statements (Net Position)*

Net position is reported as restricted when amounts are not available for appropriation or are legally restricted by outside parties for a specific future use.

Net position has been "restricted for" the following:

"Permanent funds - expendable" represents the amount of realized and unrealized investment earnings of donor restricted trusts. The donor restrictions and trustee policies only allow the trustees to approve spending of the realized investment earnings that support governmental programs.

"Permanent funds - nonexpendable" represents the endowment portion of donor restricted trusts that support governmental programs.

"Grants and gifts" represent restrictions placed on assets from outside parties.

"Community Preservation" represents financial resources raised through the tax levy to fund Community Preservation related projects.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

#### *Fund Financial Statements (Fund Balances)*

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are as follows:

"Nonspendable" fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

“Restricted” fund balance includes amounts subject to constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or that are imposed by law through constitutional provisions or enabling legislation.

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Town meeting is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes but are neither restricted nor committed. The Select Board has, by resolution, authorized the Finance Director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The Town’s spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

#### N. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plymouth Contributory Retirement System and the Massachusetts Teacher’s Retirement System and additions to/deductions from the Systems’ fiduciary net positions have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### O. Long-term Debt

##### *Government-Wide and Proprietary Fund Financial Statements*

Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

##### *Governmental Fund Financial Statements*

The face amount of governmental funds long-term debt is reported as other financing sources in the period issued. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

P. Investment Income

Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).

Investment income from proprietary funds and the internal service fund is retained within the respective fund.

Q. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies.

*Government-Wide and Proprietary Fund Financial Statements*

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

*Governmental Fund Financial Statements*

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability.

R. Use of Estimates*Government-Wide and Fund Financial Statements*

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the year. Actual results could vary from estimates that were used.

S. Individual Fund Deficits

Individual fund deficits exist within the Town Capital and the School Capital Project Funds. These deficits will be funded through bond proceeds, and available fund balance in future years.

T. Total Column*Government-Wide Financial Statements*

The total column presented on the government-wide financial statements represents consolidated financial information.

*Fund Financial Statements*

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

**NOTE 2 – PROPERTY TAX LIMITATION**

The amount that can be raised by the Town tax levy is governed by Proposition 2 ½. The gross tax levy for 2023 was \$205,049,685, which was \$9,262,381 less than the levy limit allowable for the year as computed under Proposition 2 ½.

**NOTE 3 – CASH AND INVESTMENTS**

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Short-term Investments." The deposits and investments of the trust funds are held separately from those of other funds.

Statutes authorize the investment in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (the Pool). In addition, there are various restrictions limiting the amount and length of deposits and investments.

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (MMDT), which was established by the Treasurer of the Commonwealth who serves as Trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

**Custodial Credit Risk - Deposits**

In the case of deposits, this is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. At year-end, the carrying amount of deposits totaled \$142,610,571 and the bank balance totaled \$147,158,686. Of the bank balance, \$2,552,363 was covered by Federal Depository Insurance, \$59,313,971 was covered by the Depositors Insurance Fund, \$49,246,432 was collateralized, and \$36,045,920 was uninsured and uncollateralized.

At December 31, 2022, the carrying amount of deposits for the System totaled \$297,051 and the bank balance totaled \$421,917 all of which was covered by Federal Depository Insurance.

At December 31, 2022, the carrying amount of deposits for the component unit totaled \$3,842,438 and the bank balance totaled \$3,853,930. Of the bank balance, \$250,000 was covered by Federal Depository Insurance, and \$3,603,930 was uninsured and uncollateralized.



Investments

As of June 30, 2023, the Town of Plymouth had the following investments:

		Maturities		
Investment Type	Fair value	Under 1 Year	1-5 Years	6-10 Years
Debt securities:				
U.S. Treasury bonds.....	\$ 9,458,958	\$ 1,133,476	\$ 6,591,829	\$ 1,733,653
Government sponsored enterprises.....	2,014,918	49,744	1,896,849	68,325
Corporate bonds.....	4,851,026	590,700	3,323,128	937,198
Fixed income mutual funds.....	8,541,063	-	-	8,541,063
Total debt securities.....	24,865,965	\$ 1,773,920	\$ 11,811,806	\$ 11,280,239
Other investments:				
Equity securities.....	9,002,808			
Equity mutual funds.....	6,794,896			
MMDT - Cash portfolio.....	6,347,840			
Total investments.....	\$ 47,011,509			

As of December 31, 2022, the Retirement System had the following investments:

		<u>Maturities</u>
<u>Investment Type</u>	<u>Fair value</u>	<u>6-10 Years</u>
<u>Debt securities:</u>		
Bond mutual funds.....	\$ 28,566,743	\$ 28,566,743
<u>Other investments:</u>		
Equity securities.....	47,725,246	
Equity mutual funds.....	51,941,703	
PRIT real estate fund.....	22,210,482	
International securities.....	26,668,054	
Money market mutual funds.....	3,230,857	
PRIT alternative Investment mutual funds.....	41,355,910	
Pension Reserve Investment Trust (PRIT).....	6,662,967	
Total investments.....	\$ 228,361,962	

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in possession of an outside party. The Town has a custodial credit risk exposure of \$15,868,752 because the related debt and equity securities are uninsured, unregistered and held by the counterparty. The Town will minimize custodial credit risk with the use of reporting services such as Veribanc, Moody's Investors Services, Fitch Rating, and Standard and Poor's.

The Retirement System's investments are not subject to custodial credit risk as all of the securities are insured or registered and held by its agents in the name of the Plymouth Contributory Retirement System.

### Interest Rate Risk

The Town will minimize interest rate risk by diversifying in a “laddered” type of investment to spread out maturities of certificates of deposit, treasuries and government agency bonds.

The Town participates in MMDT, which maintains a cash portfolio and a short-term bond fund with combined average maturities of approximately three months.

The System investment policy states that the duration of all fixed income securities shall be maintained within a range of +/- fifteen percent of the duration of the fixed income benchmark designated within the “Manager Specific Guidelines”. Also, when managing assets, the System at all times must be in accordance with the provisions of the Public Employee Retirement Administration Commission (PERAC), the Employee Retirement Income Security Act (ERISA), and Department of Labor regulations.

### Credit Risk

At June 30, 2023, the Town’s investments in U.S. Treasury Bonds and Government Sponsored Enterprises are rated AA+, Corporate Bonds are rated A+ through BBB based on Standard and Poor’s Ratings, and the fixed income mutual funds are AA+. The equity securities, equity mutual funds, and MMDT are unrated. The System’s policy states that all fixed income investments shall be maintained at a quality rating of A or better, unless “Manager Specific Guidelines” allow further diversification. At December 31, 2022, the System has Bond Mutual Funds rated AA+.

### Concentration of Credit Risk

The Town will minimize concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of institution will be minimized. The target upper-level range of funds concentrated in any institution is 10%. There were no individual investments that exceeded 10% of the total investments at June 30, 2023.

The System places a 5% maximum investment in any one issuer. There were no individual investments that exceeded 5% of the total investments at June 30, 2023.

### Fair Value of Investments

The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town’s mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town chooses a tabular format for disclosing the levels within the fair value hierarchy.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Town has the following recurring fair value measurements as of June 30, 2023:

Investment Type	June 30, 2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments measured at fair value:</b>				
<u>Debt securities:</u>				
U.S. Treasury bonds.....	\$ 9,458,958	\$ 9,458,958	\$ -	\$ -
Government sponsored enterprises.....	2,014,918	2,014,918	-	-
Corporate bonds.....	4,851,026	-	4,851,026	-
Fixed income mutual funds.....	8,541,063	8,541,063	-	-
Total debt securities.....	24,865,965	20,014,939	4,851,026	-
<u>Other investments:</u>				
Equity securities.....	9,002,808	9,002,808	-	-
Equity mutual funds.....	6,794,896	6,794,896	-	-
Total other investments.....	15,797,704	15,797,704	-	-
Total investments measured at fair value.....	40,663,669	\$ 35,812,643	\$ 4,851,026	\$ -
<b>Investments measured at amortized cost:</b>				
MMDT - Cash portfolio.....	6,347,840			
Total investments.....	\$ 47,011,509			

U.S. Treasury bonds, Government sponsored enterprises, equity securities, equity mutual funds, and fixed income mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate bonds are classified in Level 2 of the fair value hierarchy, each valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

MMDT investments are valued at amortized cost. Under the amortized cost method, an investment is valued initially at its cost and adjusted for the amount of interest income accrued each day over the term of the investment to account for any difference between the initial cost and the amount payable at its maturity. If amortized cost is determined not to approximate fair value, the value of the portfolio securities will be determined under procedures established by the Advisor.

### Retirement System

The retiree pension defined benefit plan holds significant amounts of investments that are measured at fair value on a recurring basis. Because investing is a key part of the plan's activities, the plan shows greater disaggregation in its disclosures. The plan chooses a tabular format for disclosing the levels within the fair value hierarchy.

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The System has the following recurring fair value measurements as of December 31, 2022:

Investment Type	December 31, 2022	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments measured at fair value:</b>				
<u>Debt securities:</u>				
Bond mutual funds.....	\$ 28,566,743	\$ 28,566,743	\$ -	\$ -
<u>Other investments:</u>				
Equity securities.....	47,725,246	47,725,246	-	-
Equity mutual funds.....	51,941,703	51,941,703	-	-
International securities.....	26,668,054	26,668,054	-	-
Money market mutual funds.....	3,230,857	3,230,857	-	-
Total other investments.....	129,565,860	129,565,860	-	-
Total investments measured at fair value.....	158,132,603	\$ 158,132,603	\$ -	\$ -
<b>Investments measured at net asset value:</b>				
Pension Reserve Investment Trust (PRIT).....	70,229,359			
Total investments.....	\$ 228,361,962			

Bond mutual funds, equity securities, equity mutual funds, money market mutual funds and international securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

PRIT Investments are valued using the net asset value (NAV) method. This investment pool was established by the Treasurer of the Commonwealth of Massachusetts, who serves as Trustee. PRIT is administered by the Pension Reserves Investment Management Board (PRIM). The fair values of the positions in each investment Pool are the same as the value of each Pool's shares. The System does not have the ability to control any of the investment decisions relative to its funds in PRIT.

