

Town of Plymouth Connecticut



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2016

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Fiscal Year Ended June 30, 2016

Prepared by:
COMPTROLLER'S OFFICE

DIRECTOR OF FINANCE
Ann Marie Rheault

**TOWN OF PLYMOUTH, CONNECTICUT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Introductory Section

TOWN OF PLYMOUTH, CONNECTICUT

For Fiscal Year Ended June 30, 2016

PRINCIPAL OFFICIALS

MAYOR AND TOWN COUNCIL

David V. Merchant, Mayor
Councilperson Daniel Gentile
Councilperson Susan R. Murawski
Councilperson Thomas Zagurski
Councilperson John C. Pajeski
Councilperson Ana Legassey

BOARD OF FINANCE

Ralph Zovich, Chairman
Victoria A. Carey, Vice-Chairman
James Zalot
Jay Dorso
Daniel Murray III
Pattie DeHuff

ADMINISTRATION

Registrar of Voters - Democrat
Registrar of Voters - Republican
Assessor
Tax Collector
Director of Finance
Treasurer
Human Resources Manager
Town Attorney
Town Clerk
Fire Marshal
Human Services Director
Judge of Probate
Director of Planning and Economic Development
Town Engineer
Zoning Enforcement Officer
Police Chief
Fire Chief
Civil Preparedness Director
Building Official
Director of Public Works
Medical Director
Library Director
Parks and Recreation Director
Superintendent of Schools

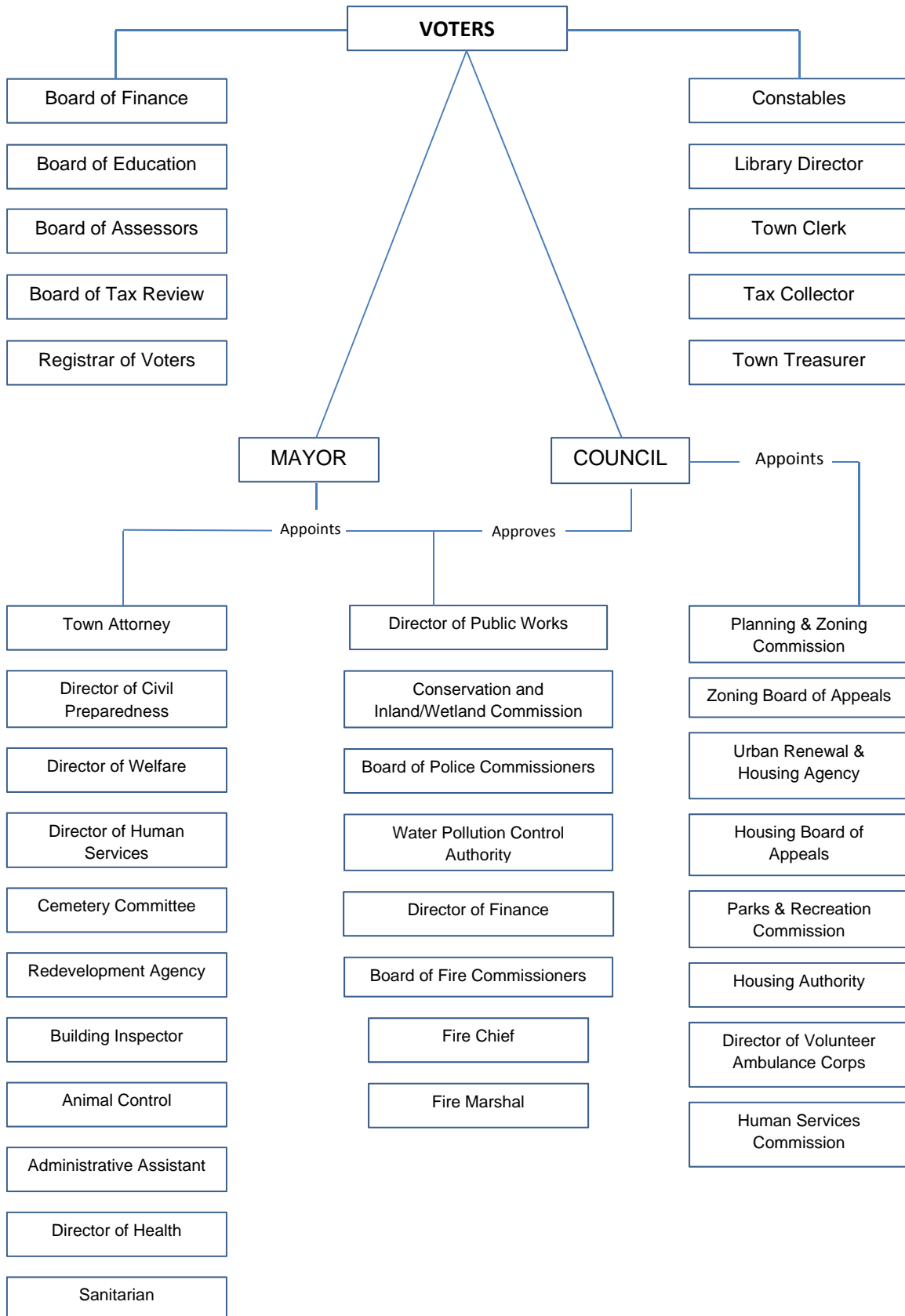
Cheryl J. Ganesini
Barbara L. Deschaine
Rae Ann Walcott
Joseph Kilduff
Ann Marie Rheault
David C. Mischke
Jennifer Marecki
William Hamzy
Barbara K. Rockwell
Ray Kovaleski
Heather Burns
Andre Dorval
Margus T. Laan
Charles Wiegert
Scott Eisenlohr
Karen M. Krasicky
Mark Sekorski
Anthony J. Orsini
Clarence B. Atkinson
Charles Wiegert
Dr. Antonio Scappaticci
Lynn White
Michael Ganem
Dr. Martin J. Semmel

BOARD OF EDUCATION

Melissa Johnson, Chairman
Michelle Lucian
Christopher Goodwin
Roxanne McCann
Karen E. Kulesa

Anthony Orsini
Melissa Kremmel
Michael Melchionna
Gerard Bourbonniere

TOWN OF PLYMOUTH ORGANIZATIONAL CHART





200 Years of Quality Service

80 Main Street, Terryville, Connecticut 06786

Telephone: (860) 585-4001

Fax: (860) 585-4015

March 22, 2018

To the Honorable Mayor, Members of the Town Council, Members of the Board of Finance and Citizens of the Town of Plymouth:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2016.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements.

Blum, Shapiro & Company, Certified Public Accountants, have issued an unqualified ("clean") opinion on the Town of Plymouth's financial statements for the year ended June 30, 2016. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The Town of Plymouth was incorporated in 1795, making it the one hundred third town established in the State of Connecticut. Plymouth is located in Litchfield County, approximately twenty-one miles southwest of Hartford and five miles north of Waterbury. The Town is contiguous to the Towns of Wolcott, Thomaston, Harwinton, Burlington, and the Cities of Waterbury and Bristol. Plymouth covers a 22.4 square mile area.

Plymouth is a community predominantly composed of owner-occupied, single-family dwellings. Single-family dwellings comprise over 80% of all housing units in the Town. Estimated population at June 30, 2016 is 11,749.

To the west of Plymouth is Connecticut Route 8 which provides north-south interstate connections from Bridgeport to the Massachusetts border. Connecticut Routes 6, 72, 222 and 262 also serve the Town. Rail service is available connecting with Waterbury and the south, while coach and motor freight companies serve the Town's residents and businesses.

Local firms are involved in a wide range of products and services with nearly 200 commercial properties and over 100 industrial facilities contributing to the Town's tax base. Products manufactured in Town include conduits, screw machines, modular buildings, airplane equipment and chemicals.

In 1965 the Town adopted its first Plan of Development. As part of that plan, and subsequent revised plans, comprehensive planning and zoning regulations have been enacted to reflect current development standards and practices. These have resulted in a balanced economy, improved residential development and have helped to stabilize the tax rate. The most recent Plan of Development was adopted in June 2015.

The Town's educational system consists of two elementary schools, one middle school and one high school.

Form of Government

The Town of Plymouth is organized under the Council-Mayor form of government. The Town Charter was adopted in the 1974 and most recent revisions were approved by voters in November 2009.

The legislative function is performed by a bipartisan Town Council of five members, who are elected biennially for two-year terms. The Town electorate elects a Mayor for two-year terms. The Board of Finance consists of six members who serve staggered six-year terms. Two members are elected to the Board of Finance in each municipal election.

A referendum vote is retained under the Charter for approval of the annual budget. The Board of Finance recommends the annual budget for referendum to be held before May 3. Upon approval, the Board of Finance sets the tax rate.

STATE & LOCAL ECONOMY

The Town has a mix of manufacturing base that has been somewhat stable during the past year and the town continues to pursue new business openings in the Town's business park.

The State of Connecticut continues to address budget issues that affect all businesses and citizens of the State. It is anticipated that there will be reduced grants to cities and towns, including Plymouth in the next few years. This may affect the services provided to town residents.

The town's Grand List remained level in comparison to many communities surrounding Plymouth. The Town continues to be very aggressive in the collection of current and back taxes and will continue to pursue all tax dollars owed.

UNEMPLOYMENT

Unemployment rates and the number of unemployed people, not seasonally adjusted, were down slightly over a year in all of the states' nine labor market areas. Connecticut's unemployment rate was at 5.4% and was slightly higher than the national rate at 5.1% for June 2016. The Town of Plymouth's unemployment rate is higher than the national and regional average at 6.3% for June 2016, a slight decrease from the prior year. It is expected that the rates will slowly decrease during the next few months and year as employment becomes available in the various labor markets.

The National Government as well as the State of Connecticut has continued social service programs to assist the unemployed.

LONG-TERM FINANCIAL PLANNING

The Town of Plymouth has addressed many of the financial market downturns during the past several years with spending freezes on noncontractual items and efficiencies in performing the same service levels with lower costs. Additionally, unfilled labor positions are closely scrutinized before replacements are hired.

In addition, currently maintains a level debt policy approved by the Board of Finance and Town Council that will ensure that debt payments will not fluctuate from year to year and will allow the Town flexibility in borrowing for the future as well as keep the tax rate budgeted for debt service expenditures constant. This policy was adopted in conjunction with the Capital Improvements Committee for future capital improvement projects.

Tax base growth through economic development continues to be a top priority for the Town of Plymouth. The Economic Development Commission in conjunction with the Mayor are working to attract businesses to the Town and to fill the remaining vacant lots in Phase III of the Industrial Park.

FINANCIAL POLICIES

The Town has several financial policies as summarized below:

Budgetary Procedures

The Town adheres to the following procedure in establishing the annual budget. No later than February 10, each department head, office or agency shall file with the mayor, a detailed estimate of the expenditures and revenues to be made by his or her department, office or agency in the ensuing fiscal year. These estimates shall be filed with the Board of Finance on or before February 22. The Board of Education shall file estimated expenditures with the Board of Finance on or before February 28. The Board of Finance shall hold one or more public hearings no later than April 23. Immediately after the public hearings the Board of Finance shall meet with the Town Council and representatives of the Board of Education to present the recommended budget, at which time the Board of Finance, if a quorum of its members are present, may, by majority vote of its members, make changes to the budget to be recommended to the town referendum. Within ten business days after such meeting the Board of Finance shall present the recommended budget to the budget referendum, and, at least five business days prior to the referendum, the Board of Finance shall cause the recommended budget to be published in the newspaper. The Town Council schedules the annual budget referendum to be held on or before May 3. If the budget is rejected by a majority vote, a second referendum will be scheduled by the Town Council to be held within twenty days. If the budget is rejected a second time, the Town Council is authorized to adopt a budget by June 15. Council adjustments to the individual department budgets, excluding debt service shall not exceed three percent of the current year's budgets. When adopted, the Board of Finance shall file the same with the Town Clerk and also fix the tax rate in mills.

All unencumbered appropriations lapse at year-end, except those for the Capital Projects Fund and certain special revenue grants. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

Investment Policies and Procedures

The Town's investment practices have been to invest only in the following investments: (1) certificates of deposit; (2) overnight repurchase agreements collateralized by U.S. government agency obligations which are priced daily; (3) the State of Connecticut Short-Term Investment Fund (STIF); and (4) MBIA Class, an investment fund managed by MBIA Municipal Investors Service Corporation, which, according to MBIA Class, invests only in (i) high grade short-term federal securities and variable rate obligations backed by federal agencies having monthly or quarterly assets based on indices like the prime rate, LIBOR, or a combination of the two, and (ii) very short-term (usually overnight) repurchase agreements secured by high quality collateral which is valued daily and fully delivered to the programs' custodial bank to be held for the benefit of the pool's participants. Additional information on the Town's specific investment policies and investments are available upon request to the Director of Finance.

Assessment Practices

The Town of Plymouth last revalued its real property effective October 1, 2011. Under Section 12-62 of the Connecticut General Statutes, the Town must revalue all real estate by physical inspection no later than ten years following the preceding physical inspection. The Town must conduct a statistical revaluation no later than five years after the last physical inspection. The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion on the Grand List is the responsibility of the Assessor. The Grand List represents the total of assessed value for all taxable real and personal property located within the Town as of October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at seventy percent (70%) of market value at the time of the last general revaluation.

When a new structure or modification to an existing structure is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Inspector. A physical appraisal is then completed and the structure classified and priced from a schedule developed as of the revaluation. Property depreciation and obsolescence factors are also considered when arriving at an equitable value.

Motor vehicle lists are furnished to the Town by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automotive price schedule as recommended by the State Office of Policy and Management and the Assessor. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next August 1 are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the pro-ration is based on the number of months of ownership between October 1 and the following July 31. Cars purchased in August and September is not taxed until the next October 1 Grand list. If the motor vehicle replaces a motor vehicle that was taxed on the October Grand List, the taxpayer is entitled to certain credits.

All business personal property (furniture, fixtures, equipment, machinery and leased equipment) is assessed annually. An assessor's clerk and audit is completed periodically. Assessments for both personal property and motor vehicles are computed at seventy (70%) of present market value.

Section 12-124a of the Connecticut General Statutes permits a municipality, upon approval of its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed eight percent of the owner's total income, from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income. The owner must agree to pay the amount of taxes abated with interest at 6% per annum, or at such rate approved by the legislative body, at such time that the residence is sold or transferred or on the death of the last surviving owner. A lien for such amounts is recorded in the land records but does not take precedence over any mortgage recorded before the lien. The Town has approved the use of this abatement provision.