#### NOTE 4 – RECEIVABLES

At June 30, 2023, receivables for the individual major governmental funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes....	\$ 2,166,933	\$ (266,086)	\$ 1,900,847
Tax liens.....	769,751	-	769,751
Community preservation fund surtax.....	25,706	-	25,706
Motor vehicle and other excise taxes.....	2,061,234	(1,274,580)	786,654
Departmental and other.....	918,996	-	918,996
Intergovernmental - other.....	3,942,588	-	3,942,588
Community preservation state share.....	620,000	-	620,000
Special assessments.....	468,081	-	468,081
Total.....	\$ 10,973,289	\$ (1,540,666)	\$ 9,432,623

At June 30, 2023, receivables for the enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<b>Receivables:</b>			
Water liens - user charges.....	\$ 149	\$ -	\$ 149
Water user charges.....	2,001,524	-	2,001,524
Water special assessments.....	4,743	-	4,743
Sewer liens - user charges.....	20,634	-	20,634
Sewer user charges.....	2,090,330	-	2,090,330
Sewer intergovernmental.....	1,601	-	1,601
Sewer special assessments.....	907,115	-	907,115
Airport user charges.....	3,417	-	3,417
Solid Waste departmental and other.....	22,119	-	22,119
<b>Total.....</b>	<b>\$ 5,051,632</b>	<b>\$ -</b>	<b>\$ 5,051,632</b>

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

	General Fund	Community Preservation Funds	Other Governmental Funds	Total
<b>Receivables and Other Assets:</b>				
Real estate and personal property taxes.....	\$ 898,608	\$ -	\$ -	\$ 898,608
Tax liens.....	762,936	6,815	-	769,751
Community preservation fund surtax.....	-	25,706	-	25,706
Motor vehicle and other excise taxes.....	786,654	-	-	786,654
Departmental and other.....	41,075	-	-	41,075
Intergovernmental.....	-	620,000	3,105,353	3,725,353
Special assessments.....	-	-	468,081	468,081
Tax foreclosures.....	1,623,225	3,150	-	1,626,375
<b>Total.....</b>	<b>\$ 4,112,498</b>	<b>\$ 655,671</b>	<b>\$ 3,573,434</b>	<b>\$ 8,341,603</b>

## NOTE 5 – LEASE RECEIVABLES

### Lease Receivables

The Town has several right-to-use lease agreements relating to the Town owned land and buildings, as well as the Airport. Under the current lease agreements, the Town is scheduled to receive lease payments through 2051.

The future scheduled lease revenues as of June 30, 2023, are as follows:

Years ending June 30:	Governmental Activities			Business-Type Activities		
	Lease Revenues	Interest	Total	Lease Revenues	Interest	Total
2024.....	\$ 224,879	\$ 166,657	\$ 391,536	\$ 314,112	\$ 101,700	\$ 415,812
2025.....	243,617	159,655	403,272	318,810	92,214	411,024
2026.....	258,472	152,144	410,616	224,535	83,937	308,472
2027.....	278,816	144,112	422,928	175,776	77,868	253,644
2028.....	282,066	135,702	417,768	149,855	72,949	222,804
2029 to 2033.....	1,213,576	555,296	1,768,872	870,327	290,577	1,160,904
2034 to 2038.....	898,652	406,084	1,304,736	907,309	156,383	1,063,692
2039 to 2051.....	1,844,933	576,151	2,421,084	572,515	32,707	605,222
<b>Total future lease revenues.....</b>	<b>\$ 5,245,011</b>	<b>\$ 2,295,801</b>	<b>\$ 7,540,812</b>	<b>\$ 3,533,239</b>	<b>\$ 908,335</b>	<b>\$ 4,441,574</b>

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023, was as follows:

**Governmental Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 106,719,083	\$ 900,000	\$ -	\$ 107,619,083
Construction in progress.....	20,662,687	19,048,616	(4,097,989)	35,613,314
Total capital assets not being depreciated....	127,381,770	19,948,616	(4,097,989)	143,232,397
<u>Capital assets being depreciated:</u>				
Land improvements.....	21,955,409	155,266	-	22,110,675
Buildings.....	382,063,067	2,891,356	(450,000)	384,504,423
Machinery and equipment.....	56,433,358	1,626,931	-	58,060,289
Vehicles.....	18,917,146	1,072,975	-	19,990,121
Infrastructure.....	139,194,716	6,572,864	-	145,767,580
Total capital assets being depreciated.....	618,563,696	12,319,392	(450,000)	630,433,088
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(9,802,228)	(939,395)	-	(10,741,623)
Buildings.....	(127,876,881)	(11,943,087)	450,000	(139,369,968)
Machinery and equipment.....	(50,257,841)	(1,800,940)	-	(52,058,781)
Vehicles.....	(16,516,249)	(1,494,882)	-	(18,011,131)
Infrastructure.....	(69,668,579)	(4,833,833)	-	(74,502,412)
Total accumulated depreciation.....	(274,121,778)	(21,012,137)	450,000	(294,683,915)
Total capital assets being depreciated, net.....	344,441,918	(8,692,745)	-	335,749,173
Total governmental activities capital assets, net.....	\$ 471,823,688	\$ 11,255,871	\$ (4,097,989)	\$ 478,981,570

**Business-Type Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 21,059,701	\$ -	\$ -	\$ 21,059,701
Construction in progress.....	25,436,078	3,410,440	(685,288)	28,161,230
Total capital assets not being depreciated....	46,495,779	3,410,440	(685,288)	49,220,931
<u>Capital assets being depreciated:</u>				
Land improvements.....	14,017,493	116,660	-	14,134,153
Buildings.....	35,281,669	-	-	35,281,669
Machinery and equipment.....	6,831,771	482,510	-	7,314,281
Vehicles.....	2,321,234	127,535	-	2,448,769
Infrastructure.....	162,418,683	1,015,762	-	163,434,445
Total capital assets being depreciated.....	220,870,850	1,742,467	-	222,613,317
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(8,293,824)	(559,672)	-	(8,853,496)
Buildings.....	(14,590,683)	(807,777)	-	(15,398,460)
Machinery and equipment.....	(5,101,914)	(428,423)	-	(5,530,337)
Vehicles.....	(1,381,476)	(99,702)	-	(1,481,178)
Infrastructure.....	(65,108,333)	(2,442,340)	-	(67,550,673)
Total accumulated depreciation.....	(94,476,230)	(4,337,914)	-	(98,814,144)
Total capital assets being depreciated, net.....	126,394,620	(2,595,447)	-	123,799,173
Total business-type activities capital assets, net....	\$ 172,890,399	\$ 814,993	\$ (685,288)	\$ 173,020,104

**Component Unit**

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 1,325,033	\$ -	\$ -	\$ 1,325,033
<u>Capital assets being depreciated:</u>				
Leasehold improvements.....	217,366	363,538	-	580,904
Meters and parking equipment.....	699,521	50,948	-	750,469
Office furniture and other equipment.....	362,864	-	-	362,864
Buildings.....	1,566,421	-	-	1,566,421
Vehicles.....	42,874	-	-	42,874
Total capital assets being depreciated.....	2,889,046	414,486	-	3,303,532
<u>Less accumulated depreciation for:</u>				
Leasehold improvements.....	(38,785)	(17,204)	-	(55,989)
Meters and parking equipment.....	(521,068)	(41,320)	-	(562,388)
Office furniture and other equipment.....	(299,626)	(26,523)	-	(326,149)
Buildings.....	(58,574)	(40,165)	-	(98,739)
Vehicles.....	(30,248)	(5,050)	-	(35,298)
Total accumulated depreciation.....	(948,301)	(130,262)	-	(1,078,563)
Total capital assets being depreciated, net.....	1,940,745	284,224	-	2,224,969
Total governmental activities capital assets, net....	\$ 3,265,778	\$ 284,224	\$ -	\$ 3,550,002

Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental Activities:**

General government.....	\$	2,017,099
Public safety.....		2,172,728
Education.....		9,616,441
Public works.....		6,621,034
Health and human services.....		260,197
Culture and recreation.....		205,691
Community preservation.....		118,947

Total depreciation expense - governmental activities..... \$ 21,012,137

**Business-Type Activities:**

Water.....	\$	1,737,407
Sewer.....		1,255,666
Airport.....		1,191,175
Trash.....		153,666

Total depreciation expense - business-type activities... \$ 4,337,914

**Component Unit Activities:**

Plymouth Growth and Development Corporation.....	\$	<u>130,262</u>
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**NOTE 7 – INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2023, are summarized as follows:

Transfers Out:	Transfers In:								Total
	General fund	Community Preservation Fund	Town Building/Land Capital	Nonmajor Governmental funds	Sewer enterprise fund	Water enterprise fund	Airport enterprise fund	Solid waste enterprise fund	
General fund.....	\$ -	\$	\$ 812,500	\$ 32,999	\$ 35,734	\$ 63,897	\$ 12,317	\$ 2,689	\$ 960,136 (1)
Town building/land capital.....	90,000	-	-	-	-	-	-	-	90,000 (2)
Nonmajor governmental funds.....	1,960,967	55,732	-	-	70,107	101,352	-	-	2,188,158 (3)
Airport enterprise fund.....	125,000	-	-	-	-	-	-	-	125,000 (3)
Total.....	\$ <u>2,175,967</u>	\$ <u>55,732</u>	\$ <u>812,500</u>	\$ <u>32,999</u>	\$ <u>105,841</u>	\$ <u>165,249</u>	\$ <u>12,317</u>	\$ <u>2,689</u>	\$ <u>3,363,294</u>

- (1) Budgeted transfers from the General Fund to the Town's Enterprise Funds.
- (2) Transfer from the Town Building/Land Capital Major Fund to the General Fund.
- (3) Transfers from various Nonmajor Funds and the Airport Enterprise Fund to the general fund to fund the 2023 operating budget.



**NOTE 8 – SHORT-TERM FINANCING**

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund and enterprise funds.

Details related to the short-term debt activity for the year ended June 30, 2023, are as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2022	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2023
<b>Governmental Funds:</b>							
	MCWT Interim Note (CWT-20-02).....	0.00%	On Demand	\$ 286,010	\$ -	\$ (286,010)	\$ -
	General Obligation.....	2.50%	06/28/23	3,240,000	-	(3,240,000)	-
	General Obligation.....	5.00%	06/28/24	-	20,830,000	-	20,830,000
	MCWT Interim Note (CWT-22-02).....	0.00%	On Demand	-	62,892	-	62,892
	Total Governmental Funds.....			<u>\$ 3,526,010</u>	<u>\$ 20,892,892</u>	<u>\$ (3,526,010)</u>	<u>\$ 20,892,892</u>
<b>Water Enterprise Fund:</b>							
	General Obligation.....	2.50%	06/28/23	\$ 400,000	\$ -	(400,000)	\$ -
	General Obligation.....	5.00%	06/28/24	-	5,700,000	-	5,700,000
	Total Water Enterprise Fund.....			<u>400,000</u>	<u>5,700,000</u>	<u>(400,000)</u>	<u>5,700,000</u>
<b>Sewer Enterprise Fund:</b>							
	General Obligation.....	2.50%	06/28/23	415,000	-	(415,000)	-
	General Obligation.....	5.00%	06/28/24	-	415,000	-	415,000
	Total Sewer Enterprise Fund.....			<u>415,000</u>	<u>415,000</u>	<u>(415,000)</u>	<u>415,000</u>
	Total Enterprise Fund.....			<u>\$ 815,000</u>	<u>\$ 6,115,000</u>	<u>\$ (815,000)</u>	<u>\$ 6,115,000</u>

The Town entered into an interim loan CWT-22-02 with the Massachusetts Clean Water Trust (MCWT) in 2023 totaling \$300,000. As of June 30, 2023, the Town has drawn down \$62,892 against the interim loan. The drawdown of interim loan proceeds has been classified as a short term note in the governmental fund financial statements. Upon conclusion of the related construction project, the MCWT will finalize the loan and will issue a new note that will be payable on a long-term basis.

**NOTE 9 – LONG-TERM DEBT**

Under the provisions of Chapter 44, Section 10, Municipal Law authorizes indebtedness up to a limit of 5% of the equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit". In addition, however, debt may be authorized in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit". Details related to the outstanding indebtedness at June 30, 2023, and the debt service requirements are as follows:

**Bonds Payable Schedule – Governmental Funds**

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2023
FY2013 Municipal Purpose Bonds.....	2038	\$ 23,674,000	3.00 - 5.00	\$ 10,250,000
FY2015 Municipal Purpose Bonds.....	2040	39,063,063	3.00 - 4.00	25,115,000
FY2016 Municipal Purpose Bonds.....	2035	730,743	0.00	456,714
FY2017 General Obligation Refunding Bonds...	2029	8,390,125	3.00 - 4.00	4,206,050
FY2017 Municipal Purpose Bonds.....	2047	68,375,000	3.00 - 5.00	55,640,000
FY2019 Municipal Purpose Bonds.....	2049	19,132,200	3.00 - 5.00	15,345,000
FY2021 Municipal Purpose Bonds.....	2050	18,204,938	2.00 - 5.00	15,315,000
FY2021 Municipal Purpose Bonds.....	2036	19,190,074	2.00 - 5.00	16,355,000
Sub-total general obligation bonds payable.....				<u>142,682,764</u>
Title V - MCWT (T5-97-1029-2).....	2025	185,254	0.00	10,000
FY2008 Title V - MCWT.....	2028	600,000	0.00	90,000
FY2010 Title V - MCWT.....	2028	400,000	0.00	133,330
FY2012 Title V - MCWT.....	2028	400,000	0.00	133,330
FY2015 Title V - MCWT.....	2035	300,000	0.00	180,000
FY2017 Title V - MCWT.....	2037	300,000	0.00	223,116
FY2018 Title V - MCWT.....	2039	200,000	2.00	166,570
FY2021 Title V - MCWT.....	2041	200,000	2.00	183,643
FY2023 Title V - MCWT.....	2033	300,000	2.00	<u>300,000</u>
Subtotal direct borrowings payable.....				<u>1,419,989</u>
Total Bonds Payable.....				<u>144,102,753</u>
Add: Unamortized premium on bonds.....				<u>10,593,499</u>
Total Bonds Payable, net.....				<u>\$ 154,696,252</u>

Debt service requirements for principal and interest for Governmental bonds payable in future years are as follows:

Year	General Obligation Bonds			Direct Borrowings			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	
2024.....\$	9,348,137	\$ 5,523,412	\$ 14,871,549	\$ 154,401	\$ 11,574	\$ 165,975	\$ 15,037,524
2025.....	9,351,737	5,096,529	14,448,266	155,076	10,697	165,773	14,614,039
2026.....	9,280,587	4,669,185	13,949,772	150,766	9,932	160,698	14,110,470
2027.....	9,215,737	4,244,226	13,459,963	151,470	9,278	160,748	13,620,711
2028.....	9,095,887	3,821,976	12,917,863	142,191	8,608	150,799	13,068,662
2029.....	7,853,187	3,427,580	11,280,767	79,594	7,924	87,518	11,368,285
2030.....	7,716,537	3,079,639	10,796,176	80,347	7,225	87,572	10,883,748
2031.....	7,751,537	2,730,855	10,482,392	81,115	6,512	87,627	10,570,019
2032.....	7,531,537	2,451,525	9,983,062	81,901	5,785	87,686	10,070,748
2033.....	7,206,537	2,211,404	9,417,941	82,702	5,041	87,743	9,505,684
2034.....	6,946,537	1,967,508	8,914,045	53,522	4,277	57,799	8,971,844
2035.....	6,521,537	1,757,369	8,278,906	54,358	3,501	57,859	8,336,765
2036.....	6,298,269	1,568,926	7,867,195	40,214	2,706	42,920	7,910,115
2037.....	5,095,000	1,377,656	6,472,656	41,088	1,895	42,983	6,515,639
2038.....	5,030,000	1,209,058	6,239,058	23,326	1,066	24,392	6,263,450
2039.....	4,645,000	1,027,925	5,672,925	23,832	714	24,546	5,697,471
2040.....	4,415,000	864,144	5,279,144	11,914	482	12,396	5,291,540
2041.....	3,340,000	706,717	4,046,717	12,172	244	12,416	4,059,133
2042.....	2,910,000	588,112	3,498,112	-	-	-	3,498,112
2043.....	2,975,000	476,502	3,451,502	-	-	-	3,451,502
2044.....	2,825,000	375,112	3,200,112	-	-	-	3,200,112
2045.....	2,880,000	277,950	3,157,950	-	-	-	3,157,950
2046.....	2,670,000	165,588	2,835,588	-	-	-	2,835,588
2047.....	1,225,000	61,676	1,286,676	-	-	-	1,286,676
2048.....	235,000	15,400	250,400	-	-	-	250,400
2049.....	240,000	8,776	248,776	-	-	-	248,776
2050.....	80,001	1,987	81,988	-	-	-	81,988
Total.....\$	<u>142,682,764</u>	<u>\$ 49,706,737</u>	<u>\$ 192,389,501</u>	<u>\$ 1,419,989</u>	<u>\$ 97,461</u>	<u>\$ 1,517,450</u>	<u>\$ 193,906,951</u>

**Bonds Payable Schedule – Enterprise Funds**

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2023
FY2015 Sewer Bonds .....	2035	\$ 1,549,800	3.00 - 5.00	\$ 910,000
FY2017 Sewer Bonds (Refunding).....	2037	288,500	3.00 - 4.00	171,400
FY2017 Sewer Bonds .....	2039	3,930,000	3.00 - 4.00	3,025,000
FY2019 Sewer Bonds .....	2039	7,327,300	3.00 - 5.00	5,845,000
FY2021 Sewer Bonds (Refunding).....	2031	336,500	2.00 - 5.00	270,000
FY2021 Sewer Bonds .....	2041	1,335,739	2.00 - 5.00	<u>1,185,000</u>
Sub-total sewer general obligation bonds payable .....				11,406,400
FY2004 MCWT.....	2024	480,794	0.00	24,520
FY2019 MCWT.....	2049	7,319,662	2.40	6,343,706
FY2019 MCWT.....	2049	3,986,181	2.40	3,448,000
FY2021 MCWT.....	2051	13,241,047	2.20	<u>12,358,311</u>
Sub-total sewer direct borrowings payable .....				22,174,537
Add: Unamortized premium on bonds .....				<u>898,316</u>
Total sewer bonds payable .....				<u>34,479,253</u>
FY2015 Water Bonds .....	2035	2,652,137	3.00 - 4.00	1,570,000
FY2017 Water Bonds (Refunding).....	2029	1,981,375	3.00 - 4.00	1,162,550
FY2017 Water Bonds .....	2037	5,025,000	3.00 - 5.00	2,110,000
FY2019 Water Bonds .....	2039	8,720,500	3.00 - 5.00	6,960,000
FY2021 Water Bonds (Refunding).....	2031	1,455,000	2.00 - 5.00	435,000
FY2021 Water Bonds .....	2041	547,750	2.00 - 5.00	<u>1,160,000</u>
Sub-total water general obligation bonds payable .....				13,397,550
Add: Unamortized premium on bonds .....				<u>1,150,419</u>
Total water bonds payable .....				<u>14,547,969</u>
FY2017 Airport Bonds .....	2032	440,000	3.00 - 5.00	<u>300,000</u>
Total Bonds Payable, net .....				<u>\$ 49,327,222</u>

Debt service requirements for principal and interest for enterprise fund bonds payable in future years are as follows:

Year	General Obligation Bonds			Direct Borrowings			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	
2024.....	\$ 2,228,400	\$ 1,019,907	\$ 3,248,307	\$ 842,567	\$ -	\$ 842,567	\$ 4,090,874
2025.....	2,219,800	912,922	3,132,722	818,043	-	818,043	3,950,765
2026.....	2,200,950	806,332	3,007,282	818,038	-	818,038	3,825,320
2027.....	2,035,800	700,792	2,736,592	818,033	-	818,033	3,554,625
2028.....	1,795,650	603,258	2,398,908	818,028	-	818,028	3,216,936
2029.....	1,803,350	521,982	2,325,332	818,021	-	818,021	3,143,353
2030.....	1,585,000	440,084	2,025,084	818,016	-	818,016	2,843,100
2031.....	1,595,000	367,734	1,962,734	818,010	-	818,010	2,780,744
2032.....	1,385,000	307,234	1,692,234	818,005	-	818,005	2,510,239
2033.....	1,350,000	257,365	1,607,365	817,999	-	817,999	2,425,364
2034.....	1,355,000	206,913	1,561,913	817,993	-	817,993	2,379,906
2035.....	1,360,000	164,147	1,524,147	817,987	-	817,987	2,342,134
2036.....	1,160,000	122,250	1,282,250	817,981	-	817,981	2,100,231
2037.....	1,170,000	86,994	1,256,994	817,974	-	817,974	2,074,968
2038.....	865,000	51,400	916,400	817,967	-	817,967	1,734,367
2039.....	865,000	26,100	891,100	817,961	-	817,961	1,709,061
2040.....	65,000	800	65,800	817,954	-	817,954	883,754
2041.....	65,000	400	65,400	817,946	-	817,946	883,346
2042.....	-	-	-	817,937	-	817,937	817,937
2043.....	-	-	-	817,930	-	817,930	817,930
2044.....	-	-	-	817,922	-	817,922	817,922
2045.....	-	-	-	817,914	-	817,914	817,914
2046.....	-	-	-	817,906	-	817,906	817,906
2047.....	-	-	-	817,898	-	817,898	817,898
2048.....	-	-	-	817,889	-	817,889	817,889
2049.....	-	-	-	817,882	-	817,882	817,882
2050.....	-	-	-	441,368	-	441,368	441,368
2051.....	-	-	-	441,368	-	441,368	441,368
Total.....	\$ 25,103,950	\$ 6,596,614	\$ 31,700,564	\$ 22,174,537	\$ -	\$ 22,174,537	\$ 53,875,101

The Town received the final principal and interest subsidies during fiscal year 2023. Since the Town is legally obligated for the total amount of the debt, such amounts have been reported in the accompanying basic financial statements. The 2023 principal subsidy recognized in the Sewer Enterprise Fund was \$180,353 and the 2023 interest subsidy was \$17,904. The Town is not due any further principal or interest subsidies.