Tax Collection Procedures

Taxes for the fiscal year are paid on the grand list of the prior October 1, and are due July 1, payable in two installments, one half on July 1 and one half on January 1. Payments not received by August 1 and February 1 become delinquent. Motor vehicle taxes must be paid in a single installment due July 1. Real estate and personal property taxes of less than \$100 are due in full in July. Supplemental motor vehicle taxes (those vehicles registered between October 2 and July 31) are due in one installment in January.

According to Connecticut General Statutes, delinquent property taxes are subject to interest at the rate of 1.5% per month for all delinquent property taxes. Real estate is liened for delinquent taxes within one year after the tax due date

ACKNOWLEDGEMENTS

I thank our independent auditors, Blum, Shapiro & Company, Certified Public Accountants, specifically Audit Partner, Nikoleta McTigue, and Audit Manager, Santo Carta, for their expertise in guiding the Town through the required annual reporting updates and modifications as well as the entire audit process.

The preparation of this report would not have been possible without the assistance of the staff of the Town's Finance Office, as well as the Board of Education business office. Lastly, appreciation must also be given to the Mayor, to the Town Council, and to the Board of Finance for their support and cooperation throughout the completion of this audit.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ann Marie Rheault". The signature is fluid and cursive, with a large, stylized initial "A" and "R".

Ann Marie Rheault
Director of Finance

Financial Section

BlumShapiro

Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Board of Finance
Town of Plymouth, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Plymouth, Connecticut, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Plymouth, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Plymouth, Connecticut, as of June 30, 2016 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.

Change in Accounting Principle

As discussed in Note 3 to the financial statements, during the fiscal year ended June 30, 2016, the Town adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, the budgetary comparison information on pages 61 through 66 and the pension schedules on pages 67 through 74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Plymouth, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town of Plymouth, Connecticut, as of and for the year ended June 30, 2015 (not presented herein), and have issued our report thereon dated March 10, 2017, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2015 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2015 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2015 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2015.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2018 on our consideration of the Town of Plymouth, Connecticut's 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 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 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, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
March 22, 2018

TOWN OF PLYMOUTH, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2016

As management of the Town of Plymouth, Connecticut, we offer readers of the Town of Plymouth's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2016.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$151,320,044 (net position).
- The Town's total net position decreased by \$2,311,089, or 1.5%. Unrestricted net position, the amount that may be used to meet the Town's ongoing obligations to citizens and creditors, was (\$7,425,872) at June 30, 2016. The decrease is mainly attributable to an increase net post-employment benefit obligation and net pension liability of the town as well as current year depreciation expense.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$7,308,700.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$380,632 or 0.9% of total general fund expenditures and other financing uses.
- The Town of Plymouth's long-term debt decreased by \$1,112,593, or 4.8%, during the current fiscal year due. The town issued \$1,200,499 of long-term debt upon completion of denitrification upgrades to the Water Pollution Control facility, which was more than offset by regular principal payments on outstanding debt during the year.

Overview of the Basic Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Plymouth's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic 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 the Town's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets and liabilities, 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 of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal 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 fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The government-wide financial statements present the functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general administration, public safety, public works, health and welfare, libraries, recreation, education, land use and interest expense.

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. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town 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 financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a Town'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 Town'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 maintains 29 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Sewer Operating Fund, Capital and Nonrecurring Projects Fund and Capital Projects Fund, which are considered to be major funds. Data from the other 25 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual budget for its General Fund. The Water Pollution Control Authority legally adopts its annual budget as well. A budgetary comparison statement has been provided for the General Fund and Water Pollution Control to demonstrate compliance with their respective budgets.

Proprietary fund. The Town maintains one proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its self-insured medical benefits. Since the Town has only governmental functions, they have been included within governmental activities in the government-wide financial statements.

The data for the internal service fund is provided in Exhibits V, VI and VII of this report.

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.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found following the footnotes.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a town's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$151,320,044 at June 30, 2016.

By far the largest portion of the Town's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of 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.

Town of Plymouth, Connecticut Net Position

	Governmental Activities	
	2016	2015
Current and other assets	\$ 16,729,222	\$ 15,705,826
Capital assets, net of accumulated depreciation	179,782,672	182,001,084
Total assets	<u>196,511,894</u>	<u>197,706,910</u>
Deferred Outflows of Resources	<u>1,365,860</u>	<u>1,497,350</u>
Long-term debt outstanding	42,493,155	41,773,664
Other liabilities	4,020,891	3,350,411
Total liabilities	<u>46,514,046</u>	<u>45,124,075</u>
Deferred Inflows of Resources	<u>43,664</u>	<u>449,052</u>
Net Position:		
Net investment in capital assets	157,247,133	157,324,466
Restricted	1,498,783	1,388,525
Unrestricted	<u>(7,425,872)</u>	<u>(5,081,858)</u>
Total Net Position	<u>\$ 151,320,044</u>	<u>\$ 153,631,133</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

A portion of the Town's net position, \$1,498,783, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is (\$7,425,872).

The Town's net position decreased by \$2,311,089, or 1.5%, during the current fiscal year. The majority of the decrease reflects expenditures exceeding, and revenues falling short of budgeted levels for the 2016 fiscal year.

Town of Plymouth, Connecticut Change in Net Position

	Governmental Activities	
	2016	2015
Revenues:		
Program revenues:		
Charges for services	\$ 3,195,207	\$ 3,272,614
Operating grants and contributions	14,776,852	13,842,949
Capital grants and contributions	919,464	1,065,411
General revenues:		
Property taxes	26,871,040	25,507,258
Grants and contributions not restricted to specific purposes	272,821	307,281
Unrestricted investment earnings (loss)	(2,090)	9,017
Miscellaneous	165,188	296,966
Total revenues	<u>46,198,482</u>	<u>44,301,496</u>
Program expenses:		
General administration	6,819,627	6,661,824
Public safety	3,712,614	3,327,013
Public works	6,546,134	7,237,335
Health and welfare	296,369	361,225
Library	502,572	500,388
Recreation	290,445	292,027
Education	29,534,659	29,387,177
Land use	225,389	261,447
Interest on long-term debt	581,762	600,292
Total program expenses	<u>48,509,571</u>	<u>48,628,728</u>
Special Item - Loss of Asset	<u>-</u>	<u>268,349</u>
Change in Net Position	(2,311,089)	(4,058,883)
Net Position - Beginning of Year	<u>153,631,133</u>	<u>157,690,016</u>
Net Position - End of Year	<u>\$ 151,320,044</u>	<u>\$ 153,631,133</u>

- Operating grants increased by \$933,903 during the year. This increase is primarily due to higher education grants received from the State of Connecticut, most notably the Special Education Excess Cost Grant, which increased \$426,987.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- Capital grants and contributions decreased by \$145,947 primarily due to grant reimbursements of \$394,470 under the Clean Water Fund Program, offset by an increase in other funds received from the State of Connecticut, particularly LOTCIP grant revenue of \$415,888.
- Property tax revenue increased \$1,363,782 from the prior year. The increase largely reflects higher current taxes and supplemental motor vehicle tax collections of \$1,779,772, offset in part by lower prior year taxes, interest and liens of \$509,251.
- Investment earnings fell to (\$2,091) in 2015-2016, due mainly to a decline in the amount of invested assets.
- Education expenses increased by \$147,482 which largely reflects higher special education and employee benefit costs, which were offset by lower utility and transportation costs.
- Public works expenses decreased by \$691,201 due to expense reductions of \$208,372 for snow removal, \$43,362 for heat, \$39,898 for gas and oil, and \$1,667,989 for engineering and general construction expenses related to the WPCA upgrades.
- General Administration expenses increased by \$157,803, driven primarily by higher pension, workers compensation and other benefit expenses, as well as a \$71,197 increase in legal expenses. Increases were offset by a reduction in economic development expenses.
- Public safety expenses increased by \$385,601 due to an increase in police post-employment benefit expense, pension expense and extra duty expenses offset by a decrease in police overtime. Public Safety included one-time expenses related to a special appropriation for emergency communication system repairs of \$71,421.
- Health and Welfare expenses decreased by \$64,856 due to a decrease in cemetery expenditures.

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

The Cost of Services is provided below. This table shows the cost of each of the Town’s five largest programs - education, public works, general administration, public safety and interest expense - as well as each program’s net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town’s taxpayers by each of these functions.

Town of Plymouth, Connecticut Governmental Activities				
	Total Cost of Services		Net Cost of Services	
	2016	2015	2016	2015
Education	\$ 29,534,659	\$ 29,387,177	\$ 14,580,024	\$ 15,068,338
Public works	6,546,134	7,237,335	3,986,235	4,595,724
General administration	6,819,627	6,661,824	6,604,063	6,267,721
Public safety	3,712,614	3,327,013	2,873,534	2,663,162
Interest expense	581,762	600,292	581,762	600,292
All others	1,314,775	1,415,087	992,430	1,252,517
Total	\$ 48,509,571	\$ 48,628,728	\$ 29,618,048	\$ 30,447,754

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’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’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a Town’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town’s governmental funds reported combined ending fund balances of \$7,308,700, an increase of \$507,708 from the prior year. The increase over prior year largely reflects the Sewer Operating Fund reduced expenditures. A portion of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period \$952,957 (2) to pay debt service \$205,536,(3) endowments \$761,668 and (4) subsequent year’s budget \$140,000.

The General Fund is the operating fund of the Town. At the end of 2016, the unassigned fund balance of the General Fund was \$380,632 while total fund balance was \$1,573,549. 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. Unassigned fund balance represents 0.9% of total general fund expenditures, while total fund balance represents 3.7% of that same amount. Given the low restricted fund balance at the end of fiscal 2016, in fiscal 2017 and 2018 the Town and Board of Education undertook a number of steps aimed at reducing spending and generating operating surpluses to increase the fund balance.

The Capital and Nonrecurring Fund, used for infrastructure improvements in the Town, held a balance of \$1,120,080 at June 30, 2016.

The Debt Service Fund has a total fund balance of \$205,536, all of which is restricted for the payment of debt service.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Proprietary fund. The unrestricted net position of the Board of Education Health Insurance Fund at the end of the year amounted to \$541,824, an increase of \$381,109 from the June 30, 2015 balance of \$160,715.

General Fund Budgetary Highlights

During the 2016 fiscal year there were two additional (special) appropriations within the General Fund; \$71,461 for repair of the emergency communications system and \$41,723 for a shortfall in administrative expenses. In addition, the town council approved a \$75,000 emergency appropriation for replacement of the town hall generator.

General Fund revenues fell short of budget levels by \$713,673 in the current year:

- Current and prior year tax collections fell short \$311,327 and \$189,179, respectively, from the original budget, which was partially offset by higher supplemental motor vehicle taxes, interest and lien fees.
- Charges for services fell short of budget by \$104,079, primarily due to the elimination of Transfer Station pass-through tipping fees.
- The Town's intergovernmental revenues surpassed budget by \$163,697, due mainly to the amount received for the Special Education Excess Cost Grant in excess of budget by \$167,655.
- Other revenues fell short of budget by \$299,799, which included foreclosure sale proceeds that were below budget by \$319,050.
- There was no use of fund balance to offset operating expenses in the current fiscal year; a \$60,000 operating fund transfer into the General Fund was budgeted for the purchase of police vehicles.

During the year ended June 30, 2016 expenditures in the General Fund exceeded appropriations by \$274,851:

- Total General Administration costs exceeded budget by \$419,762, largely driven by higher than budgeted legal expenses and employee benefit costs, offset in part by favorable variances in several other departments.
- Public Safety costs were below budget by \$86,026, driven by lower than expected Police Department and Emergency Management Department expenses, which were favorable to budget by \$74,144 and \$7,079, respectively.
- Public Works expenses exceeded budget by \$36,669, driven mainly by an unfavorable variance in utilities (hydrants and street lights) of \$29,855.

Capital Assets and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental activities as of June 30, 2016, amounted to \$179,782,672 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, building improvements, machinery and equipment, vehicles, and infrastructure. Construction in progress decreased in the current fiscal year by \$3,304,627, or 38.9%, largely due to the completion of the Seymour Road construction and nitrogen reduction system upgrades at WPCA.

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

Major capital asset events during the current fiscal year included the following:

- Building improvements of \$2,480,053, including \$157,045 for security and entry modifications at the elementary schools, \$70,380 for an emergency generator located at Town Hall, and \$2,212,074 for the denitrification upgrades at WPCA noted above.
- Purchases of three police vehicles totaling \$80,818, including two new Police Department vehicles as part of the normal vehicle replacement cycle, and a third vehicle to replace a police cruiser that was damaged beyond repair in an accident.
- Road construction totaling \$2,962,565, including the completion of the Bemis Street reconstruction and ongoing general road upgrades and repairs.

**Town of Plymouth, Connecticut
Capital Assets (Net)**

	Governmental Activities	
	2016	2015
Land	\$ 6,782,353	\$ 6,782,353
Buildings	49,485,424	51,074,466
Buildings improvements	11,444,368	9,514,657
Land improvements	2,585,572	2,785,937
Machinery and equipment	4,919,479	5,130,122
Vehicle	3,224,987	3,450,437
Infrastructure	96,147,236	94,765,232
Construction in progress	5,193,253	8,497,880
Total	\$ 179,782,672	\$ 182,001,084

Additional information on the Town’s capital assets can be found in Note 5.

Long-term debt. At the end of the current fiscal year, the Town had general obligation bonds outstanding of \$21,912,407. The amount reflects debt backed by the full faith and credit of the Town.

**Town of Plymouth, Connecticut
Long-Term Debt**

	Governmental Activities	
	2016	2015
General obligation bonds	\$ 21,912,407	\$ 23,025,000

The Town’s long term total debt decreased by \$1,112,593 (4.8%) during the current fiscal year, which reflects new issuances of debt principal related to the nitrogen reduction system upgrades at WPCA, which was more than offset by scheduled principal payments.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$189,236,432, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note 7.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Town as of June 30, 2016 was 6.3%, which is a decrease from June 30, 2015 (6.6%), but higher than the state's unemployment rate of 5.4%.
- Inflationary trends in the region are in line with national indices.
- The Town is continuing to aggressively pursue new commercial enterprises to increase the value of the net grand list, including additional tenants for, and expansions within, the business park.

The 2016-2017 budget was evaluated using the anticipated fund balance projections from the past fiscal year. The 2016-2017 budget uses \$140,000 of the Town's fund balance to balance revenues and expenditures. The overall budget for expenditures in the General Fund increases by \$395,910, with the change coming in costs for Education and General Government, offset in part by lower debt service costs. The 2016-2017 budget has a property tax rate of 36.02 mils, an increase from 35.43 mils the prior year.

The 2016-2017 budget assumes an increase in the current collection rate to 98.5%, compared with 98.0% in the 2015-2016 budget, for property taxes other than motor vehicles, and a 95.0% collection rate for motor vehicle taxes. The Board of Finance reviews tax collections and results from the Tax office on an ongoing basis.

The grand list, the total of all taxable property that sets the property tax collection rate, is expected to grow at a minimal pace of approximately 0.3% in the upcoming year, to \$767.1 million.

Requests for Information

This financial report is designed to provide a general overview of the Town'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 Comptroller's Office, The Town of Plymouth, 80 Main Street, Terryville, Connecticut 06786.

Basic Financial Statements

TOWN OF PLYMOUTH, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2016

	<u>Governmental Activities</u>
Assets:	
Cash and cash equivalents	\$ 9,436,365
Investments	33,323
Restricted investments	956,825
Receivables, net	4,030,412
Assets held for sale	2,272,297
Capital assets not being depreciated	11,975,606
Capital assets being depreciated, net	167,807,066
Total assets	<u>196,511,894</u>
Deferred Outflows of Resources:	
Deferred charge on refunding	98,608
Deferred outflows related to PERS	803,794
Deferred outflows related to MERS	463,458
Total deferred outflows of resources	<u>1,365,860</u>
Liabilities:	
Accounts and other payables	1,753,041
Accrued interest payable	180,185
Due to agency funds	129,605
Unearned revenue	1,958,060
Noncurrent liabilities:	
Due within one year	2,223,717
Due in more than one year	40,269,438
Total liabilities	<u>46,514,046</u>
Deferred Inflows of Resources:	
Deferred inflows related to PERS	<u>43,664</u>
Net Position:	
Net investment in capital assets	157,247,133
Perpetual care:	
Expendable	478,004
Nonexpendable	325,588
Libraries:	
Expendable	53,575
Nonexpendable	436,080
Debt service	205,536
Unrestricted	<u>(7,425,872)</u>
Total Net Position	<u>\$ 151,320,044</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF PLYMOUTH, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Net Position
		Charges for Services	Operating Grants and Contributions	
				Governmental Activities
Governmental activities:				
General administration	\$ 6,819,627	\$ 210,543	\$ 5,021	\$ (6,604,063)
Public safety	3,712,614	801,636	24,444	(2,873,534)
Public works	6,546,134	1,559,204	94,231	(3,986,235)
Health and welfare	296,369	63,164	10,421	(222,784)
Library	502,572	12,484	133,030	(357,058)
Recreation	290,445	83,020	5,000	(202,425)
Education	29,534,659	455,078	14,499,557	(14,580,024)
Land use	225,389	10,078	5,148	(210,163)
Interest expense	581,762			(581,762)
Total Governmental Activities	\$ 48,509,571	\$ 3,195,207	\$ 14,776,852	\$ 919,464
General revenues:				
Property taxes				26,871,040
Grants and contributions not restricted to specific programs				272,821
Investment earnings (loss)				(2,090)
Miscellaneous				165,188
Total general revenues				27,306,959
Change in Net Position				(2,311,089)
Net Position at Beginning of Year				153,631,133
Net Position at End of Year				\$ 151,320,044

The accompanying notes are an integral part of the financial statements

**TOWN OF PLYMOUTH, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016**

	<u>General</u>	<u>Sewer Operating</u>	<u>Capital Projects</u>	<u>Capital and Nonrecurring</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 1,259,366	\$ 1,889,359	\$ 160,257	\$ 2,338,248	\$ 2,019,524	\$ 7,666,754
Investments					33,323	33,323
Restricted investments					956,825	956,825
Receivables, net:						
Property taxes	842,735					842,735
Interest	431,228	80,618				511,846
Assessments/use charges		284,884			262,714	547,598
Intergovernmental	43,500		97,000	196,348	44,020	380,868
Loans					1,021,909	1,021,909
Other	296,083				429,373	725,456
Due from other funds	<u>3,400,171</u>	<u>532</u>	<u>350,676</u>	<u>1,563,954</u>	<u>1,039,473</u>	<u>6,354,806</u>
Total Assets	<u>\$ 6,273,083</u>	<u>\$ 2,255,393</u>	<u>\$ 607,933</u>	<u>\$ 4,098,550</u>	<u>\$ 5,807,161</u>	<u>\$ 19,042,120</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 761,532	\$ 128,511	\$ 236,605	\$ 222,841	\$ 115,326	\$ 1,464,815
Due to other funds	2,822,432	462,905	663,594	830,776	765,143	5,544,850
Unearned revenue			10,500	1,924,853	22,707	1,958,060
Total liabilities	<u>3,583,964</u>	<u>591,416</u>	<u>910,699</u>	<u>2,978,470</u>	<u>903,176</u>	<u>8,967,725</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	1,115,570					1,115,570
Unavailable revenue - sewer use receivable		365,502				365,502
Unavailable revenue - special assessments					262,714	262,714
Unavailable revenue - loans receivable					1,021,909	1,021,909
Total deferred inflows of resources	<u>1,115,570</u>	<u>365,502</u>	<u>-</u>	<u>-</u>	<u>1,284,623</u>	<u>2,765,695</u>
Fund balances:						
Nonspendable					761,668	761,668
Restricted					1,793,260	1,793,260
Committed	100,000	1,298,475	313,143	1,120,080	1,281,837	4,113,535
Assigned	1,092,917					1,092,917
Unassigned	380,632		(615,909)		(217,403)	(452,680)
Total fund balances	<u>1,573,549</u>	<u>1,298,475</u>	<u>(302,766)</u>	<u>1,120,080</u>	<u>3,619,362</u>	<u>7,308,700</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,273,083</u>	<u>\$ 2,255,393</u>	<u>\$ 607,933</u>	<u>\$ 4,098,550</u>	<u>\$ 5,807,161</u>	<u>\$ 19,042,120</u>

The accompanying notes are an integral part of the financial statements

TOWN OF PLYMOUTH, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2016

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position:

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different from the governmental fund balance sheet because of the following:

Fund balances - total governmental funds (Exhibit III)	\$	7,308,700
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Assets held for sale		2,272,297
Governmental capital assets	\$ 247,261,599	
Less accumulated depreciation	<u>(67,478,927)</u>	
Net capital assets		179,782,672

Other long-term assets and deferred outflows are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:

Property tax receivable greater than 60 days	684,342
Interest receivable on property taxes	431,228
Housing loans	1,021,909
Sewer use and assessments receivable	284,884
Interest receivable on sewer use and assessments	80,618
Water assessment receivable	262,714
Deferred outflows related to PERS	803,794
Deferred outflows related to MERS	463,458

Internal service funds are used by management to charge the cost of medical insurance to individual departments:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	541,824
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Long-term liabilities and deferred inflows, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(21,912,407)
Deferred charge on refunding	98,608
Premium	(721,740)
Interest payable on bonds	(180,185)
Net OPEB obligation	(3,628,865)
Compensated absences	(1,218,685)
Early retirement incentive	(13,500)
Net pension liability	(14,397,958)
Landfill postclosure costs	(600,000)
Deferred inflows related to PERS	<u>(43,664)</u>

Net Position of Governmental Activities (Exhibit I)	\$ <u>151,320,044</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF PLYMOUTH, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>General</u>	<u>Sewer Operating</u>	<u>Capital Projects</u>	<u>Capital and Nonrecurring</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 27,131,451	\$	\$	\$	\$	\$ 27,131,451
Charges for services	331,471	1,491,450		937,292	1,370,070	4,130,283
Intergovernmental	13,691,121	76,092			1,203,200	14,970,413
Income from investments	8,866	5,167	269	14	24,122	38,438
Net change in fair value of investments					(42,467)	(42,467)
Contributions					137,221	137,221
Other	177,800	3,562		24,511	176,589	382,462
Total revenues	<u>41,340,709</u>	<u>1,576,271</u>	<u>269</u>	<u>961,817</u>	<u>2,868,735</u>	<u>46,747,801</u>
Expenditures:						
Current:						
General administration	5,581,731				20,982	5,602,713
Public safety	2,816,576				560,806	3,377,382
Public works	3,211,164	1,234,888				4,446,052
Health and welfare	206,908				67,561	274,469
Library	483,519				15,881	499,400
Recreation	177,333				73,764	251,097
Education	25,838,998				1,583,635	27,422,633
Land use	178,905					178,905
Debt service	2,824,632	160,282				2,984,914
Capital outlay			390,898	2,012,129		2,403,027
Total expenditures	<u>41,319,766</u>	<u>1,395,170</u>	<u>390,898</u>	<u>2,012,129</u>	<u>2,322,629</u>	<u>47,440,592</u>
Excess (Deficiency) of Revenues over Expenditures	<u>20,943</u>	<u>181,101</u>	<u>(390,629)</u>	<u>(1,050,312)</u>	<u>546,106</u>	<u>(692,791)</u>
Other Financing Sources (Uses):						
Transfers in	60,000			657,000	123,713	840,713
Transfers out	(780,713)				(60,000)	(840,713)
Issuance of loans		1,200,499				1,200,499
Total other financing sources (uses)	<u>(720,713)</u>	<u>1,200,499</u>	<u>-</u>	<u>657,000</u>	<u>63,713</u>	<u>1,200,499</u>
Net Change in Fund Balances	(699,770)	1,381,600	(390,629)	(393,312)	609,819	507,708
Fund Balances at Beginning of Year	<u>2,273,319</u>	<u>(83,125)</u>	<u>87,863</u>	<u>1,513,392</u>	<u>3,009,543</u>	<u>6,800,992</u>
Fund Balances at End of Year	<u>\$ 1,573,549</u>	<u>\$ 1,298,475</u>	<u>\$ (302,766)</u>	<u>\$ 1,120,080</u>	<u>\$ 3,619,362</u>	<u>\$ 7,308,700</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF PLYMOUTH, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because:

Net change in fund balances - total governmental funds (Exhibit IV) \$ 507,708

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	2,316,145
Depreciation expense	(4,532,957)

The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets. (1,600)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property tax receivable - accrual basis change	(97,486)
Property tax interest revenue - accrual basis change	(162,925)
Sewer use and assessment receivable - accrual basis change	(126,190)
Sewer use and assessment interest receivable - accrual change	(94,960)
Water assessment receivable - accrual basis change	(69,698)
Deferred outflows related to PERS	(140,449)
Deferred outflows related to MERS	410,513

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current 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 amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bonds and notes principal payments 2,313,092

Some expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported as expenditures in the governmental funds:

Net OPEB expense	(536,620)
Compensated absences	8,277
Heart and hypertension	8,790
Early retirement incentive	11,750
Net pension liability	(1,435,205)
Landfill postclosure costs	25,000
Accrued interest payable	15,358
Amortization of deferred charge on refunding	(11,222)
Amortization of premium	85,924
Deferred inflows related to PERS	15,056

Internal service funds are used by management to charge costs of medical insurance to individual departments 381,109

Change in Net Position of Governmental Activities (Exhibit II) \$ (2,311,089)

The accompanying notes are an integral part of the financial statements

**TOWN OF PLYMOUTH, CONNECTICUT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2016**

	Governmental Activities
	Internal Service Fund
	<hr/>
Assets:	
Cash and cash equivalents	\$ 1,769,611
Due from other funds	<u>600,000</u>
Total assets	<u>2,369,611</u>
Liabilities:	
Due to other funds	1,539,561
Claims payable	<u>288,226</u>
Total liabilities	<u>1,827,787</u>
Net Position:	
Unrestricted	\$ <u><u>541,824</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF PLYMOUTH, CONNECTICUT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2016**

	Governmental Activities
	Internal Service Fund
Operating Revenues:	
Charges for services	\$ <u>3,844,060</u>
Operating Expenses:	
Claims incurred	2,950,097
Administration	<u>514,793</u>
Total operating expenses	<u>3,464,890</u>
Operating Income	379,170
Nonoperating Revenues:	
Revenues from use of money	<u>1,939</u>
Change in Net Position	381,109
Net Position at Beginning of Year	<u>160,715</u>
Net Position at End of Year	<u>\$ 541,824</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF PLYMOUTH, CONNECTICUT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2016**

	Governmental Activities
	Internal Service Fund
Cash Flows from Operating Activities:	
Cash received from charges for services	\$ 3,844,060
Cash paid for benefits	(2,981,699)
Cash paid for administration	(514,793)
Net cash provided by (used in) operating activities	<u>347,568</u>
Cash Flows from Investing Activities:	
Interest on investments	<u>1,939</u>
Net Increase (Decrease) in Cash and Cash Equivalents	349,507
Cash and Cash Equivalents at Beginning of Year	<u>1,420,104</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,769,611</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ 379,170
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
(Increase) decrease in accounts receivable	62,935
Increase (decrease) in claims payable	<u>(94,537)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 347,568</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF PLYMOUTH, CONNECTICUT
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2016**

	<u>Pension Fund</u>	<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>
Assets:			
Cash and cash equivalents	\$ _____	\$ 3,016	\$ 240,280
Investments:			
Guaranteed investment contracts	8,962,833		
Mutual funds	181,233		
Total investments	<u>9,144,066</u>	<u>-</u>	<u>-</u>
Accounts receivable	<u>20,809</u>		
Due from other funds			<u>129,605</u>
Total assets	<u>9,164,875</u>	<u>3,016</u>	<u>\$ 369,885</u>
Liabilities:			
Accounts payable and due to others			<u>\$ 369,885</u>
Net Position:			
Restricted for Pension/Other Benefits	<u>\$ 9,164,875</u>	<u>\$ 3,016</u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF PLYMOUTH, CONNECTICUT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Pension Fund</u>	<u>Private Purpose Trust Fund</u>
Additions:		
Contributions:		
Employer	\$ 814,427	\$
Plan members	67,556	
Total contributions	<u>881,983</u>	<u>-</u>
Investment income:		
Net change in fair value of investments	22,822	
Interest and dividends	355,338	7
Total investment income	378,160	7
Less investment expense	(85,532)	
Net investment income	<u>292,628</u>	<u>7</u>
Total additions	<u>1,174,611</u>	<u>7</u>
Deductions:		
Benefits	1,380,821	
Administration	4,108	
Total deductions	<u>1,384,929</u>	<u>-</u>
Change in Net Position	(210,318)	7
Net Position at Beginning of Year	<u>9,375,193</u>	<u>3,009</u>
Net Position at End of Year	<u>\$ 9,164,875</u>	<u>\$ 3,016</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Plymouth (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the Town are described below.