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit.

At June 30, 2023, the Town had the following authorized and unissued debt:

Purpose	Amount
Stephens Field Renovation.....	\$ 4,750,000
Sewer Treatment Plant Upgrade.....	1,931,270
1996 75' Ladder Replacement.....	1,496,853
Fire Station Renovation Program.....	1,607,356
Beach Nourishment.....	2,506,000
Jenny Pond Dredging.....	2,201,000
Fire Station Renovation #5.....	9,100,000
Town Boat Ramp Reconstruction.....	1,651,516
Spire Center Historical Rehabilitation.....	600,000
Court/Cherry Traffic Signal Improvements.....	2,700,000
DMEA - Plymouth Harbor Dredging.....	2,600,000
Road & Bridge Improvements.....	5,000,000
Title V Septic MCWT #16.....	400,000
Culvert Relocation - Hedge Road.....	643,000
Plympton Road Sidewalks.....	1,500,000
Brattle Rd. Bridge Construction.....	2,437,500
Fire Station #2 West Plymouth.....	9,200,000
Title V Septic MCWT #15.....	300,000
Collection System Rehabilitation.....	700,000
Cordage Gravity Interceptor Relocation.....	90,000
Federal Furnace Roof.....	3,722,061
West Elementary Roof.....	3,722,018
Indian Brook Elementary Roof.....	3,910,659
School HVAC Replacement.....	1,000,000
Manomet Zone Pipe Upgrades 2.....	9,512,950
Water Infrastructure Improvements.....	5,242,600
Manomet Zone Pipe Upgrades.....	5,100,000
<b>Total.....</b>	<b>\$ 83,624,783</b>

### Changes in Long-Term Liabilities

During the year ended June 30, 2023, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>							
Long-term bonds payable.....	\$ 152,194,549	\$ -	\$ (9,511,787)	\$ -	\$ -	\$ 142,682,762	\$ 9,348,137
Direct borrowings payable.....	1,268,865	300,000	(148,877)	-	-	1,419,988	154,402
Add: Unamortized premium on bonds...	12,155,792	-	-	296,873	(1,859,163)	10,593,502	1,419,703
Total bonds payable.....	165,619,206	300,000	(9,660,664)	296,873	(1,859,163)	154,696,252	10,922,242
Landfill closure.....	350,000	-	-	-	(50,000)	300,000	50,000
Compensated absences.....	2,308,000	-	-	293,000	(231,000)	2,370,000	237,000
Net pension liability.....	125,783,068	-	-	60,104,752	(16,360,537)	169,527,283	-
Other postemployment benefits.....	742,589,196	-	-	-	(176,481,507)	566,107,689	-
Total governmental activity long-term liabilities.....	\$ 1,036,649,470	\$ 300,000	\$ (9,660,664)	\$ 60,694,625	\$ (194,982,207)	\$ 893,001,224	\$ 11,209,242
<b>Business-Type Activities:</b>							
Long-term bonds payable.....	\$ 27,413,506	\$ -	\$ (2,553,739)	\$ -	\$ -	\$ 24,859,767	\$ 2,228,400
Direct borrowings payable.....	23,660,920	-	(1,242,396)	-	-	22,418,524	842,567
Add: Unamortized premium on bonds...	2,426,611	-	-	-	(377,680)	2,048,931	336,299
Total bonds payable.....	53,501,037	-	(3,796,135)	-	(377,680)	49,327,222	3,407,266
Compensated absences.....	81,000	-	-	15,600	(13,600)	83,000	8,300
Net pension liability.....	5,000,230	-	-	3,272,285	(728,088)	7,544,427	-
Other postemployment benefits.....	15,573,022	-	-	-	(5,266,128)	10,306,894	-
Total business-type activity long-term liabilities.....	\$ 74,155,289	\$ -	\$ (3,796,135)	\$ 3,287,885	\$ (6,385,496)	\$ 67,261,543	\$ 3,415,566

The long-term liabilities will be liquidated in the future by the general fund and enterprise funds.

**NOTE 10 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS**

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portions of endowment funds as nonspendable.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision-making authority.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

As of June 30, 2023, the governmental fund balances consisted of the following:

	General	Community Preservation	Town Building/ Land Capital	School Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Permanent fund principal..... \$	- \$	- \$	- \$	- \$	1,747,794 \$	1,747,794
<b>Restricted for:</b>						
Community Preservation.....	-	7,692,524	-	-	-	7,692,524
Excluded Debt Projects.....	-	-	-	-	111,870	111,870
Town Federal Grants.....	-	-	-	-	875,425	875,425
Town Revolving.....	-	-	-	-	5,402,463	5,402,463
Town Gifts.....	-	-	-	-	2,012,143	2,012,143
Town Title V.....	-	-	-	-	932,079	932,079
Town Other Grants.....	-	-	-	-	6,389,672	6,389,672
School Lunch.....	-	-	-	-	3,827,147	3,827,147
School Federal Grants.....	-	-	-	-	253,845	253,845
School State Grants.....	-	-	-	-	3,151,915	3,151,915
School Revolving.....	-	-	-	-	3,195,259	3,195,259
Other Special Revenue.....	-	-	-	-	39,257	39,257
Permanent Funds.....	-	-	-	-	1,051,840	1,051,840
<b>Committed to:</b>						
Articles and continuing appropriations:						
General government.....	241,288	-	-	-	-	241,288
Public safety.....	2,020,149	-	-	-	-	2,020,149
Education.....	704,913	-	-	-	-	704,913
Public works.....	6,132,900	-	-	-	-	6,132,900
Health and human services.....	21,103	-	-	-	-	21,103
Culture and recreation.....	722,749	-	-	-	-	722,749
<b>Assigned to:</b>						
General government.....	390,305	-	-	-	-	390,305
Public safety.....	405,466	-	-	-	-	405,466
Education.....	1,335,436	-	-	-	-	1,335,436
Public works.....	212,050	-	-	-	-	212,050
Health and human services.....	10,000	-	-	-	-	10,000
Culture and recreation.....	7,977	-	-	-	-	7,977
Free cash used for subsequent year budget.....	6,836,158	-	-	-	-	6,836,158
<b>Unassigned.....</b>	<b>47,900,837</b>	<b>-</b>	<b>(6,157,821)</b>	<b>(2,857,331)</b>	<b>-</b>	<b>38,885,685</b>
<b>Total Fund Balances..... \$</b>	<b>\$ 66,941,331</b>	<b>\$ 7,692,524</b>	<b>\$ (6,157,821)</b>	<b>\$ (2,857,331)</b>	<b>\$ 28,990,709</b>	<b>\$ 94,609,412</b>

**NOTE 11 – STABILIZATION FUND**

Massachusetts General Law Ch.40 §5B allows for the establishment of Stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of Town Meeting and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of Town Meeting.

At year end, the balance of the General Stabilization Fund is \$12,476,230 and is reported as unassigned fund balance within the General Fund. During 2023, the fund had an investment income of \$206,842. The general stabilization fund balance can be used for general and/or capital purposes upon Town Meeting approval.

At year end, the balance of the Nuclear Plant Mitigation Stabilization Fund is \$8,621,030 and is reported as unassigned fund balance within the General Fund. During 2023, the fund had an investment income of \$166,081. The Nuclear Plant Mitigation Stabilization fund balance can be used for general and/or capital purposes upon Town Meeting approval.

At year end, the balance of the Pavement Management Stabilization Fund is \$5,136,397 and is reported as unassigned fund balance within the General Fund. During 2023, the fund had an investment income of \$79,236, and had a transfer in from the general fund of \$1,498,013, a transfer out to the general fund of \$832,550, and received maintenance fee revenue of \$14,750. The Pavement Management Stabilization Fund can be used for capital purposes related to the sidewalks and roadways.

At year end, the balance of the Facility Capital Maintenance Stabilization Fund is \$5,795,793 and is reported as unassigned fund balance within the General Fund. During 2023, the fund earned \$149,338 of investment income and received a transfer in from the general fund of \$630,725. The Facility Capital Maintenance Stabilization Fund can be used for capital maintenance of Town-owned buildings.

**NOTE 12 – RISK FINANCING**

The Town is self-insured for its health and dental insurance activities. These activities are accounted for in the internal service fund where revenues are recorded when earned and expenses are recorded when the liability is incurred.

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many factors. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claims settlement trends, and other economic and social factors.

*(a) Health and Dental Insurance*

The estimate of Incurred But Not Reported (IBNR) claims is based on an approximate 7% of claims paid average. The Town purchases individual stop loss insurance for claims in excess of the coverage provided by the Town in the amount of \$175,000. At June 30, 2023, the amount of the liability for health and dental insurance claims totaled \$2,818,000. This liability is the best estimate based on available information. Changes in the reported liability since July 1, 2021, are as presented on the following page.



	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
2022.....	\$ 2,565,000	\$ 49,043,922	\$ (48,851,922)	\$ 2,757,000
2023.....	2,757,000	51,109,189	(51,048,189)	2,818,000

## NOTE 13 – PENSION PLAN

### *Plan Descriptions*

The Town is a member of the Plymouth Contributory Retirement System (PCRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 2 member units. The System is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The System is a component unit and is reported as a pension trust fund in the fiduciary fund financial statements.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <https://mtrs.state.ma.us/service/financial-reports/>.

### *Special Funding Situation*

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2022. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$17,384,849 is reported in the general fund as intergovernmental revenue and employee benefits in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$211,340,881 as of the measurement date.

### *Benefits Provided*

Both Systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain exceptions, uniform from system to system. The Systems provide for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

At December 31, 2022, the System's membership consists of the following:

Active members.....	908
Inactive members.....	231
Retirees and beneficiaries currently receiving benefits.....	860
Total.....	<u>1,999</u>

### *Contributions*

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the PCRS a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll.

The total member units' contribution for the year ended December 31, 2022 was \$17,489,660, 31.69% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The Town's proportionate share of the required contribution was \$17,033,198; the Town also transferred an additional \$55,427 from federal grants.