A. Reporting Entity

The Town operates under a home rule charter that was adopted in 1974. The Town operates under a Mayor-Town Council form of government and provides the following public services as authorized by its charter: public safety (police and fire), public works, parks and recreation, sanitation, health and social services, planning and zoning, and education.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given 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 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter 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.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.

The *Sewer Operating Fund* accounts for operations of the Sewer Collection System. The main source of revenue is the user charge fee.

The *Capital Projects Fund* accounts for the financial revenues to be used for major capital asset construction and/or purchases funded by debt issuances.

The *Capital and Nonrecurring Fund* is used to account for the financial resources that are restricted, committed or assigned to be used for capital outlays, including the acquisition or construction of capital facilities and other capital assets funded by debt issuance.

Additionally, the Town reports the following fund types:

The *Internal Service Fund* accounts for the self-insurance activities related to health benefits and deductibles on commercial insurance policies.

The *Pension Trust Fund* accounts for the activities of the Town pension plans, which accumulate resources for pension benefit payments to qualified Town and Board of Education employees.

The *Private Purpose Trust Fund* is used to account for a hospice fund that benefits local individuals. All resources of the fund, including any earnings on invested resources, may not be used to support the Town's activities. There is no requirement that any portion of these resources be preserved as capital.

The *Agency Funds* account for monies held on behalf of students, other community groups and performance bonds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town's functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include property taxes.

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service fund are charges for medical insurance premiums. Operating expenses for internal service fund include the cost of medical claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." All trade and property tax receivables, are shown net of an allowance for uncollectibles. Allowances for uncollectibles are computed based on historical data.

Loan receivables consist of Community Development Block Grant loans. The Town provides low-interest loans for residential rehabilitation as well as loans to local businesses for facility improvements.

Property taxes (receivable - taxes) are assessed as of October 1, levied after the adoption of the Town budget by referendum and become legally due and payable on July 1. Taxes are overdue on August 1, and interest is levied at a rate of 1-1/2% per month. Liens are placed on delinquent real estate taxes owed on June 30th. Liens will be placed sooner in cases where the Tax Collector deems the taxes to be in jeopardy.

An amount of \$200,000 has been established as an allowance for uncollectible taxes as of June 30, 2016.

F. Restricted Investments

CDBG Loans Fund

Certain investments accounts are pledged as collateral for loans made by the bank to participants in the Town's Community Development Loan Program. This amount is adjusted as loans are repaid.

Permanent Funds

Restricted investments in permanent funds are to be used for the Cemetery and Library improvements.

G. Assets Held for Sale

Assets held for sale are the Phase III Industrial Park lots available for sale. Assets held for sale are not depreciated.

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

H. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 for equipment, \$20,000 for improvements and \$100,000 for infrastructure and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	75-100
Building improvements	50
Land improvements	50
Roads	50-100
Bridges	50-75
Sewer plant	50
Sewer lines	100
Vehicles	5-20
Office equipment	5-25

I. Deferred Outflows/Inflows of Resources

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 or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension results from contributions made subsequent to measurement date, differences between expected and actual experience, changes in assumptions or other inputs. The contributions made subsequent to measurement date are recognized the following year. All other amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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 or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows of resources related to pensions in the government-wide statement of net position. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). The governmental funds report unavailable revenues from several sources: property taxes, sewer use fees, special assessments and long-term loans. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

J. Compensated Absences

Employees are paid by a prescribed formula for absence due to vacation and sickness based upon the various union contracts and the Town's personnel policies. The eligibility for vacation pay, and in some instances sick pay, does not vest.

K. Net Pension Liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

L. Net OPEB Obligation

The net OPEB obligation represents the cumulative difference between the annual OPEB cost and the Town's contributions to the plans. These amounts are calculated on an actuarial basis and are recorded as noncurrent assets and/or noncurrent liabilities, accordingly, in the government-wide financial statements.

M. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. 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 any significant applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Fund Equity

Equity in the government-wide financial statements is defined as net position” and is classified in the following categories:

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position

This component of net position consists of restrictions that are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This component consists of net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

Nonspendable Fund Balance

This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance

This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.

Committed Fund Balance

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town of Plymouth Board of Finance) by adoption of a resolution prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned Fund Balance

For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as nonspendable, restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Board of Finance that has been delegated authority to assign amounts by the Town Charter.

Unassigned Fund Balance

This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

O. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

P. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Q. Reclassifications

Certain items related to the prior year have been reclassified to conform to the current year's financial statement presentation. The reclassifications have no effect on previously reported results.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Town adheres to the following procedures in establishing the annual budget. No later than February 10, each department head, office or agency shall file with the mayor a detailed estimate of the expenditures and revenues to be made by his or her department, office or agency in the ensuing fiscal year. These estimates shall be filed with the Board of Finance on or before February 22. The Board of Education shall file estimated expenditures with the Board of Finance on or before February 28. The Board of Finance shall hold one or more public hearings no later than April 23. Immediately after the public hearings, the Board of Finance shall meet with the Town Council and representatives of the Board of Education to present the recommended budget, at which time the Board of Finance, if a quorum of its members are present, may, by majority vote of its members, make changes to the budget to be recommended to the Town referendum. Within ten business days after such meeting, the Board of Finance shall present the recommended budget to the budget referendum, and, at least five business days prior to the referendum, the Board of Finance shall cause the recommended budget to be published in the newspaper. The Town Council schedules the annual budget referendum to be held on or before May 3. If the budget is rejected by a majority vote, a second referendum will be scheduled by the Town Council to be held within 20 days. If the budget is rejected a second time, the Town Council is authorized to adopt a budget by June 15. Council adjustments to the individual department budgets, excluding debt service, shall not exceed three percent of the current year's budgets. When adopted, the Board of Finance shall file the same with the Town Clerk and also fix the tax rate in mills.

- The Sewer Operating Budget is approved prior to July 1st by the Water Pollution Control Authority.

**TOWN OF PLYMOUTH, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2016**

- The Finance Director is authorized to transfer budgeted amounts within departments up to \$1,000; all transfers over \$1,000 require Board of Finance approval. Budget over expenditures in departmental line items are approved by the Board of Finance, although no actual budgetary entries are made. Additional appropriations must be approved by the Town Council. Appropriations in excess of \$50,000 must be submitted to a Town Meeting for approval. During the year General Fund appropriations increased in the amount of \$188,184. There were no additional Sewer Operating Fund appropriations authorized during the year.
- Certain items related to the prior year have been reclassified to conform to the current year's financial statement presentation. The reclassifications have no effect on previously reported results.
- Formal budgetary integration is employed as a management control device during the year.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level for the General Fund and at the fund level for the Sewer Operating Fund.
- Budgeted amounts shown are as originally adopted, or as amended by the Town Council and Board of Finance during the course of the year.
- The Board of Education is authorized under State law to make any transfers required within its budget at its discretion. Any additional appropriations must have Board of Education and Town Council approval and, if over \$50,000, Town Meeting approval.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued, and, accordingly, encumbrances outstanding at year end are reported in budgetary reports as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2016, total expenditures exceeded appropriations by \$274,851. In addition, expenditures exceeded appropriations in the following line items:

Human Resource	\$	2,001
Comptroller		22,758
Legal Services		140,203
Employee Benefits		291,843
Communications		1,096
Plymouth Station		327
Fall Mountain Station		75
Snow Removal		128
Transfer Station		10,868
Maintenance Garage		7,963
Utilities - Hydrants and Streetlights		29,855
Ambulance Corps		147
		<hr/>
	\$	<u>507,264</u>

These overexpenditures were funded by the available fund balance.

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

C. Fund Deficits

Fund balance deficits existed as of June 30, 2016 in the following funds:

Capital Projects	\$	302,766
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Economic Development		217,403

These fund deficits will be reduced or eliminated by transfers from the General Fund and charges for services.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit, in an “out of state bank” as defined by the Statutes, which is not a “qualified public depository.”

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). This investment pool is under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

Deposits

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposit will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk-based capital ratio.

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$8,715,433 of the Town's bank balance of \$9,773,776 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 7,793,890
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>921,543</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 8,715,433</u></u>

Cash Equivalents

At June 30, 2016, the Town's cash equivalents amounted to \$190,732. The Town's cash equivalents (excluding U.S. government guaranteed obligations) are mainly money markets with Bank of America, Torrington Savings Bank, Thomaston Savings Bank and Wells Fargo, of which are not rated by Standard and Poors. The pools all have maturities of less than one year.

Investments

As of June 30, 2016, the Town had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1-10	More Than 10
Interest-bearing investments:					
Guaranteed investment contracts	N/A	\$ 8,962,833	\$	\$	\$ 8,962,833
Certificates of deposit	*	<u>228,480</u>	<u>59,860</u>	<u>168,620</u>	<u></u>
Total		9,191,313	<u><u>\$ 59,860</u></u>	<u><u>\$ 168,620</u></u>	<u><u>\$ 8,962,833</u></u>
Other investments:					
Mutual funds		<u>942,901</u>			
Total Investments		<u><u>\$ 10,134,214</u></u>			

* Subject to coverage by Federal Depository Insurance and collateralization.

N/A - Not applicable

Interest Rate Risk

The Town does not have a formal investment policy that limits its investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Investments

As indicated above, State Statutes limit the investment options of cities and towns. The Town allows the same type of investments as State Statutes.

Concentration of Credit Risk

The Town has no policy limiting an investment in any one issuer that is in excess of 5% of the Town's total investments.

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2016, the Town did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

The Town adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. The new disclosure is presented below:

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2016:

	<u>June 30, 2016</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Guaranteed investment contracts	\$ 8,962,833	\$	\$ 8,962,833	\$
Mutual funds	<u>942,901</u>	<u>942,901</u>		
Total Investments by Fair Value Level	<u>\$ 9,905,734</u>	<u>\$ 942,901</u>	<u>\$ 8,962,833</u>	<u>\$ -</u>

Mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Guaranteed investment contracts classified in Level 2 of the fair value hierarchy are valued using the present value of benefits for retirees based on premium rate tables in their contract. In addition, unallocated funds in excess of annuity allocations are valued using a market value factor of 107%.

4. RECEIVABLES

Receivables by type at June 30, 2016 for the Town's government-wide financial statements, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Property Taxes</u>	<u>Interest and Lien Fees</u>	<u>Assessments/ Use Charges</u>	<u>Due From State</u>	<u>Loans</u>	<u>Other Receivables</u>	<u>Total</u>
Accounts receivable	\$ 1,042,735	\$ 511,846	\$ 547,598	\$ 380,868	\$ 1,021,909	\$ 725,456	\$ 4,230,412
Less allowance for uncollectible accounts	<u>(200,000)</u>						<u>(200,000)</u>
Net Accounts Receivable	<u>\$ 842,735</u>	<u>\$ 511,846</u>	<u>\$ 547,598</u>	<u>\$ 380,868</u>	<u>\$ 1,021,909</u>	<u>\$ 725,456</u>	<u>\$ 4,030,412</u>

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,782,353 *	\$	\$	\$ 6,782,353
Construction in progress	8,497,880 *	1,338,099	4,642,726	5,193,253
Total capital assets not being depreciated	<u>15,280,233</u>	<u>1,338,099</u>	<u>4,642,726</u>	<u>11,975,606</u>
Capital assets being depreciated:				
Buildings	72,643,757 *			72,643,757
Building improvement	13,127,603 *	2,480,053		15,607,656
Land improvement	6,712,023			6,712,023
Machinery and equipment	7,841,287 *	97,336	17,970	7,920,653
Vehicles	6,752,266 *	80,818	8,000	6,825,084
Infrastructure	122,614,255	2,962,565		125,576,820
Total capital assets being depreciated	<u>229,691,191</u>	<u>5,620,772</u>	<u>25,970</u>	<u>235,285,993</u>
Less accumulated depreciation for:				
Buildings	(21,569,291) *	(1,589,042)		(23,158,333)
Building improvement	(3,612,946) *	(550,342)		(4,163,288)
Land improvement	(3,926,086)	(200,365)		(4,126,451)
Machinery and equipment	(2,711,165) *	(307,979)	17,970	(3,001,174)
Vehicles	(3,301,829) *	(304,668)	6,400	(3,600,097)
Infrastructure	(27,849,023)	(1,580,561)		(29,429,584)
Total accumulated depreciation	<u>(62,970,340)</u>	<u>(4,532,957)</u>	<u>24,370</u>	<u>(67,478,927)</u>
Total capital assets being depreciated, net	<u>166,720,851</u>	<u>1,087,815</u>	<u>1,600</u>	<u>167,807,066</u>
Governmental Activities Capital Assets, Net	<u>\$ 182,001,084</u>	<u>\$ 2,425,914</u>	<u>\$ 4,644,326</u>	<u>\$ 179,782,672</u>

* Beginning balances adjusted for grouping corrections

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

Governmental activities:	
General administration	\$ 125,993
Public safety	228,693
Public works	2,340,803
Health and welfare	21,900
Library	13,697
Recreation	33,835
Education	1,721,552
Land use	<u>46,484</u>
Total Depreciation Expense - Governmental	<u>\$ 4,532,957</u>

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Construction Commitments

The Town has active construction projects as of June 30, 2016. The projects include the following:

<u>Project</u>	<u>Appropriations</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
Industrial Park Phase III	\$ 3,650,000	\$ 3,137,195	\$ 512,805
Additional Paving Fall Mountain	690,000	100,988	589,012
Bemis Street/Beach Avenue Studies	400,000	113,208	286,792
North Main Street Bridge Project	1,600,000	141,421	1,458,579
Road Work (General- Phase 1)	4,800,000	3,835,405	964,595
Safe Routes To School	400,000	194,551	205,449
Bond - Road Work - Ph.2 - General Constr	2,000,000	517,232	1,482,768
Library Elevator Replacement	65,000		65,000
Streetscapes - Phase 2	500,000	23,847	476,153
Bemis St Project Rebuild	<u>2,340,742</u>	<u>415,888</u>	<u>1,924,854</u>
Total	<u>\$ 16,445,742</u>	<u>\$ 8,479,735</u>	<u>\$ 7,966,007</u>

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The interfund receivables and payables are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects	\$ 663,594
General Fund	Nonmajor Governmental Funds	754,111
General Fund	Sewer Operating	442,905
General Fund	Internal Service Fund	<u>1,539,561</u>
		<u>3,400,171</u>
Sewer Operating	Nonmajor Governmental Funds	<u>532</u>
Capital Projects	General Fund	209,400
Capital Projects	Capital and Nonrecurring	130,776
	Nonmajor Governmental Funds	<u>10,500</u>
		<u>350,676</u>
Capital and Nonrecurring	General Fund	<u>1,563,954</u>
Nonmajor Funds	General Fund	919,473
	Sewer Operating	20,000
	Capital and Nonrecurring	<u>100,000</u>
		<u>1,039,473</u>
Internal Service Fund	Capital and Nonrecurring	<u>600,000</u>
Performance Bonds	General Fund	<u>129,605</u>
Total		<u>\$ 7,084,411</u>

Interfund receivables and payables generally represent temporary balances arising from reimbursement type transactions.