### *Pension Liabilities*

The components of the net pension liability of the participating member units at December 31, 2022, were as follows:

Total pension liability.....	\$	409,750,325
Total pension plan's fiduciary net position.....		<u>(228,523,105)</u>
Total net pension liability.....	\$	<u>181,227,220</u>
The pension plan's fiduciary net position as a percentage of the total pension liability.....		55.8%

At June 30, 2023, the Town reported a liability of \$177,071,710 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At December 31, 2022, the Town's proportion was 97.70%, which changed from its 97.58% proportion measured at December 31, 2021.

*Pension Expense*

For the year ended June 30, 2023, the Town recognized pension expense of \$23,454,464. At June 30, 2023, the Town reported deferred outflows of resources related to pensions of \$15,321,783. The Town is also reporting deferred inflows of resources related to pensions of \$168,567.

The balances of deferred outflows and inflows at June 30, 2023 consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 781,675	\$ -	\$ 781,675
Difference between projected and actual earnings, net.....	14,109,105	-	14,109,105
Changes in assumptions.....	273,428	(8,523)	264,905
Changes in proportion and proportionate share of contributions...	157,575	(160,044)	(2,469)
Total deferred outflows/(inflows) of resources.....	\$ 15,321,783	\$ (168,567)	\$ 15,153,216

The Town's net deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024.....	\$ (396,619)
2025.....	2,877,307
2026.....	3,562,244
2027.....	9,097,287
2028.....	12,997
Total.....	\$ 15,153,216

*Actuarial Assumptions*

The total pension liability in the January 1, 2023, actuarial valuation was determined using the following actuarial assumptions:

Valuation date.....	January 1, 2022
Actuarial cost method.....	Entry Age Normal Cost Method.
Amortization method.....	UAAL: Increasing dollar amount at 4% to reduce the Unfunded Actuarial Accrued Liability to zero on or before June 30, 2035. The annual increase in appropriation is further limited to 8% in FY2022 and 7% thereafter. 2002 ERI: Increasing dollar amount at 4.25% to reduce the 2002 ERI Actuarial Accrued Liability to zero on or before June 30, 2028.
Asset valuation method.....	The Actuarial Value of Assets is the market value of assets as of the valuation date reduced by the sum of: a) 75% of gains and losses of the prior year, b) 50% of gains and losses of the second prior year, and c) 25% of gains and losses of the third prior year. Investment gains and losses are determined by the excess or deficiency of the expected return over the actual return on the market value. The actuarial valuation of assets is further constrained to be not less than 90% or more than 110% of market value.

Payroll growth.....	3.5% per year.
Inflation rate.....	2.4% per year.
Projected salary increases.....	6% - 4.25% for Group 1 and 7% - 4.75% for Group 4.
Cost of living adjustments.....	Cost of living allowances (COLA) are assumed to be 3% of the pension amount, capped at \$420 per year and effective July 1, 2023, capped at \$480 per year. An additional 2% of the pension amount, up to a maximum of \$280, is assumed to be payable effective July 1, 2022.
Rates of retirement.....	Varies based upon age for general employees, police and fire employees.
Mortality rates.....	RP-2014 Blue Collar Employees table with generationally mortality improvement using Scale MP-2018. For disabled member, RP-2014 Blue Collar Mortality Table set forward one year with full generational mortality improvement using Scale MP-2018.
Investment rate of return.....	7.00% net of pension plan investment expense, including inflation.

### Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation for a 7-10-year outlook as of December 31, 2022, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
US Core Bond.....	15.0%	2.40%
US Dynamic Bonds.....	4.00%	3.00%
High Yield Bonds.....	4.50%	4.50%
US Large Cap.....	18.5%	4.10%
US Small Cap.....	8.00%	3.90%
International Developed Equity.....	20.0%	6.30%
Emerging Markets Equity.....	2.00%	8.20%
Real Estate.....	10.1%	3.80%
Broad Real Assets.....	0.10%	4.20%
Marketable Alternatives.....	5.10%	5.50%
Private Equity.....	12.7%	7.10%
Total.....	100%	

*Rate of Return*

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (11.10%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00%, which remained consistent with the previous valuation. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
The Town's proportionate share of the net pension liability.....	\$ <u>223,459,102</u>	\$ <u>177,071,710</u>	\$ <u>137,952,278</u>
The System's total net pension liability.....	\$ <u>228,703,229</u>	\$ <u>181,227,220</u>	\$ <u>141,189,735</u>

*Change in Plan Assumptions*

None.

*Change in Plan Provisions*

None.

**NOTE 14 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS***Plan Description*

The Town of Plymouth administers a single employer defined benefit healthcare plan (Retiree Health Plan). The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members. Chapter 32b of the MGL assigns authority to establish and amend benefit provisions of the plan.

Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

*Funding Policy*

Contribution requirements are also negotiated between the Town and union representatives. Retired plan members and beneficiaries currently receiving benefits are required to contribute 1%, 10%, or 20% of the cost of benefits provided and the Town contributes the remaining premium costs and may contribute additional amounts to pre-fund benefits. Administrative costs of the Plan are assumed to be included in the fully insured premium rates. For 2023, contributions to the plan totaled \$18,808,492. For the year ended June 30, 2023, the Town's average contribution rate was 14.60% of covered employee payroll.

*Rate of Return*

The annual money-weighted rate of return on OPEB plan investments was 10.99%. The money-weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts actually invested.

*Plan Membership*

The following table represents the Plan's membership at June 30, 2023:

Active members.....	1,602
Inactive members currently receiving benefits.....	<u>1,379</u>
Total.....	<u><u>2,981</u></u>

*Components of OPEB Liability*

The following table represents the components of the other postemployment benefits liability as of June 30, 2023:

Total OPEB liability.....	\$ 587,234,405
Less: OPEB plan's fiduciary net position.....	<u>(10,819,822)</u>
Net OPEB liability.....	<u><u>\$ 576,414,583</u></u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	1.84%

*Significant Actuarial Methods Assumptions*

The following actuarial methods and assumptions were used to determine the total other postemployment benefit liability in the July 1, 2022, actuarial valuation, applied to all periods included in the measurement date that was updated to June 30, 2023 to be in compliance with GASB Statement #74 and Statement #75:

Valuation date.....	July 1, 2022.
Actuarial cost method.....	Entry Age Normal.
Amortization method.....	Increasing at 3.5% over 30 years on an open amortization period for partial pre-funding.
Amortization period.....	30 years.
Asset valuation method.....	Fair value.
Investment rate of return.....	6.00%, net of investment expenses and including inflation at 2.5%.
Discount rate.....	3.65%. Net of investment expenses, including inflation.
Healthcare cost trend rate.....	8.00% for 2022, decreasing 0.5% per year to 6.0%, then grading down to ultimate trend rate of 4.1%, utilizing the Society of Actuaries Getzen Medical Trend Model. The ultimate medical inflation rate is reached in 2075.
Inflation rate.....	2.5% per year, based on current economic data, analyses from economists and other experts, and professional judgements.
Mortality rates:	
Pre-retirement mortality (General and Public Safety employees).....	RP-2014 Blue Collar Employees Table projected generationally with Scale MP-2018.
Post-retirement mortality (General and Public Safety employees).....	RP-2014 Blue Collar Healthy Annuitant Table projected generationally with Scale MP-2018.
Pre-retirement mortality - Teachers.....	PUB-2010 Teachers Headcount-Weighted Retiree Mortality Table, base year 2010, projected with generationally mortality using Scale MP-2021.
Post-retirement mortality - Teachers.....	PUB-2010 Teachers Headcount-Weighted Retiree Mortality Table, base year 2010, projected with generationally mortality using Scale MP-2021.

*Investment Policy*

The Town's policy in regard to the allocation of invested assets is established and may be amended by the Select Board by a majority vote of its members. The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the plan.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target

asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin.

The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized below:

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equities.....	40.00%	5.14%
International equities.....	20.00%	5.95%
Fixed income.....	40.00%	2.26%
Total.....	100.00%	

#### *Discount Rate*

The discount rate used to measure the total OPEB liability was 3.65%. The projection of cash flows used to determine the discount rate assumed that contributions from the Town will be made in accordance with the plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be insufficient to make all projected benefit payments of current plan members. Therefore, the 3.65% municipal bond rate was applied to all periods to determine the total OPEB liability.

#### *Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The following table presents the net OPEB liability calculated using the discount rate of 3.65%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65%) or 1 percentage point higher (4.65%) than the current rate.

	<u>1% Decrease (2.65%)</u>	<u>Current Discount Rate (3.65%)</u>	<u>1% Increase (4.65%)</u>
Net OPEB liability.....	\$ 679,528,371	\$ 576,414,583	\$ 494,947,196

#### *Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate*

The following table presents the net OPEB liability calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Net OPEB liability.....	\$ 485,298,455	\$ 576,414,583	\$ 694,831,748



*Changes in Assumptions and Plan Provisions*

- The discount rate changed from 3.54% as of June 30, 2022, to 3.65% as of June 30, 2023.
- The inflation rate changed from 2.40% as of June 30, 2022, to 2.50% as of June 30, 2023.
- The healthcare trend rate changed from 4.00% as of June 30, 2022, to 4.10% as of June 30, 2023.
- Mortality rates were updated to Scale MP-2021.

*Summary of Significant Accounting Policies*

For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the plan.

For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year or less, which are reported at cost.

*Changes in the Net OPEB Liability*

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2022.....	\$ 766,749,427	\$ 8,587,209	\$ 758,162,218
Changes for the year:			
Service cost.....	25,374,857		25,374,857
Interest.....	27,729,025		27,729,025
Changes of benefit terms.....	(205,058,796)		(205,058,796)
Differences between expected and actual experience..	(25,800,860)		(25,800,860)
Net investment income (loss).....		1,060,994	(1,060,994)
Contributions - employer.....		18,808,492	(18,808,492)
Changes in assumptions and other inputs.....	15,877,625		15,877,625
Benefit payments.....	(17,636,873)	(17,636,873)	-
Net change.....	(179,515,022)	2,232,613	(181,747,635)
Balances at June 30, 2023.....	\$ 587,234,405	\$ 10,819,822	\$ 576,414,583

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

For the year ended June 30, 2023, the GASB Statement #75 measurement date, the Town recognized an OPEB income of \$148,456,266. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 4,109,201	(51,370,367)	\$ (47,261,166)
Changes in assumptions.....	135,135,730	(170,626,985)	(35,491,255)
Earnings on OPEB plan investments.....	172,404	-	172,404
Total deferred outflows/(inflows) of resources.....	\$ <u>139,417,335</u>	\$ <u>(221,997,352)</u>	\$ <u>(82,580,017)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement date year ended June 30:	
2024.....	\$ 7,778,707
2025.....	2,398,841
2026.....	(21,532,616)
2027.....	(43,364,190)
2028.....	(27,041,414)
Thereafter.....	<u>(819,345)</u>
Total.....	\$ <u>(82,580,017)</u>

**NOTE 15 – FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS**

GAAP requires that all Pension and Other Postemployment Benefit Trust Funds be combined in one column in the Fiduciary Funds financial statements and the individual financial statements for each trust fund plan are reported in the notes of the financial statements. Provided below are the individual financial statements for the pension and OPEB plans that are included in the Fiduciary Funds as Pension and Other Postemployment Benefit Trust Funds.