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Interfund transfers:

	Transfer In			
	General Fund	Capital and Nonrecurring	Nonmajor Governmental	Total Transfer Out
Transfers out:				
General Fund	\$	\$ 657,000	\$ 123,713	\$ 780,713
Nonmajor Governmental Funds	60,000			60,000
Total Transfer In	\$ 60,000	\$ 657,000	\$ 123,713	\$ 840,713

Transfers are used to 1) move money from General Fund to Cafeteria Fund, Dog Fund, Education Sinking Fund and Cemetery Trust Funds and 2) to move revenues from General Fund to capital and nonrecurring fund for capital and nonrecurring projects.

7. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds and notes payable:					
General obligation bonds and notes	\$ 23,025,000	\$ 1,200,499	\$ 2,313,092	\$ 21,912,407	\$ 2,169,176
Premium	807,664		85,924	721,740	
Total bonds and notes payable	23,832,664	1,200,499	2,399,016	22,634,147	2,169,176
Net OPEB obligation	3,092,245	536,620		3,628,865	
Compensated absences	1,226,962	12,193	20,470	1,218,685	23,541
Heart and hypertension	8,790		8,790	-	
Early retirement incentive	25,250	3,750	15,500	13,500	6,000
Net pension liability	12,962,753	1,435,205		14,397,958	
Landfill postclosure costs	625,000		25,000	600,000	25,000
Total Governmental Activities Long-Term Liabilities	\$ 41,773,664	\$ 3,188,267	\$ 2,468,776	\$ 42,493,155	\$ 2,223,717

Compensated absences, net OPEB obligation, and all others are generally liquidated by the General Fund.

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

A schedule of bonds and notes payable at June 30, 2016 is presented below:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding June 30, 2016</u>
Bonds and Notes Payable:					
General purpose:					
Refunding bonds	9/16/2010	12/15/2028	2.00-4.00	1,000,000	\$ 655,000
General obligation bonds	7/19/2012	7/15/2024	2.00-4.00	7,150,000	5,350,000
General obligation bonds	8/30/2013	8/15/2025	2.00-3.25	3,000,000	2,500,000
Refunding bonds	4/22/2014	7/15/2023	2.00-5.00	778,000	734,000
School:					
Refunding bonds	9/16/2010	12/15/2028	2.00-4.00	8,820,000	6,685,000
General obligation bonds	7/19/2012	7/15/2024	2.00-4.00	2,350,000	1,750,000
Refunding bonds	4/22/2014	7/15/2023	2.00-5.00	2,887,000	2,731,000
Sewer:					
General obligation bonds	8/30/2013	8/15/2025	2.00-3.25	500,000	400,000
Clean Water Notes Payable	5/1/2016	3/1/2035	2.00	1,200,499	<u>1,107,407</u>
Total Bonds and Notes Payable					<u>\$ 21,912,407</u>

The annual requirements to amortize all bonds and notes outstanding as of June 30, 2016, including interest payments, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 2,169,176	\$ 619,793
2018	2,185,169	557,199
2019	2,206,181	489,237
2020	2,202,214	416,530
2021	2,223,268	342,101
2022-2026	9,527,909	804,932
2027-2031	1,142,637	60,163
2032-2035	<u>255,853</u>	<u>11,946</u>
Total	<u>\$ 21,912,407</u>	<u>\$ 3,301,901</u>

**TOWN OF PLYMOUTH, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2016**

Note Payable

The Town has a note payable at June 30, 2016 of \$1,107,407. The note was issued for a sewer construction project. The loan bears interest of 2%. The loan is payable in monthly installments of \$5,906, including interest through March 2035.

The Town's indebtedness does not exceed the legal debt limitations as required by the Connecticut General Statutes as reflected in the following schedule:

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 60,825,996	\$ 9,839,000	\$ 50,986,996
Schools	121,651,992	11,265,420	110,386,572
Sewers	101,376,660	2,522,408	98,854,252
Urban renewal	87,859,772		87,859,772
Pension deficit	81,101,328		81,101,328

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$189,236,432.

The definition of indebtedness above includes bonds and notes outstanding in addition to the amounts of bonds authorized and unissued against which debt is issued and outstanding. Debt authorized and unissued at June 30, 2016 is \$1,714,421.

Landfill Closure and Postclosure Care Costs

State and Federal laws and regulations require landfill closures to meet certain standards. The Town has finalized an agreement with the State Department of Environmental Protection for final capping of the landfill. Monitoring costs for the next 24 years at \$25,000 per year are \$600,000. These amounts are based on estimates that are subject to change due to inflation, technology or applicable laws and regulations.

Termination Benefits

The Board of Education provides early retirement incentive benefits to former employees. Benefits are paid annually based on the retirement agreement for each employee from the Board of Education budget. The amount paid for the fiscal year ended June 30, 2016 was \$15,500 and the balance at year end is \$13,500. Benefits are payable through 2019.

**TOWN OF PLYMOUTH, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2016**

8. RISK MANAGEMENT

The Town is exposed to various risks of loss related to public official liability, police liability, Board of Education legal liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. The Town established as an Internal Service Fund, the Self-Insurance Fund, to account for and finance the retained risk of loss for Board of Education medical benefits coverage. A third party administers the plan for which the fund pays a fee. The Self-Insurance Fund provides coverage for all Board of Education employees. The Town has purchased a stop-loss policy for total claims in any one year exceeding an aggregate of 125% of expected claims and for individual claims exceeding \$125,000. The Town purchases commercial insurance for all other risks of loss, including blanket and umbrella policies. Settled claims have not exceeded commercial coverage in any of the past three years, and there has not been any significant reductions in insurance coverage from amounts held in prior years.

Only the Board of Education participates in this self-insurance program, and payments to the fund are based upon estimates by number of employees and type of coverage (single or family) and trends in the insurance claims and estimates for administration. The claims liability reported in the fund is based upon the provisions of GASB Statements No. 10 and 30, which require that a liability for estimated claims incurred but not reported be recorded. The amount of claim accrual is based on the ultimate costs of settling the claim, which include past experience data, inflation, and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses:

	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2014-2015	\$ 261,000	\$ 3,794,475	\$ 3,672,712	\$ 382,763
2015-2016	382,763	2,950,097	3,044,634	288,226

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

9. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2016 are as follows:

	<u>General Fund</u>	<u>Sewer Operating</u>	<u>Capital Projects Fund</u>	<u>Capital and Nonrecurring</u>	<u>No major Governmental Funds</u>	<u>Total</u>
Fund balances:						
Nonspendable:						
Cemetery trust funds	\$	\$	\$	\$	\$ 325,588	\$ 325,588
Terryville public library trust					254,252	254,252
Mary J Cone trust					181,828	181,828
Restricted for:						
Grants					1,056,145	1,056,145
Debt service					205,536	205,536
Cemetery trust funds					478,004	478,004
Terryville public library trust					37,097	37,097
Mary J Cone trust					6,567	6,567
St. Mathews trust					9,911	9,911
Committed to:						
Industrial park phase 3			185,696			185,696
Fall mountain water project			127,447			127,447
Pension obligations	100,000					100,000
Various capital improvements				1,120,080		1,120,080
Education sinking fund					197,528	197,528
Sewer operating and assessment		1,298,475			22,824	1,321,299
Water assessment					405,990	405,990
Dog fund					118,581	118,581
Fuel bank and Small Wonders					42,729	42,729
Hospice					20,412	20,412
Police extra duty					373,752	373,752
Recreation					49,686	49,686
Historical preservation					49,222	49,222
Engineering services					1,113	1,113
Assigned to:						
Subsequent year's budget	140,000					140,000
Education encumbrances	919,242					919,242
Public safety	126					126
Public works	33,052					33,052
Parks and recreation	497					497
Unassigned	380,632		(615,909)		(217,403)	(452,680)
Total Fund Balances	\$ 1,573,549	\$ 1,298,475	\$ (302,766)	\$ 1,120,080	\$ 3,619,362	\$ 7,308,700

10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Pension Trust Fund

A. Plan Description and Benefits Provided

The Town administers two single-employer Public Employee Retirement Systems (PERS), contributory, defined benefit pension plans (Town Plan and Board of Education). Plan benefit and contribution requirements are established by plan documents as amended April 1, 1982, and approved by the Town Council. The Plans are considered to be part of the Town’s financial reporting entity and are included in the Town’s financial reports as Pension Trust Funds. The plans do not issue separate stand-alone financial reports.

Management of the pension plans is made up of a five-member board, which includes the Mayor, Director of Finance, Town Treasurer, Board of Education Business Manager and a Board of Finance member. In addition, there is a Town Council liaison assigned to the Board.

The plans provide for retirement and disability income for all eligible employees. All employees who work at least 20 hours a week and have been hired before July 1, 2001 are eligible on their date of hire. The plans cover substantially all noncertified Board of Education employees and all regular Town employees except police personnel and elected officials. Effective July 1, 2009, Custodian and Central office employees no longer have the option to participate in this plan.

At July 1, 2014 the plan’s membership consisted of:

	<u>Town</u>	<u>Board of Education</u>
Retirees and beneficiaries currently receiving benefits	63	33
Terminated employees entitled to benefits but not receiving	8	3
Active plan members	<u>14</u>	<u>35</u>
Total	<u><u>85</u></u>	<u><u>71</u></u>

The plan is closed to new participants.

B. Summary of Significant Accounting Policies

Basis of Accounting

Financial statements are prepared using the accrual basis of accounting for the defined benefit pension plans fund. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Method Used to Value Investments

Investments are reported at market value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

C. Funding Policy

Employees covered under the Town and Board of Education plans are required to contribute 5% and 2.5%, respectively, of their earnings to the plan. The Town and Board of Education contributions are actuarially determined on an annual basis.

Administrative costs of the Plans are financed through investment earnings.

D. Investments

Investment Policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Concentration: The Town holds a guaranteed investment contract which represents more than 5% of the respective funds net position at June 30, 2016. The amount held at June 30, 2016 is \$8,962,833.

Rate of Return

For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.24%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

E. Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2016 were as follows:

	<u>Town</u>	<u>Board of Education</u>	<u>Total</u>
Total pension liability	\$ 14,626,975	\$ 7,208,947	\$ 21,835,922
Plan fiduciary net position	<u>(4,439,810)</u>	<u>(4,725,065)</u>	<u>(9,164,875)</u>
Town's Net Pension Liability	<u>\$ 10,187,165</u>	<u>\$ 2,483,882</u>	<u>\$ 12,671,047</u>
Plan fiduciary net position as a percentage of the total pension liability	30.35%	65.54%	41.97%

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Actuarial Assumptions

The total pension liability at June 30, 2016 was determined by an actuarial valuation as of July 1, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Town</u>	<u>Board of Education</u>
Inflation	2.75%	2.75%
Salary increases including inflation	3.50%	3.50%
Discount rate	5.09%	6.25%
Long-term expected rate of return	6.25%	6.25%
Bond Buyer General Obligation 20-Year Municipal Bond Index	2.85%	2.85%

RP-2000 Combined Healthy Mortality Table, with generational projection per Scale AA, previously RP-2000 Combined Healthy Mortality Table, with projection per scale AA to year of valuation plus 10 years.

The Town and Board of Education plans have not had a formal actuarial experience study performed.

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. The target asset allocation and the best estimates of arithmetic real rates of return for each major asset class as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
US Long Credit Bonds	98.32 %	4.37 %
US Core Bonds	0.47	2.53
US Equity Market	0.30	5.40
US Interm Bonds	0.24	2.23
US Short Bonds	0.15	1.81
Emerging Market Equity	0.10	8.19
US Inflation-Indexed Bonds	0.10	1.94
US Large Caps	0.10	5.11
Foreign Developed Equity	0.07	6.04
Non-US Bonds	0.05	1.52
Commodities	0.04	3.27
US Mid Caps	0.03	5.66
US Small Caps	0.03	6.26
	<u>100.00 %</u>	

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Discount Rate

Town Plan

The discount rate used to measure the total pension liability at June 30, 2016 was 5.09% down from 5.56% reported in the prior year. The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient.