	Pension Trust Fund (as of December 31, 2022)	Other Postemployment Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
<b>ASSETS</b>			
Cash and cash equivalents.....	\$ 3,527,908	\$ -	\$ 3,527,908
Investments:			
Investments in Pension Reserve Investment Trust.....	6,662,967	-	6,662,967
Equity securities.....	74,393,300	6,794,896	81,188,196
Equity mutual funds.....	51,941,703	-	51,941,703
Fixed income mutual funds.....	28,566,743	4,024,926	32,591,669
Alternative investments.....	63,566,392	-	63,566,392
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	15,535	-	15,535
Other assets.....	19,844	-	19,844
<b>TOTAL ASSETS.....</b>	<b>228,694,392</b>	<b>10,819,822</b>	<b>239,514,214</b>
<b>LIABILITIES</b>			
Warrants payable.....	171,287	-	171,287
<b>NET POSITION</b>			
Restricted for pensions.....	228,523,105	-	228,523,105
Restricted for other postemployment benefits.....	-	10,819,822	10,819,822
<b>TOTAL NET POSITION.....</b>	<b>\$ 228,523,105</b>	<b>\$ 10,819,822</b>	<b>\$ 239,342,927</b>

	Pension Trust Fund (as of December 31, 2022)	Other Postemployment Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
<b>ADDITIONS:</b>			
Contributions:			
Employer contributions.....	\$ 17,434,233	\$ 1,171,619	\$ 18,605,852
Employer contributions for other postemployment benefit payments...	-	17,636,873	17,636,873
Member contributions.....	5,487,830	-	5,487,830
Transfers from other systems.....	1,320,968	-	1,320,968
3(8)c contributions from other systems.....	545,107	-	545,107
Federal grant reimbursements.....	55,427	-	55,427
State COLA reimbursements.....	106,570	-	106,570
Member makeup payments and redeposits.....	105,385	-	105,385
Interest not refunded.....	532	-	532
Miscellaneous.....	116,239	-	116,239
Total contributions.....	25,172,291	18,808,492	43,980,783
Net investment income:			
Net change in fair value of investments.....	8,559,352	1,060,994	9,620,346
Investment income.....	(35,442,234)	-	(35,442,234)
Less: investment expense.....	(1,380,007)	-	(1,380,007)
Net investment income (loss).....	(28,262,889)	1,060,994	(27,201,895)
TOTAL ADDITIONS.....	(3,090,598)	19,869,486	16,778,888
<b>DEDUCTIONS:</b>			
Administration.....	833,747	-	833,747
Transfers to other systems.....	321,398	-	321,398
3(8)c transfer to other systems.....	753,733	-	753,733
Retirement benefits and refunds.....	24,032,144	-	24,032,144
Other postemployment benefit payments.....	-	17,636,873	17,636,873
TOTAL DEDUCTIONS.....	25,941,022	17,636,873	43,577,895
NET INCREASE (DECREASE) IN NET POSITION.....	(29,031,620)	2,232,613	(26,799,007)
NET POSITION AT BEGINNING OF YEAR.....	257,554,725	8,587,209	266,141,934
NET POSITION AT END OF YEAR.....	\$ 228,523,105	\$ 10,819,822	\$ 239,342,927

**NOTE 16 - LANDFILL CLOSURE COSTS**

State and federal laws and regulations require that the Town must construct a final capping system on all of its landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites after closure.

The Manomet and Cedarville landfill sites have been closed and capped since 1998 and 1995, respectively. Annual monitoring is performed at these sites and the estimated future liability for post-closure care is \$300,000.

The South Street landfill site was closed and capped in 1973. As a result of landfill gas migration, it has been determined that the Town will need to perform additional capping and ventilation projects. This is currently in the planning stage and therefore no liability has been recorded in the current year.

**NOTE 17 – COMMITMENTS**

During 2016, the Town entered into a new long-term contract with Southeastern Massachusetts Partnership (SEMASS) to provide solid waste disposal services through 2025. Total charges are based on a formula of tipping and transport fees with costs rising 2.5% annually. Actual expenditures under this contract for 2023 were approximately \$181,000.

The Town has entered into, or is planning to enter into, contracts totaling approximately \$83.6 million for Stephens Field Renovations, road pavement preservation, beach nourishment, harbor dredging, the Manomet & West Plymouth Fire Station Renovations, Manomet Zone pipe upgrades, new ladder truck replacement, various school roof and HVAC projects, and other miscellaneous projects.

**NOTE 18 – CONTINGENCIES**

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards through June 30, 2023, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2023 cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2023.

**NOTE 19 – TAX INCREMENT FINANCING AGREEMENTS**

Periodically, the Town will enter into tax increment financing (TIF) agreements with commercial entities under Chapter 40, Section 59 of the Massachusetts General Laws. Under this section of the law, localities may grant property tax exemptions of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The exemptions may be granted to any business located within or promising to relocate to the Town. For the fiscal year ended June 30, 2023, the Town exempted property taxes totaling \$941,900 under this program.

The Town has not made any commitments as part of the agreements other than to reduce taxes. The Town is not subject to any tax abatement agreements entered into by other governmental entities.

**NOTE 20 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through May 1, 2024, which is the date the financial statements were available to be issued.

**NOTE 21 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During 2023, the following GASB pronouncements were implemented:

- GASB Statement #91, *Conduit Debt Obligations*. This pronouncement did not impact the basic financial statements.
- GASB Statement #94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This pronouncement did not impact the basic financial statements.
- GASB Statement #96, *Subscription-Based Information Technology Arrangements*. This pronouncement did not impact the basic financial statements.
- GASB Statement #99, *Omnibus 2022*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #100, *Accounting Changes and Error Corrections*, which is required to be implemented in 2024.
- The GASB issued Statement #101, *Compensated Absences*, which is required to be implemented in 2025.

Management is currently assessing the impact the implementation of these pronouncements will have on the basic financial statements.

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## ***Required Supplementary Information***



# ***General Fund Budgetary Comparison Schedule***

The General Fund is the general operating fund of the Town. It is used to account for all the financial resources, except those required to be accounted for in another fund.

**GENERAL FUND**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
<b>REVENUES:</b>							
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 203,776,454	\$ 203,776,454	\$ 203,776,454	\$ 203,262,988	\$ -	\$ (513,466)
Tax liens.....	-	-	-	-	329,383	-	329,383
Motor vehicle and other excise taxes.....	-	10,474,660	10,474,660	10,474,660	11,070,251	-	595,591
Charges for services.....	-	-	-	-	130,255	-	130,255
Penalties and interest on taxes.....	-	930,000	930,000	930,000	822,407	-	(107,593)
Payments in lieu of taxes.....	-	76,000	76,000	76,000	81,312	-	5,312
Intergovernmental.....	-	34,930,128	34,930,128	34,930,128	37,504,747	-	2,574,619
Departmental and other.....	-	8,201,800	8,201,800	8,201,800	9,950,223	-	1,748,423
Investment income.....	-	222,000	222,000	222,000	2,298,758	-	2,076,758
TOTAL REVENUES.....	-	258,611,042	258,611,042	258,611,042	265,450,324	-	6,839,282
<b>EXPENDITURES:</b>							
Current:							
General government.....	298,392	15,373,074	15,671,466	12,480,910	10,982,384	631,593	866,933
Public safety.....	855,754	31,645,939	32,501,693	36,103,417	32,315,610	2,425,615	1,362,192
Education.....	3,916,857	110,102,541	114,019,398	114,019,398	111,518,979	2,040,349	460,070
Public works.....	5,179,923	15,354,060	20,533,983	21,981,509	14,453,564	6,344,950	1,182,995
Health and human services.....	16,585	1,742,089	1,758,674	1,973,787	1,583,929	31,103	358,755
Culture and recreation.....	641,651	3,716,114	4,357,765	4,672,270	3,686,722	730,726	254,822
Pension benefits.....	-	17,034,198	17,034,198	17,034,198	17,033,198	-	1,000
Employee benefits.....	142,844	50,302,111	50,444,955	50,284,956	49,174,598	-	1,110,358
State and county charges.....	-	10,469,241	10,469,241	10,469,241	10,067,899	-	401,342
Debt service:							
Principal.....	-	9,672,799	9,672,799	9,672,799	9,660,664	-	12,135
Interest.....	2,800	6,495,375	6,498,175	6,114,916	6,083,044	-	31,872
TOTAL EXPENDITURES.....	11,054,806	271,907,541	282,962,347	284,807,401	266,560,591	12,204,336	6,042,474
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(11,054,806)	(13,296,499)	(24,351,305)	(26,196,359)	(1,110,267)	(12,204,336)	12,881,756
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in.....	-	6,978,776	6,978,776	7,195,316	7,320,316	-	125,000
Transfers out.....	-	-	-	(4,860,882)	(4,878,468)	-	(17,586)
TOTAL OTHER FINANCING SOURCES (USES).....	-	6,978,776	6,978,776	2,334,434	2,441,848	-	107,414
NET CHANGE IN FUND BALANCE.....	(11,054,806)	(6,317,723)	(17,372,529)	(23,861,925)	1,331,581	(12,204,336)	12,989,170
BUDGETARY FUND BALANCE, Beginning of year.....	-	35,830,810	35,830,810	35,830,810	35,830,810	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ (11,054,806)	\$ 29,513,087	\$ 18,458,281	\$ 11,968,885	\$ 37,162,391	\$ (12,204,336)	\$ 12,989,170

See notes to required supplementary information.

# ***Pension Plan Schedules – Retirement System***

The Pension Plan's Schedule of Changes in the Net Pension Liability presents multi-year trend information on the net pension liability and related ratios.

The Pension Plan's Schedule of Contributions presents multi-year trend information on the required and actual contributions to the pension plan and related ratios.