Board of Education Plan

The discount rate used to measure the total pension liability at June 30, 2016 was 6.25%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Changes in the Net Pension Liability

Town Pension Plan			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2015	\$ 14,077,137	\$ 4,735,303	\$ 9,341,834
Changes for the year:			
Service cost	115,976		115,976
Interest on total pension liability	732,516		732,516
Differences between expected and actual experience			-
Changes in assumptions	682,826		682,826
Employer contributions		506,258	(506,258)
Member contributions		36,739	(36,739)
Net investment income		145,026	(145,026)
Benefit payments, including refund to employee contributions	(981,480)	(981,480)	-
Administrative expenses		(2,036)	2,036
Net changes	<u>549,838</u>	<u>(295,493)</u>	<u>845,331</u>
Balances as of June 30, 2016	<u>\$ 14,626,975</u>	<u>\$ 4,439,810</u>	<u>\$ 10,187,165</u>

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Board of Education Pension Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2015	\$ 6,983,834	\$ 4,639,890	\$ 2,343,944
Changes for the year:			
Service cost	188,475		188,475
Interest on total pension liability	435,979		435,979
Differences between expected and actual experience			-
Changes in assumptions			-
Employer contributions		308,169	(308,169)
Member contributions		30,817	(30,817)
Net investment income		147,602	(147,602)
Benefit payments, including refund to employee contributions	(399,341)	(399,341)	-
Administrative expenses		(2,072)	2,072
Net changes	<u>225,113</u>	<u>85,175</u>	<u>139,938</u>
Balances as of June 30, 2016	\$ <u>7,208,947</u>	\$ <u>4,725,065</u>	\$ <u>2,483,882</u>

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

The following presents the net pension liability of the Town, calculated using the current discount rate, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

Town			
	1% Decrease 4.09%	Current Discount Rate 5.09%	1% Increase 6.09%
Net Pension Liability	\$ <u>11,793,970</u>	\$ <u>10,187,165</u>	\$ <u>8,830,627</u>
Board of Education			
	1% Decrease 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
Net Pension Liability	\$ <u>3,330,347</u>	\$ <u>2,483,882</u>	\$ <u>1,765,881</u>

The following schedule presents the new position held in trust for the pension benefits at June 30, 2016 and the changes in net position for the year ended.

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Schedule of Plan Net Position - June 30, 2016

	<u>Town</u>	<u>Board of Education</u>	<u>Total</u>
Assets:			
Investments:			
Guaranteed investment contracts	\$ 4,341,596	\$ 4,621,237	\$ 8,962,833
Mutual funds	87,789	93,444	181,233
Total investments	<u>4,429,385</u>	<u>4,714,681</u>	<u>9,144,066</u>
Accounts receivable	<u>10,425</u>	<u>10,384</u>	<u>20,809</u>
Total assets	<u>4,439,810</u>	<u>4,725,065</u>	<u>9,164,875</u>
Net Position:			
Restricted for Pensions	<u>\$ 4,439,810</u>	<u>\$ 4,725,065</u>	<u>\$ 9,164,875</u>

Schedule of Changes in Plan Net Position for the Year Ended June 30, 2016

	<u>Town</u>	<u>Board of Education</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 506,258	\$ 308,169	\$ 814,427
Plan members	36,739	30,817	67,556
Total contributions	<u>542,997</u>	<u>338,986</u>	<u>881,983</u>
Investment income:			
Net change in fair value of investments	11,055	11,767	22,822
Interest and dividends	172,126	183,212	355,338
Total investment income	<u>183,181</u>	<u>194,979</u>	<u>378,160</u>
Less investment expense	<u>(38,155)</u>	<u>(47,377)</u>	<u>(85,532)</u>
Net investment income	<u>145,026</u>	<u>147,602</u>	<u>292,628</u>
Total additions	<u>688,023</u>	<u>486,588</u>	<u>1,174,611</u>
Deductions:			
Benefits	981,480	399,341	1,380,821
Administration	2,036	2,072	4,108
Total deductions	<u>983,516</u>	<u>401,413</u>	<u>1,384,929</u>
Change in Net Position	(295,493)	85,175	(210,318)
Net Position at Beginning of Year	<u>4,735,303</u>	<u>4,639,890</u>	<u>9,375,193</u>
Net Position at End of Year	<u>\$ 4,439,810</u>	<u>\$ 4,725,065</u>	<u>\$ 9,164,875</u>

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Deferred Outflows of Resources

	Town Pension Plan	Board of Education Pension Plan	Total
Differences between expected and actual experience	\$	\$	\$ -
Changes in assumptions		394,424	394,424
Net difference between projected and actual earnings on pension plan investments	<u>205,743</u>	<u>203,627</u>	<u>409,370</u>
Total	<u>\$ 205,743</u>	<u>\$ 598,051</u>	<u>\$ 803,794</u>

Deferred Inflows of Resources

	Town Pension Plan	Board of Education Pension Plan	Total
Differences Between Expected and Actual Experience	<u>\$ -</u>	<u>\$ 43,664</u>	<u>\$ 43,664</u>

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

<u>Year Ending June 30,</u>	Town Pension Plan	Board of Education Pension Plan	Total
2017	\$ 59,424	\$ 179,451	\$ 238,875
2018	59,424	179,451	238,875
2019	59,426	167,350	226,776
2020	27,469	28,135	55,604

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

For the year ended June 30, 2016, the Town recognized pension expense of \$1,925,089 as follows:

	Pension Expense
Town	\$ 1,438,214
Board of Education	<u>486,875</u>
Total	<u>\$ 1,925,089</u>

Municipal Employees’ Retirement Fund

A. Plan Description

All police officers of the Town participate in the Municipal Employees’ Retirement System (MERS). MERS is a cost-sharing multiple-employer public employee retirement system established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits to employees of participating municipalities. Chapters 7-425 to 7-451 of the State of Connecticut General Statutes, which can be amended by legislative action, establishes MERS benefits, member contribution rates and other plan provisions. MERS is considered to be part of the State of Connecticut’s financial reporting entity and is included in the State’s financial reports as a pension trust fund. Those reports can be obtained at www.ct.gov.

B. Benefit Provisions

The plan provides retirement, disability and death benefits and annual cost-of-living adjustments to plan members and their beneficiaries. Employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service. In addition, compulsory retirement is at age 65 for police and fire members.

Normal Retirement

For members not covered by social security, retirement benefits are calculated as 2% of the average of the three highest paid years of service times the years of service. For members covered by social security, retirement benefits are calculated as 1½% of the average of the three highest paid years of service not in excess of the year’s breakpoint plus 2% of average of the three highest paid years of service in excess of the year’s breakpoint, times years of service. The year’s breakpoint is defined as \$10,700 increased by 6.0% each year after 1982, rounded to the nearest multiple of \$100. Maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually.

Early Retirement

Members must have 5 years of continuous or 15 years of active aggregate service. Benefits are calculated as a service retirement allowance on the basis of the average of the three highest paid years of service to the date of termination. Benefits are deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Disability Retirement - Service Connected

This applies to employees who are totally and permanently disabled and such disability has arisen out of and in the course of employment with the municipality. Disability due to heart and hypertension in the case of fire and police is presumed to have been suffered in the line of duty. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including worker's compensation benefits) of 50% of compensation at the time of disability.

Disability Retirement - Non-Service Connected

This applies to employees who have 10 years of service and are totally and permanently disabled. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability.

Death Benefit

This applies to employees who are eligible for service, disability or early retirement and married for at least 12 months preceding death. Benefits are calculated based on the average of the three highest paid years of service and creditable service at date of death, payable to the spouse. Benefit is equal to 50% of the average of the life annuity allowance and reduced 50% joint and survivor allowance.

C. Contributions

Member

Contributions for members not covered by social security are 5% of compensation; for members covered by social security, 2¼% of compensation up to the social security taxable wage base plus 5%, if any, in excess of such base.

Employer

Participating employers make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment, which covers the liabilities of MERS not met by member contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the Town reports a liability of \$1,726,911 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at that date. 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 participants, actuarially determined. At June 30, 2016, the Town's proportion was .9%. The decrease in proportion from June 30, 2015 is .4%.

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

For the year ended June 30, 2016, the Town recognized pension expense of \$362,240. At June 30, 2016, the Town reported deferred outflows of resources related to pension from the following sources:

	Deferred Outflows of Resources
	<u> </u>
Net difference between projected and actual earnings on pension plan investments	\$ 130,507
Contributions made subsequent to measurement date	<u>332,951</u>
 Total	 <u><u>\$ 463,458</u></u>

Amounts reported as deferred outflows of resources related to Town contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Amounts reported as deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending June 30,

2017	\$ 8,231
2018	8,231
2019	8,231
2020	105,814

D. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increase	4.25-11.00%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Mortality Table for annuitants and non-annuitants (set forward one year for males and set back one year for females).

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis 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. The target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. equities	16.0 %	5.8 %
Developed non-U.S. equities	14.0	6.6
Emerging markets (Non-U.S.)	7.0	8.3
Core fixed income	8.0	1.3
Inflation linked bond fund	5.0	1.0
Emerging market bond	8.0	3.7
High yield bonds	14.0	3.9
Real estate	7.0	5.1
Private equity	10.0	7.6
Alternative investments	8.0	4.1
Liquidity fund	3.0	0.4
 Total	 <u>100.0 %</u>	

E. Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the actuarially determined contribution rates in the future years. 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.

F. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability, calculated using the discount rate of 8.00%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.00%) or 1 percentage point higher (9.00%) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
Town's proportionate share of the net pension liability	\$ 3,231,989	\$ 1,726,911	\$ 472,761

Teacher Retirement

A. Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System, a cost sharing multiple-employer defined benefit pension plan administered by the Teachers Retirement Board. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the Teachers Retirement Board. The Teachers Retirement Board issues a publicly available financial report that can be obtained at www.ct.gov.

B. Benefit Provisions

The plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal Retirement

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

Early Retirement

Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

C. Contributions

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts)

School District employers are not required to make contributions to the plan.

The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit.

**TOWN OF PLYMOUTH, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2016**

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>31,111,382</u>
Total	<u>\$ 31,111,382</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. At June 30, 2016, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2016, the Town recognized pension expense and revenue of \$2,492,806 in Exhibit II for on-behalf amounts for the benefits provided by the State.

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increase	3.75-7.00%, including inflation
Investment rate of return	8.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

Future cost-of-living increases for members who retire on or after September 1, 1992 are assumed to be an annual cost-of-living adjustment of 2%.

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis 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. The target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. equities	21.0 %	5.8 %
Developed non-U.S. equities	18.0	6.6
Emerging markets (non-U.S.)	9.0	8.3
Core fixed income	7.0	1.3
Inflation linked bond fund	3.0	1.0
Emerging market bond	5.0	3.7
High yield bonds	5.0	3.9
Real estate	7.0	5.1
Private equity	11.0	7.6
Alternative investments	8.0	4.1
Cash	6.0	0.4
Total	<u>100.0 %</u>	

F. Discount Rate

The discount rate used to measure the total pension liability was 8.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. 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.

G. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The Town’s proportionate share of the net pension liability is \$-0- and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

H. Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan.

Defined Contribution Retirement Plan

In July 2001, the Town adopted the Town of Plymouth Retirement Savings Plan, a defined contribution plan for all employees other than police and those whose collective bargaining unit opts out of plan participation. In a defined benefit contribution plan, the benefits depend solely on amounts contributed to the plan plus investment earnings. As of June 30, 2016, there were 65 members in the plan. After six months of employment, all employees except as noted above are eligible to participate in the plan. Failure to enroll in the plan within thirty days of eligibility precludes an employee from joining the plan during the remainder of employment with the Town. Employees who are currently members of the town’s defined benefit pension plan may opt to freeze their benefit in the former plan and elect to contribute to the retirement savings plan. The plan requires employees to contribute 3% of earnings and the Town to contribute 6%. For the fiscal year ended June 30, 2016, contributions were \$81,698 and \$163,518, respectively. Town contributions along with the related earnings are fully vested after five years of continuous service. Town contribution vesting increases on 20% increasing scale from one to five years. Town contributions for, and interest forfeited by, employees who leave employment before five years of services are used to pay administrative expenses and/or utilized to reduce the Town’s current contribution requirements. Pursuant to the administrative service agreement, Voya Financial Services administers the plan.

11. OTHER POSTEMPLOYMENT BENEFITS - RETIREE HEALTH CARE PLAN

A. Plan Description

The Town and Board of Education provide postretirement health care benefits, in accordance with various labor and personnel contracts, to employees meeting specific service and age requirements. The postretirement health care benefits plan is a single-employer defined benefit plan. The Town does not issue stand-alone financial statements for this program.

The healthcare benefits payable to members for the Town plan are for members who are age 55 with 25 years of service or at age 62 or older who are eligible for benefits from the pension plan. The retirees will pay the Town’s share of the co-payment when they retire and shall be eligible for single coverage only. The retiree has the option to purchase health insurance at 100% of the cost for their spouse upon retirement. At age 65, the Town provides health insurance coverage up to 75% of the cost of Connecticut Blue Cross Blue Shield for the eligible retirees once enrolled in Medicare A & B programs.

At July 1, 2014, plan membership consisted of the following:

	Retiree Healthcare Plan
Active plan members	247
Retired members	78
Spouses of retirees	42
Total Participants	<u>367</u>

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

B. Funding Policy

The Town’s funding and payment of postemployment benefits for the year ended June 30, 2016 are accounted for in the General Fund on a pay-as-you-go basis. As of June 30, 2016, the Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with the postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines. The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees.

C. Annual OPEB Cost and Net OPEB Obligations

The Town’s annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Town’s annual OPEB cost for the year, the amount actually contributed to the plan and changes in the Town’s net OPEB obligation:

	Retiree Healthcare Plan
Annual required contribution (ARC)	\$ 1,535,717
Interest on net OPEB obligation	123,690
Adjustment to annual required contribution	<u>(147,360)</u>
Annual OPEB cost	1,512,047
Contributions made	<u>975,427</u>
Increase in net OPEB obligation	536,620
Net OPEB obligation at beginning of year	<u>3,092,245</u>
Net OPEB Obligation at End of Year	<u>\$ 3,628,865</u>

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal year ended June 30, 2016 is presented below.

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2014	\$ 1,370,214	\$ 894,169	65.26%	\$ 2,541,613
6/30/2015	1,438,653	888,021	61.73%	3,092,245
6/30/2016	1,512,047	975,427	64.51%	3,628,865

**TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/2010	\$ -	\$ 14,612,000	\$ (14,612,000)	0.0	\$ N/A	N/A
7/1/2012	-	19,525,228	(19,525,228)	0.0	14,903,236	131.0%
7/1/2014	-	21,188,903	(21,188,903)	0.0	14,518,015	145.9%

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2011	\$ 1,080,000	54.45%
2012	1,013,000	52.04%
2013	1,066,000	69.49%
2014	1,378,579	69.79%
2015	1,453,336	64.86%
2016	1,535,717	63.52%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The ARC reflects a 30-year decreasing, closed group, level dollar amortization of the unfunded actuarial accrued liability (AAL). The actuarial assumptions include a 4.0% discount rate, an annual payroll growth rate of 3.5% and an inflation rate of 2.7%. The medical inflation rate is 5.6%-4.6% over 62 years. The annual healthcare cost trend rate is 8% initially with an ultimate rate of 4%.

12. CONTINGENT LIABILITIES

There are various suits and claims pending against the Town, none of which, individually or in the aggregate, is believed by legal counsel to be likely to result in a judgment or judgments, which would materially affect the Town's financial position.

13. SUBSEQUENT EVENTS

On April 8, 2017, the Town issued bond anticipation notes in the amount of \$5,000,000 to fund cash flows for various capital projects. The note matured on January 25, 2018 with an interest rate of 2.0%.

On January 25, 2018, the Town issued bond anticipation notes in the amount of \$6,950,000 to fund cash flows for various capital projects. The note matures on October 24, 2018 with an interest rate of 2.5%.

**Required Supplementary
Information**

**TOWN OF PLYMOUTH, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Property taxes:				
Current taxes	\$ 26,431,858	\$ 26,431,858	\$ 26,120,531	\$ (311,327)
Supplemental motor vehicle tax	275,000	275,000	314,381	39,381
Prior year taxes	600,000	600,000	410,821	(189,179)
Interest and lien fees	260,000	260,000	285,718	25,718
Collection agency fees	15,000	15,000		(15,000)
PILOT - retirement community	15,000	15,000	22,818	7,818
PILOT - housing authority	10,000	10,000	14,649	4,649
PILOT - telephone access	31,737	31,737	22,319	(9,418)
Total property taxes	<u>27,638,595</u>	<u>27,638,595</u>	<u>27,191,237</u>	<u>(447,358)</u>
Charges for services:				
Recording fees	62,000	62,000	51,934	(10,066)
Conveyance tax	65,000	65,000	51,610	(13,390)
Hunting and fishing licenses	110	110	66	(44)
Vital statistics	600	600	446	(154)
Farm land preservation			742	742
Historical Doc			1,696	1,696
Miscellaneous town clerk	22,700	22,700	20,907	(1,793)
Planning and zoning	5,000	5,000	2,425	(2,575)
Sub-division hearings	750	750	1,015	265
Public hearings			1,510	1,510
Zoning board of appeals	2,500	2,500	2,630	130
Land use applications			496	496
Fire marshal	1,500	1,500	4,591	3,091
Police permits	3,500	3,500	18,989	15,489
Insurance reports	500	500	1,826	1,326
Parking tickets & alarm fines	350	350	450	100
Hancock dam control	4,000	4,000	10,306	6,306
Public works - miscellaneous permits	10,000	10,000	25,269	15,269
Miscellaneous public works/metal reimbursement	15,000	15,000	27,049	12,049
Transfer station tipping fees	160,000	160,000		(160,000)
Transfer station permits	8,500	8,500	9,250	750
Conservation commission	1,000	1,000	1,260	260
Permit application fees			310	310
Structural permits	50,000	50,000	50,888	888
Electrical permits	5,000	5,000	26,155	21,155
Demolition permits	1,000	1,000	651	(349)
Plumbing permits	3,000	3,000	2,811	(189)
Heating permits	4,500	4,500	4,950	450
Library petty cash	6,500	6,500	6,469	(31)
Recreation - programs			2,200	2,200
Aircraft registrations	540	540	720	180
False alarms	2,000	2,000	1,850	(150)
Total charges for services	<u>435,550</u>	<u>435,550</u>	<u>331,471</u>	<u>(104,079)</u>

(Continued on next page)

**TOWN OF PLYMOUTH, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Intergovernmental revenues:				
PILOT - state property	\$ 11,134	\$ 11,134	\$	\$ (11,134)
Property tax relief for the elderly freeze	2,000	2,000		(2,000)
Property tax relief for the elderly - circuit breaker	103,703	103,703	99,820	(3,883)
Veteran's grant	11,430	11,430	6,546	(4,884)
Disability exemption	3,171	3,171	2,564	(607)
Civil preparedness	6,000	6,000		(6,000)
ECS grant	9,913,763	9,913,763	9,952,004	38,241
Special education excess cost	517,000	517,000	684,655	167,655
Adult education	11,134	11,134	11,365	231
School transportation	172,097	172,097	138,908	(33,189)
Pequot PILOT	76,487	76,487	71,640	(4,847)
Federal PILOT	1,500	1,500	1,800	300
Miscellaneous grants	19,287	19,287	43,101	23,814
Total intergovernmental revenues	<u>10,848,706</u>	<u>10,848,706</u>	<u>11,012,403</u>	<u>163,697</u>
Income from investments	<u>35,000</u>	<u>35,000</u>	<u>8,866</u>	<u>(26,134)</u>
Other revenues:				
Foreclosure sale proceeds	350,000	350,000	30,950	(319,050)
WPCA debt service reimbursements	59,313	59,313	46,350	(12,963)
Insurance reimbursements			6,867	6,867
Judicial refunds	5,000	5,000	6,436	1,436
Miscellaneous	3,500	3,500	27,411	23,911
Total other revenues	<u>417,813</u>	<u>417,813</u>	<u>118,014</u>	<u>(299,799)</u>
Total Revenues	<u>39,375,664</u>	<u>39,375,664</u>	<u>38,661,991</u>	<u>(713,673)</u>
Other financing sources:				
Cancellation of prior year's encumbrances			53,702	53,702
Transfers in	60,000	60,000	60,000	-
Total other financing sources	<u>60,000</u>	<u>60,000</u>	<u>113,702</u>	<u>53,702</u>
Total Revenues and Other Financing Sources	<u>\$ 39,435,664</u>	<u>\$ 39,435,664</u>	<u>38,775,693</u>	<u>\$ (659,971)</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			2,492,806	
Magnet school transportation grant			153,440	
Education cost sharing grant			32,472	
Cancellation of prior year encumbrances are recognized as budgetary revenue			<u>(53,702)</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Exhibit IV			<u>\$ 41,400,709</u>	

**TOWN OF PLYMOUTH, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General administration:				
Mayor	\$ 138,858	\$ 150,942	\$ 149,958	\$ 984
Town Council	5,575	5,433	4,040	1,393
Human Resource	29,000	24,948	26,949	(2,001)
Comptroller	193,970	266,105	288,863	(22,758)
Central Office	91,500	106,486	103,320	3,166
Treasurer	3,600	3,600	2,700	900
Registrar	50,800	60,680	59,766	914
Board of Finance	122,750	68,510	64,012	4,498
Assessors	128,785	106,776	105,910	866
Board of Assessment Appeals	890	226	226	-
Tax Collector	150,745	146,628	142,120	4,508
Legal Services	125,000	145,000	285,203	(140,203)
Insurance	905,500	917,074	897,551	19,523
Employee Benefits	2,888,000	3,016,264	3,308,107	(291,843)
Heart and Hypertension	9,000	11,488	11,488	-
Town Clerk	116,350	107,657	107,366	291
Probate Court	5,000	4,650	4,650	-
Special Services	20,925	19,502	19,502	-
Total general administration	<u>4,986,248</u>	<u>5,161,969</u>	<u>5,581,731</u>	<u>(419,762)</u>
Public safety:				
Fire Marshal	65,993	69,497	69,046	451
Police Department	1,956,871	2,054,370	1,980,226	74,144
Emergency Management	22,780	30,185	23,106	7,079
Dog Warden	8,450	7,567	7,519	48
Communications	358,925	474,115	475,211	(1,096)
Fire Department HQ	216,055	214,559	208,757	5,802
Terryville Station	20,850	21,061	21,061	-
Plymouth Station	12,000	13,572	13,899	(327)
Fall Mountain Station	11,900	12,414	12,489	(75)
Total public safety	<u>2,673,824</u>	<u>2,897,340</u>	<u>2,811,314</u>	<u>86,026</u>
Public works:				
Facilities	52,250	46,721	46,721	-
Snow Removal	334,200	249,747	249,875	(128)
Highway Department	798,230	904,061	893,964	10,097
Transfer Station	769,840	557,070	567,938	(10,868)
Public Works Director	171,200	131,142	130,278	864
Maintenance Garage	443,990	367,698	375,661	(7,963)
Utilities - Hydrants and Streetlights	552,400	559,389	589,244	(29,855)
Other Public Buildings	275,595	312,155	311,560	595
Building Inspector	67,080	79,563	78,974	589
Total public works	<u>3,464,785</u>	<u>3,207,546</u>	<u>3,244,215</u>	<u>(36,669)</u>
Health and welfare:				
Human Services Commission	2,200	2,036	2,036	-
Public Health	57,975	55,661	55,277	384
Medical Director	66,095	65,406	65,406	-
Ambulance Corps	29,100	38,687	38,834	(147)
Public Health - other	860	857	857	-
Public Health - Dial a Ride	41,500	44,498	44,388	110
Total health and welfare	<u>197,730</u>	<u>207,145</u>	<u>206,798</u>	<u>347</u>

(Continued on next page)

**TOWN OF PLYMOUTH, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Library services:				
Terryville Library	\$ 466,076	\$ 462,381	\$ 459,167	\$ 3,214
Plymouth Library	24,000	24,000	24,000	-
Total library services	<u>490,076</u>	<u>486,381</u>	<u>483,167</u>	<u>3,214</u>
Parks and recreation	<u>193,940</u>	<u>193,940</u>	<u>177,024</u>	<u>16,916</u>
Education	<u>23,647,790</u> *	<u>23,640,577</u> *	<u>23,610,201</u>	<u>30,376</u>
Land use:				
Planning and Zoning	166,221	148,362	147,094	1,268
Zoning Board of Appeals	3,850	1,753	1,666	87
Conservation Commission	5,200	3,173	3,110	63
Economic Development	24,700	25,641	25,641	-
Historic Properties	3,000	1,462	1,394	68
Total land use	<u>202,971</u>	<u>180,391</u>	<u>178,905</u>	<u>1,486</u>
Debt service	<u>2,877,800</u>	<u>2,867,846</u>	<u>2,824,631</u>	<u>43,215</u>
Total expenditures	<u>38,735,164</u>	<u>38,843,135</u>	<u>39,117,986</u>	<u>(274,851)</u>
Other financing uses:				
Transfers out:				
Capital and nonrecurring	582,000	657,000	657,000	-
Cafeteria Fund	105,000 *	105,000 *	105,000	-
Hillside cemetery	2,000	2,000	2,000	-
Plymouth cemetery (West)	4,000	2,000	2,000	-
BOE Sinking Fund		* 7,213 *	7,213	-
Dog Fund	7,500	7,500	7,500	-
Total other financing uses	<u>700,500</u>	<u>780,713</u>	<u>780,713</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 39,435,664</u>	<u>\$ 39,623,848</u>	39,898,699	<u>\$ (274,851)</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted	2,492,806
Magnet school transportation grant	153,440
Education cost sharing grant	32,472
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes	<u>(476,938)</u>

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV

\$ 42,100,479

* The sum of these two line items total the total amount approved for the BOE Budget in FY16.

TOWN OF PLYMOUTH, CONNECTICUT
SEWER OPERATING FUND
SCHEDULE OF REVENUES, OTHER FINANCING SOURCES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Use charges collected:				
Current year	\$ 1,065,824	\$ 1,065,824	\$ 1,108,417	\$ 42,593
Prior year	350,000	350,000	212,967	(137,033)
Interest and lien	130,000	130,000	167,821	37,821
Sewer connection - lateral fees	5,000	5,000	500	(4,500)
Intergovernmental			76,092	76,092
Investment income	6,500	6,500	5,167	(1,333)
Permit fees	500	500	700	200
Long term infrastructure	83,594	83,594		(83,594)
Miscellaneous			4,607	4,607
Total revenues	<u>1,641,418</u>	<u>1,641,418</u>	<u>1,576,271</u>	<u>(65,147)</u>
Expenditures:				
Wages and benefits:				
Wages	320,000	320,000	352,404	(32,404)
Wages - tax collector	3,805	3,805	3,805	-
Wages - overtime	42,000	42,000	18,119	23,881
Wages/benefits adjustment	5,000	5,000	5,100	(100)
Medical health insurance	102,866	102,866	99,249	3,617
Social Security	22,350	22,350	27,247	(4,897)
Worker's compensation	37,250	37,250	18,869	18,381
Seniority pay	1,500	1,500	2,025	(525)
Retirement	45,750	45,750	56,547	(10,797)
Audit	4,450	4,450	4,450	-
Accidental health and insurance	2,440	2,440	2,185	255
Conferences/memberships	300	300	160	140
Education	1,000	1,000	641	359
Total wages and benefits	<u>588,711</u>	<u>588,711</u>	<u>590,801</u>	<u>(2,090)</u>
Plant Expenditures:				
Physical Plant:				
Maintenance/service contracts	33,000	33,000	4,327	28,673
Repair and maintenance	30,000	30,000	24,441	5,559
Vehicle repairs	2,000	2,000	1,803	197
Safety	4,000	4,000	889	3,111
Insurance	46,350	46,350	46,350	-
Supplies:				
Plant & System Supplies	9,000	9,000	9,946	(946)
Chemicals	7,000	7,000	15,889	(8,889)
Lab supply/equipment	21,365	21,365	23,952	(2,587)
Clothing allowance	3,100	3,100	3,307	(207)
Utilities:				
Electric	96,800	96,800	130,685	(33,885)
Diesel fuel	1,660	1,660	1,548	112
Natural gas	14,000	14,000	9,803	4,197
Water	3,125	3,125	3,903	(778)
Telephone	10,000	10,000	10,540	(540)
Sludge disposal	115,700	115,700	115,700	-
Total plant expenditures	<u>397,100</u>	<u>397,100</u>	<u>403,083</u>	<u>(5,983)</u>

(Continued on next page)