The Pension Plan's Schedule of Investment Return presents multi-year trend information on the money-weighted investment return on retirement assets, net of investment expense.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY  
AND RELATED RATIOS  
PLYMOUTH CONTRIBUTORY RETIREMENT SYSTEM**

	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017
<b>Total pension liability:</b>				
Service cost.....	\$ 5,646,000	\$ 6,464,000	\$ 6,755,000	\$ 7,333,000
Interest.....	19,782,000	19,941,000	21,717,000	22,776,000
Changes in benefit terms.....	-	-	-	-
Differences between expected and actual experience.....	-	(987,000)	5,200,000	-
Changes in assumptions.....	-	14,600,000	8,100,000	-
Benefit payments.....	(15,003,000)	(16,221,000)	(17,031,000)	(18,506,000)
Net change in total pension liability.....	10,425,000	23,797,000	24,741,000	11,603,000
Total pension liability - beginning.....	257,104,000	267,529,000	291,326,000	316,067,000
Total pension liability - ending (a).....	<u>\$ 267,529,000</u>	<u>\$ 291,326,000</u>	<u>\$ 316,067,000</u>	<u>\$ 327,670,000</u>
<b>Plan fiduciary net position:</b>				
Employer contributions.....	\$ 9,996,000	\$ 10,748,000	\$ 11,682,000	\$ 12,538,000
Member contributions.....	3,718,000	3,891,000	4,138,000	4,295,000
Net investment income (loss).....	6,973,000	2,670,000	10,612,000	24,754,000
Administrative expenses.....	(536,000)	(484,000)	(516,000)	(522,000)
Retirement benefits and refunds.....	(15,003,000)	(16,221,000)	(17,031,000)	(18,506,000)
Other disbursements.....	(1,047,000)	(812,000)	(760,200)	-
Other receipts.....	730,000	844,000	1,344,200	82,000
Net increase (decrease) in fiduciary net position.....	4,831,000	636,000	9,469,000	22,641,000
Fiduciary net position - beginning of year.....	140,080,000	144,911,000	145,547,000	155,016,000
Fiduciary net position - end of year (b).....	<u>\$ 144,911,000</u>	<u>\$ 145,547,000</u>	<u>\$ 155,016,000</u>	<u>\$ 177,657,000</u>
<b>Net pension liability - ending (a)-(b).....</b>	<u><b>\$ 122,618,000</b></u>	<u><b>\$ 145,779,000</b></u>	<u><b>\$ 161,051,000</b></u>	<u><b>\$ 150,013,000</b></u>
Plan fiduciary net position as a percentage of the total pension liability.....	54.17%	49.96%	49.05%	54.22%
Covered payroll.....	\$ 35,741,000	\$ 39,498,000	\$ 43,541,000	\$ 43,541,000
Net pension liability as a percentage of covered payroll.....	343.07%	369.08%	369.88%	344.53%

Note: this schedule is intended to present information for 10 years.  
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
\$ 7,663,000	\$ 8,008,000	\$ 8,289,076	\$ 9,110,211	\$ 9,217,055
23,610,000	24,502,000	25,345,882	26,347,734	27,210,179
-	-	-	-	5,889,286
(406,000)	-	1,855,931	241,707	-
13,000,000	-	-	-	-
(19,369,000)	(20,303,000)	(21,160,101)	(22,839,597)	(24,132,038)
24,498,000	12,207,000	14,330,788	12,860,055	18,184,482
327,670,000	352,168,000	364,375,000	378,705,788	391,565,843
\$ 352,168,000	\$ 364,375,000	\$ 378,705,788	\$ 391,565,843	\$ 409,750,325
\$ 13,576,000	\$ 14,658,000	\$ 15,823,487	\$ 16,686,018	\$ 17,489,660
4,666,000	4,585,000	4,751,566	5,389,451	6,592,786
(6,848,000)	30,565,000	18,536,652	43,325,015	(28,423,953)
(520,000)	(617,000)	(605,758)	(708,393)	(674,846)
(19,369,000)	(20,303,000)	(21,160,101)	(22,839,597)	(24,132,038)
-	-	-	-	-
80,000	67,000	72,886	86,499	116,771
(8,415,000)	28,955,000	17,418,732	41,938,993	(29,031,620)
177,657,000	169,242,000	198,197,000	215,615,732	257,554,725
\$ 169,242,000	\$ 198,197,000	\$ 215,615,732	\$ 257,554,725	\$ 228,523,105
\$ 182,926,000	\$ 166,178,000	\$ 163,090,056	\$ 134,011,118	\$ 181,227,220
48.06%	54.39%	56.93%	65.78%	55.77%
\$ 45,227,000	\$ 45,227,000	\$ 51,567,808	\$ 48,560,248	\$ 55,198,523
404.46%	367.43%	316.26%	275.97%	328.32%

**SCHEDULE OF CONTRIBUTIONS**  
**PLYMOUTH CONTRIBUTORY RETIREMENT SYSTEM**

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
December 31, 2022.....	\$ 17,434,233	\$ (17,489,660)	\$ (55,427)	\$ 55,198,523	31.69%
December 31, 2021.....	16,604,031	(16,686,018)	(81,987)	48,560,248	34.36%
December 31, 2020.....	15,813,363	(15,823,487)	(10,124)	51,567,808	30.68%
December 31, 2019.....	14,623,000	(14,658,000)	(35,000)	45,227,000	32.41%
December 31, 2018.....	13,540,000	(13,576,000)	(36,000)	45,227,000	30.02%
December 31, 2017.....	12,538,000	(12,539,000)	(1,000)	43,541,000	28.80%
December 31, 2016.....	11,608,000	(11,682,000)	(74,000)	43,541,000	26.83%
December 31, 2015.....	10,748,000	(10,748,000)	-	39,498,000	27.21%
December 31, 2014.....	9,952,000	(9,996,000)	(44,000)	35,741,000	27.97%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF INVESTMENT RETURNS**  
**PLYMOUTH CONTRIBUTORY RETIREMENT SYSTEM**

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<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
December 31, 2022.....	-11.10%
December 31, 2021.....	20.23%
December 31, 2020.....	9.43%
December 31, 2019.....	18.39%
December 31, 2018.....	-3.82%
December 31, 2017.....	16.56%
December 31, 2016.....	7.46%
December 31, 2015.....	2.01%
December 31, 2014.....	5.23%

Note: this schedule is intended to present information for 10 years.  
Until a 10-year trend is compiled, information is presented for those  
years for which information is available.

See notes to required supplementary information.

# ***Pension Plan Schedules - Town***

The Schedule of the Town's Proportionate Share of the Net Pension Liability presents multi-year trend information on the Town's net pension liability and related ratios.

The Schedule of Town's Contributions presents multi-year trend information on the Town's required and actual contributions to the pension plan and related ratios.

The Schedule of Special Funding Amounts of the Net Pension Liability for the Massachusetts Teachers Contributory Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the Town along with related ratios.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.



**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
PLYMOUTH CONTRIBUTORY RETIREMENT SYSTEM**

Year	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
December 31, 2022.....	97.70%	\$ 177,071,710	\$ 53,989,318	327.98%	55.77%
December 31, 2021.....	97.58%	130,783,298	47,492,645	275.38%	65.78%
December 31, 2020.....	97.72%	159,372,536	50,402,671	316.20%	56.93%
December 31, 2019.....	97.71%	162,368,000	44,190,000	367.43%	54.39%
December 31, 2018.....	97.79%	178,883,000	44,227,000	404.47%	48.06%
December 31, 2017.....	97.97%	146,963,000	42,656,000	344.53%	54.22%
December 31, 2016.....	98.13%	158,039,000	42,727,000	369.88%	49.05%
December 31, 2015.....	98.34%	143,359,000	38,842,000	369.08%	49.96%
December 31, 2014.....	98.33%	120,570,000	35,144,000	343.07%	54.17%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS**  
**PLYMOUTH CONTRIBUTORY RETIREMENT SYSTEM**

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered- payroll	Contributions as a percentage of covered- employee payroll
June 30, 2023.....	\$ 17,033,198	\$ (17,088,625)	\$ (55,427)	\$ 55,069,104	31.03%
June 30, 2022.....	16,202,128	\$ (16,284,115)	(81,987)	48,442,498	33.62%
June 30, 2021.....	15,452,678	(15,462,802)	(10,124)	51,410,724	30.08%
June 30, 2020.....	14,288,000	(14,323,000)	(35,000)	45,073,800	31.78%
June 30, 2019.....	13,241,000	(13,277,000)	(36,000)	45,111,540	29.43%
June 30, 2018.....	12,283,000	(12,284,000)	(1,000)	43,509,120	28.23%
June 30, 2017.....	11,396,000	(11,470,000)	(74,000)	43,581,540	26.32%
June 30, 2016.....	10,574,000	(10,574,000)	-	39,618,840	26.69%
June 30, 2015.....	9,790,000	(9,834,000)	(44,000)	35,846,880	27.43%

Note: this schedule is intended to present information for 10 years.  
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE SPECIAL FUNDING AMOUNTS  
OF THE NET PENSION LIABILITY  
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**

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The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Therefore, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the associated collective net pension liability; the portion of the collective pension expense as both a revenue and pension expense recognized; and the Plan's fiduciary net position as a percentage of the total liability.

Year	Commonwealth's 100% Share of the Associated Net Pension Liability	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2023.....	\$ 211,340,881	\$ 17,384,849	57.75%
2022.....	193,500,030	15,527,572	62.03%
2021.....	240,133,930	29,659,981	50.67%
2020.....	213,712,472	25,916,346	53.95%
2019.....	201,924,187	20,462,093	54.84%
2018.....	195,415,635	20,396,099	54.25%
2017.....	186,148,607	18,988,378	52.73%
2016.....	170,950,020	13,865,568	55.38%
2015.....	131,739,010	9,152,541	61.64%

Note: this schedule is intended to present information for 10 years.  
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

# ***Other Postemployment Benefits Plan Schedules***

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total other postemployment benefit liability, changes in the Plan's net position, and ending net other postemployment liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered payroll.

The Schedule of the Town's Contributions presents multi-year trend information on the Town's actual contributions to the other postemployment benefit plan and related ratios.

The Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

**SCHEDULE OF CHANGES IN THE  
TOWN'S NET OPEB LIABILITY AND RELATED RATIOS  
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
<b>Total OPEB Liability</b>							
Service Cost.....	\$ 27,863,367	\$ 23,038,205	\$ 21,914,726	\$ 28,061,321	\$ 40,436,080	\$ 38,009,670	\$ 25,374,857
Interest.....	19,356,363	22,140,028	23,742,073	27,716,155	22,650,812	21,117,382	27,729,027
Changes of benefit terms.....	-	-	-	(32,274,418)	(9,686,259)	-	(205,058,796)
Differences between expected and actual experience.....	-	-	15,849,776	-	(52,938,875)	-	(25,800,860)
Changes of assumptions.....	(86,284,600)	(31,391,364)	129,379,977	216,350,799	(25,487,904)	(221,863,323)	15,877,625
Benefit payments.....	(16,651,413)	(17,036,667)	(18,182,695)	(19,083,851)	(19,306,442)	(20,322,457)	(17,636,873)
Net change in total OPEB liability.....	(55,716,283)	(3,249,798)	172,703,857	220,770,006	(44,332,588)	(183,058,728)	(179,515,020)
Total OPEB liability - beginning.....	659,632,961	603,916,678	600,666,880	773,370,737	994,140,743	949,808,155	766,749,427
Total OPEB liability - ending (a).....	<u>\$ 603,916,678</u>	<u>\$ 600,666,880</u>	<u>\$ 773,370,737</u>	<u>\$ 994,140,743</u>	<u>\$ 949,808,155</u>	<u>\$ 766,749,427</u>	<u>\$ 587,234,407</u>
<b>Plan fiduciary net position</b>							
Employer contributions.....	\$ 711,950	\$ 944,313	\$ 970,593	\$ 1,041,333	\$ 525,508	\$ 1,134,259	\$ 1,171,619
Employer contributions for OPEB payments.....	16,651,413	17,036,667	18,182,695	19,083,851	19,306,442	20,322,457	17,636,873
Net investment income.....	186,954	228,268	370,874	377,211	1,511,928	(1,166,552)	1,060,996
Benefit payments.....	(16,651,413)	(17,036,667)	(18,182,695)	(19,083,851)	(19,306,442)	(20,322,457)	(17,636,873)
Net change in plan fiduciary net position.....	898,904	1,172,581	1,341,467	1,418,544	2,037,436	(32,293)	2,232,615
Plan fiduciary net position - beginning of year.....	1,750,570	2,649,474	3,822,055	5,163,522	6,582,066	8,619,502	8,587,209
Plan fiduciary net position - end of year (b).....	<u>\$ 2,649,474</u>	<u>\$ 3,822,055</u>	<u>\$ 5,163,522</u>	<u>\$ 6,582,066</u>	<u>\$ 8,619,502</u>	<u>\$ 8,587,209</u>	<u>\$ 10,819,824</u>
<b>Net OPEB liability - ending (a)-(b).....</b>	<u>\$ 601,267,204</u>	<u>\$ 596,844,825</u>	<u>\$ 768,207,215</u>	<u>\$ 987,558,677</u>	<u>\$ 941,188,653</u>	<u>\$ 758,162,218</u>	<u>\$ 576,414,583</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	0.44%	0.64%	0.67%	0.66%	0.91%	1.12%	1.84%
Covered-employee payroll.....	\$ 92,397,157	\$ 104,133,239	\$ 108,493,908	\$ 112,135,762	\$ 117,913,268	\$ 118,519,409	\$ 128,790,794
Net OPEB liability as a percentage of covered-employee payroll.....	650.74%	573.15%	708.06%	880.68%	798.20%	639.69%	447.56%

Note: this schedule is intended to present information for 10 years.  
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS  
OTHER POSTEMPLOYMENT BENEFIT PLAN**

<u>Year</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered- employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
June 30, 2023.....	\$ 52,588,955	\$ (18,808,492)	\$ 33,780,463	\$ 128,790,794	14.60%
June 30, 2022.....	65,195,315	(21,435,576)	43,759,739	118,519,409	18.09%
June 30, 2021.....	69,213,245	(19,831,950)	49,381,295	117,913,268	16.82%
June 30, 2020.....	55,546,616	(20,125,184)	35,421,432	112,135,762	17.95%
June 30, 2019.....	44,515,201	(19,153,288)	25,361,913	108,493,908	17.65%
June 30, 2018.....	44,853,623	(17,980,980)	26,872,643	104,133,239	17.27%
June 30, 2017.....	39,477,033	(17,363,363)	22,113,670	92,397,157	18.79%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF INVESTMENT RETURNS**  
**OTHER POSTEMPLOYMENT BENEFIT PLAN**

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Year	Annual money-weighted rate of return, net of investment expense
June 30, 2023.....	10.99%
June 30, 2022.....	-12.10%
June 30, 2021.....	21.56%
June 30, 2020.....	6.17%
June 30, 2019.....	7.88%
June 30, 2018.....	6.50%
June 30, 2017.....	7.11%

Note: this schedule is intended to present information for 10 years.  
Until a 10-year trend is compiled, information is presented for those  
years for which information is available.

See notes to required supplementary information.

**NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY****A. Budgetary Information**

Municipal Law requires the adoption of a balanced budget that is approved by the Finance Committee (the “Committee”) and the Select Board (the “Board”). The Committee and the Board present an annual budget to the representative Town meeting, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. The representative town meeting, which has full authority to amend and/or reject the budget or any line item, adopts the expenditure budget by majority vote.

Increases or transfers between and within departments subsequent to the approval of the annual budget require a vote at a special Town meeting.

The majority of appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year’s original budget.

Generally, expenditures may not exceed the legal level of spending (salaries, expenses and capital) authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final claims and judgments may exceed the level of spending authorized by two-thirds majority vote of the Town meeting.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original 2023 approved budget authorized approximately \$283.0 million of appropriations, other amounts to be raised, and prior year carryovers. During 2023, the Town meeting also approved appropriation increases totaling approximately \$6.7 million.

The Town Accountant’s office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

**B. Budgetary - GAAP Reconciliation**

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2023, is presented below:

Net change in fund balance - budgetary basis.....	\$	1,331,581
<u>Perspective differences:</u>		
Activity of the stabilization fund recorded in the general fund for GAAP .....		1,912,435
<u>Basis of accounting differences:</u>		
Net change in recording tax refunds payable.....		123,732
Net change in recording accrued expenditures.....		(608,077)
Recognition of revenue for on-behalf payments.....		17,384,849
Recognition of expenditures for on-behalf payments.....		<u>(17,384,849)</u>
Net change in fund balance - GAAP basis.....	\$	<u><u>2,759,671</u></u>



**NOTE B – PENSION PLAN*****Pension Plan Schedules – Retirement System*****A. Schedule of Changes in the Net Pension Liability and Related Ratios**

The Schedule of Changes in the Net Pension Liability and Related Ratios includes the detailed changes in the System's total pension liability, changes in the System's net position, and the ending net pension liability. It also demonstrates the plan's net position as a percentage of the total pension liability and the net pension liability as a percentage of covered payroll.

**B. Schedule of Contributions**

Governmental employers are required to pay an annual appropriation as established by PERAC. The total appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the System's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The total appropriations are payable on July 1 and January 1. Employers may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual employer contributions may be less than the "total appropriation". The pension fund appropriations are allocated amongst employers based on covered payroll.

**C. Schedule of Investment Returns**

The money-weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. A money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. Inputs to the money-weighted rate of return calculation are determined monthly.

***Pension Plan Schedules - Town*****A. Schedule of the Town's Proportionate Share of the Net Pension Liability**

The Schedule of the Town's Proportionate Share of the Net Pension Liability details the Town's allocated percentage of the net pension liability (asset), the Town's proportionate share of the net pension liability, and the Town's covered employee payroll. It also demonstrates the Town's net position as a percentage of the Town's pension liability and the Town's net pension liability as a percentage of the Town's covered payroll.

**B. Schedule of Town's Contributions**

Governmental employers are required to pay an annual appropriation as established by PERAC. The appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the System's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The appropriations are payable on July 1 and January 1. The Town may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual contributions may be less than the "total appropriation". The pension fund appropriation is allocated to the Town based on covered payroll.

**C. Schedule of the Special Funding Amounts of the Net Pension Liabilities**

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding

situation. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Town; the portion of the collective pension expense as both revenue and pension expense recognized by the Town; and the Plan's fiduciary net position as a percentage of the total liability.

D. Changes in Assumptions

None.

E. Changes in Plan Provisions

None.

**NOTE C – OTHER POSTEMPLOYMENT BENEFITS**

The Town of Plymouth administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through the Town’s health insurance plan, which covers both active and retired members, including teachers.

**The Other Postemployment Benefit Plan**

A. Schedule of Changes in the Town’s Net Other Postemployment Benefit Liability and Related Ratios

The Schedule of Changes in the Town’s Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan’s total OPEB liability, changes in the Plan’s net position, and ending net OPEB liability. It also demonstrates the Plan’s net position as a percentage of the total liability and the Plan’s net other postemployment benefit liability as a percentage of covered employee payroll.

B. Schedule of the Town’s Contributions

The Schedule of the Town’s Contributions includes the Town’s annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered payroll.

The following actuarial methods and assumptions were used to determine the total other postemployment benefit liability in the July 1, 2020, actuarial valuation, applied to all periods included in the measurement date that was updated to June 30, 2023 to be in compliance with GASB Statement #74 and Statement #75:

Valuation date.....	July 1, 2022.
Actuarial cost method.....	Entry Age Normal.
Amortization method.....	Increasing at 3.5% over 30 years on an open amortization period for partial pre-funding.
Amortization period.....	30 years.
Asset valuation method.....	Fair value.

Investment rate of return.....	6.00%, net of investment expenses and including inflation at 2.5%.
Discount rate.....	3.65%. Net of investment expenses, including inflation.
Healthcare cost trend rate.....	8.00% for 2022, decreasing 0.5% per year to 6.0%, then grading down to ultimate trend rate of 4.1%, utilizing the Society of Actuaries Getzen Medical Trend Model. The ultimate medical inflation rate is reached in 2075.
Inflation rate.....	2.5% per year, based on current economic data, analyses from economists and other experts, and professional judgements.
Mortality rates:	
Pre-retirement mortality (General and Public Safety employees).....	RP-2014 Blue Collar Employees Table projected generationally with Scale MP-2018.
Post-retirement mortality (General and Public Safety employees).....	RP-2014 Blue Collar Healthy Annuitant Table projected generationally with Scale MP-2018.
Pre-retirement mortality - Teachers.....	PUB-2010 Teachers Headcount-Weighted Retiree Mortality Table, base year 2010, projected with generationally mortality using Scale MP-2021.
Post-retirement mortality - Teachers.....	PUB-2010 Teachers Headcount-Weighted Retiree Mortality Table, base year 2010, projected with generationally mortality using Scale MP-2021.

#### C. Schedule of Investment Returns

The Schedule of Investment Returns includes the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

#### D. Changes in Assumptions and Plan Provisions

- The discount rate changed from 3.54% as of June 30, 2022, to 3.65% as of June 30, 2023.
- The inflation rate changed from 2.40% as of June 30, 2022, to 2.50% as of June 30, 2023.
- The healthcare trend rate changed from 4.00% as of June 30, 2022, to 4.10% as of June 30, 2023.
- Mortality rates were updated to Scale MP-2021.