**TOWN OF PLYMOUTH, CONNECTICUT
SEWER OPERATING FUND
SCHEDULE OF REVENUES, OTHER FINANCING SOURCES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Collection System Expenditures:				
Utilities:				
Fuel Oil	\$ 3,000	\$ 3,000	\$ 1,445	\$ 1,555
Electric	30,000	30,000	26,713	3,287
Telephone	2,755	2,755	2,717	38
Maintenance: manhole rehabilitation	10,000	10,000	11,961	(1,961)
Generator maintenance	30,000	30,000	-	30,000
Total collection system expenditures	<u>75,755</u>	<u>75,755</u>	<u>42,836</u>	<u>32,919</u>
Administrative Expenditures:				
Office supplies	1,300	1,300	1,594	(294)
Advertising/printing	3,000	3,000	2,205	795
Postage	3,300	3,300	2,875	425
Legal/Bank fees	15,000	15,000	110	14,890
NPDES permit fee	2,368	2,368	3,489	(1,121)
Nitrogen purchase/credit	10,627	10,627	10,627	-
Underground Tank/storm water	50	50	830	(780)
Computer/software	6,000	6,000	5,167	833
Total administrative expenditures	<u>41,645</u>	<u>41,645</u>	<u>26,897</u>	<u>14,748</u>
Capital Projects:				
Capital nonrecurring	116,903	116,903	26,865	90,038
Engineer services	10,000	10,000	44,383	(34,383)
Legal fees			20,222	(20,222)
Debt service	61,313	61,313	160,282	(98,969)
Long term infrastructure	85,208	85,208		85,208
Total capital projects	<u>273,424</u>	<u>273,424</u>	<u>251,752</u>	<u>21,672</u>
Total expenditures	<u>1,376,635</u>	<u>1,376,635</u>	<u>1,315,369</u>	<u>61,266</u>
Excess (Deficiency) of Revenues over Expenditures	264,783	264,783	260,902	(3,881)
Other Financing Sources:				
Appropriation of fund balance	<u>294,513</u>	<u>294,513</u>		<u>(294,513)</u>
Excess of Revenues and Other Financing Sources over Expenditures	<u>\$ 559,296</u>	<u>\$ 559,296</u>	260,902	<u>\$ (298,394)</u>
Budgetary excess of revenues over expenditures is different than GAAP net change in fund balance because of the following reconciling items:				
Clean water construction not budgeted			(90,975)	
Proceeds from clean water note payable			1,200,499	
Encumbrances outstanding at June 30, 2016 charged to budgetary expenditures			11,174	
Total Net Change in Fund Balance - GAAP Basis as Reported on Exhibit IV			<u>\$ 1,381,600</u>	

TOWN OF PLYMOUTH, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TOWN PLAN
LAST THREE FISCAL YEARS*

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:			
Service cost	\$ 115,976	\$ 98,673	\$ 119,042
Interest	732,516	767,685	747,524
Differences between expected and actual experience		628,618	
Changes of assumptions	682,826	84,414	286,593
Benefit payments, including refunds of member contributions	<u>(981,480)</u>	<u>(982,385)</u>	<u>(960,342)</u>
Net change in total pension liability	549,838	597,005	192,817
Total pension liability - beginning	<u>14,077,137</u>	<u>13,480,132</u>	<u>13,287,315</u>
Total pension liability - ending	<u>14,626,975</u>	<u>14,077,137</u>	<u>13,480,132</u>
Plan fiduciary net position:			
Contributions - employer	506,258	427,558	255,055
Contributions - member	36,739	38,924	45,385
Net investment income	145,026	143,751	198,906
Benefit payments, including refunds of member contributions	(981,480)	(982,385)	(960,342)
Administrative expense	<u>(2,036)</u>	<u>(2,850)</u>	<u>(3,109)</u>
Net change in plan fiduciary net position	(295,493)	(375,002)	(464,105)
Plan fiduciary net position - beginning	<u>4,735,303</u>	<u>5,110,305</u>	<u>5,574,410</u>
Plan fiduciary net position - ending	<u>4,439,810</u>	<u>4,735,303</u>	<u>5,110,305</u>
Net Pension Liability - Ending	<u>\$ 10,187,165</u>	<u>\$ 9,341,834</u>	<u>\$ 8,369,827</u>
Plan fiduciary net position as a percentage of the total pension liability	30.35%	33.64%	37.91%
Covered payroll	\$ 822,601	\$ 822,601	\$ 1,013,728
Net pension liability as a percentage of covered-employee payroll	1238.41%	1135.65%	825.65%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

Notes to Schedule:

Benefit changes: None

Assumption changes

2015:

Investment rate of return For fiscal year 2015 - 6.25%, previously 6.5%

Mortality RP-2000 Combined Healthy Mortality Table, with generational projection per Scale AA, previously RP-2000 Combined Healthy Mortality Table, with projection per scale AA to year of valuation plus 10 years.

**TOWN OF PLYMOUTH, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
BOARD OF EDUCATION PLAN
LAST THREE FISCAL YEARS***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:			
Service cost	\$ 188,475	\$ 177,388	\$ 176,387
Interest	435,979	422,826	429,660
Differences between expected and actual experience		(73,776)	
Changes of assumptions		666,442	
Benefit payments, including refunds of member contributions	(399,341)	(402,323)	(319,860)
Net change in total pension liability	225,113	790,557	286,187
Total pension liability - beginning	6,983,834	6,193,277	5,907,090
Total pension liability - ending	<u>7,208,947</u>	<u>6,983,834</u>	<u>6,193,277</u>
Plan fiduciary net position:			
Contributions - employer	308,169	193,702	210,664
Contributions - member	30,817	31,568	36,820
Net investment income	147,602	135,703	190,954
Benefit payments, including refunds of member contributions	(399,341)	(402,323)	(319,860)
Administrative expense	(2,072)	(1,167)	(2,985)
Net change in plan fiduciary net position	85,175	(42,517)	115,593
Plan fiduciary net position - beginning	4,639,890	4,682,407	4,566,814
Plan fiduciary net position - ending	<u>4,725,065</u>	<u>4,639,890</u>	<u>4,682,407</u>
Net Pension Liability - Ending	<u>\$ 2,483,882</u>	<u>\$ 2,343,944</u>	<u>\$ 1,510,870</u>
Plan fiduciary net position as a percentage of the total pension liability	65.54%	66.44%	75.60%
Covered payroll	\$ 1,310,909	\$ 1,310,909	\$ 1,597,580
Net pension liability as a percentage of covered payroll	189.48%	178.80%	94.57%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

Notes to Schedule:

Benefit changes: None

Assumption changes

2015:

Amortization method	Level percentage of payroll, closed, previously open
Remaining amortization period	20 years, previously 10 years
Salary increases	3.5%, previously 4%
Investment rate of return	6.25%, previously 7.25%
Mortality	RP-2000 Combined Healthy Mortality Table, with generational projection per Scale AA, previously RP-2000 Combined Healthy Mortality Table, with projection per scale AA to year of valuation plus 10 years.

**TOWN OF PLYMOUTH, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TOWN PLAN
LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 655,422	\$ 489,090	\$ 489,090	\$ 354,912	\$ 354,912	\$ 282,921	\$ 158,836	\$ 183,749	\$ 202,661	\$ 221,127
Contributions in relation to the actuarially determined contribution	506,258	427,558	255,055	269,350	299,612	212,022	158,836	183,749	202,661	221,127
Contribution Deficiency (Excess)	\$ 149,164	\$ 61,532	\$ 234,035	\$ 85,562	\$ 55,300	\$ 70,899	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 822,601	\$ 822,601	\$ 1,013,728	\$ 1,261,567	\$ 1,261,567	\$ 1,739,452	\$ 1,739,452	\$ 1,830,723	\$ 1,830,723	\$ 2,103,562
Contributions as a percentage of covered payroll	61.54%	51.98%	25.16%	21.35%	23.75%	12.19%	9.13%	10.04%	11.07%	10.51%

Notes to Schedule

Valuation date: July 1, 2014
Measurement date: June 30, 2016
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll, closed
Remaining amortization period	18 years
Inflation	2.75%
Salary increases	3.5%, average, including inflation
Investment rate of return	6.25, previously 6.5%
Retirement age	Age-based rates (from age 55 to age 70).
Mortality	RP-2000 Combined Healthy Mortality Table, with generational projection per Scale AA, previously RP-2000 Combined Healthy Mortality Table, with projection per scale AA to year of valuation plus 10 years.

**TOWN OF PLYMOUTH, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
BOARD OF EDUCATION PLAN
LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 293,169	\$ 245,080	\$ 245,080	\$ 218,012	\$ 218,012	\$ 222,436	\$ 222,436	\$ 256,775	\$ 241,517	\$ *
Contributions in relation to the actuarially determined contribution	308,169	193,702	210,664	193,850	217,718	232,281	218,589	256,775	241,517	*
Contribution Deficiency (Excess)	\$ (15,000)	\$ 51,378	\$ 34,416	\$ 24,162	\$ 294	\$ (9,845)	\$ 3,847	\$ -	\$ -	\$ -
Covered payroll	\$ 1,310,909	\$ 1,310,909	\$ 1,597,580	\$ 1,682,735	\$ 1,682,735	\$ 1,642,217	\$ 1,642,217	\$ 1,562,455	\$ 1,562,455	\$
Contributions as a percentage of covered payroll	23.51%	14.78%	13.19%	11.52%	12.94%	14.14%	13.31%	16.43%	15.46%	

Notes to Schedule

Valuation date: July 1, 2014
Measurement date: June 30, 2016
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Level percentage of payroll, closed, previously open
Remaining amortization period	20 years, previously 10 years
Inflation	2.75%
Salary increases	3.5%, previously 4%
Investment rate of return	6.25%, previously 7.25%
Retirement age	All active members are assumed to retire at the later of age 62 with 10 years of service or their normal retirement age.
Mortality	RP-2000 Combined Healthy Mortality Table, with generational projection per Scale AA, Previously RP-2000 Combined Healthy Mortality Table, with projection per scale AA to year of valuation plus 10 years.

* 2007 data is unavailable

**TOWN OF PLYMOUTH, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
LAST THREE FISCAL YEARS***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense			
Town	3.24%	2.98%	4.04%
Board of Education	3.24%	2.98%	4.04%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

**TOWN OF PLYMOUTH, CONNECTICUT
 SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHERS RETIREMENT PLAN
 LAST TWO FISCAL YEARS***

	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>31,111,382</u>	<u>28,756,238</u>
Total	<u>\$ 31,111,382</u>	<u>\$ 28,756,238</u>
Town's covered payroll	\$ 10,781,038	\$ 9,810,595
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	59.50%	61.51%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	21.4 years
Asset valuation method	4-year smoothed market

TOWN OF PLYMOUTH, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MUNICIPAL EMPLOYEES RETIREMENT FUND
LAST TWO FISCAL YEARS*

	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.90%	1.30%
Town's proportionate share of the net pension liability	\$ 1,726,911	\$ 1,276,975
Town's covered payroll	\$ 2,504,545	\$ 2,153,852
Town's proportionate share of the net pension liability as a percentage of its covered payroll	68.95%	59.29%
Plan fiduciary net position as a percentage of the total pension liability	92.72%	90.48%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	During 2013, rates of mortality, withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2012.
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	27 years
Asset valuation method	5-year smoothed market

**TOWN OF PLYMOUTH, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS - MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Actuarially determined contribution	\$ 332,951	\$ 443,277	\$ 465,719	\$ 463,200	\$ 516,330	\$ 351,860	\$ 191,563	\$ 139,218	\$ 158,496	\$ 165,391
Contributions in relation to the actuarially determined contribution	<u>332,951</u>	<u>443,277</u>	<u>465,719</u>	<u>463,200</u>	<u>516,330</u>	<u>351,860</u>	<u>191,563</u>	<u>139,218</u>	<u>158,496</u>	<u>165,391</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered employee payroll	\$ 2,504,545	\$ 2,153,852	\$ 2,168,515	\$ 1,798,581	\$ 1,696,598	\$ 1,911,946	\$ 1,648,998	\$ 1,611,282	\$ 1,408,842	\$ *
Contributions as a percentage of covered employee payroll	13.29%	20.58%	21.48%	25.75%	30.43%	18.40%	11.62%	8.64%	11.25%	*

Notes to Schedule

Valuation date: June 30, 2014
 Measurement date: June 30, 2015
 Actuarially determined contribution rates are calculated as of June 30, each biennium for the fiscal years ending two and three years after the valuation date.

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry Age
 Amortization method: Level dollar, closed
 Single equivalent amortization period: 27 years
 Asset valuation method: 5 years smoothed market (20% write up)
 Inflation:
 Salary increases: 4.25% - 11%, including inflation
 Investment rate of return: 8%, net of investment related expense
 Changes in assumptions: In 2013, rates of mortality, withdrawal, retirement and assumed rates of salary increases were adjusted to more closely reflect actual and anticipated experience.

* Information not available

Combining and Individual Fund Statements and Schedules

General Fund

GENERAL FUND

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund budget is legally adopted at the budget referendum. The General Fund utilizes the modified accrual basis of accounting.

**TOWN OF PLYMOUTH, CONNECTICUT
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 1,259,366	\$ 543,227
Receivables:		
Property taxes receivable, net of allowance for uncollectible of \$200,000 in 2016 and 2015	842,735	943,382
Interest tax receivable	431,228	594,153
Intergovernmental	43,500	23,845
Other	296,083	810,316
Due from other funds	<u>3,400,171</u>	<u>5,026,002</u>
Total Assets	<u>\$ 6,273,083</u>	<u>\$ 7,940,925</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts and other payables	\$ 761,532	\$ 985,409
Due to other funds	<u>2,822,432</u>	<u>3,306,216</u>
Total liabilities	<u>3,583,964</u>	<u>4,291,625</u>
Deferred inflows of resources:		
Unavailable revenue - property taxes	<u>1,115,570</u>	<u>1,375,981</u>
Fund Balance:		
Committed	100,000	100,000
Assigned:		
Encumbrances	952,917	529,681
Designated for subsequent year's budget	140,000	
Unassigned	<u>380,632</u>	<u>1,643,638</u>
Total fund balance	<u>1,573,549</u>	<u>2,273,319</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,273,083</u>	<u>\$ 7,940,925</u>

TOWN OF PLYMOUTH, CONNECTICUT
GENERAL FUND
REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2016

Grand List as of October 1,	Uncollected Taxes July 1, 2015	Lawful Corrections		Transfers to Suspense	Net Amount Collectible	Collections			Uncollected Taxes June 30, 2016	
		Additions	Deductions			Taxes	Interest and Lien Fees	Suspense Collection		Total
2000	\$ 4,648	\$	\$ 1,566	\$	\$ 3,082	\$	\$	\$ 230	\$ 230	\$ 3,082
2001	6,126		1,413		4,713			84	84	4,713
2002	10,697		2,503		8,194			859	859	8,194
2003	12,590		3,398		9,192			1,238	1,238	9,192
2004	24,346		13,965		10,381			922	922	10,381
2005	27,850		17,238		10,612			702	702	10,612
2006	47,258		26,901		20,357	722	1,332	1,017	3,071	19,635
2007	61,181		19,980		41,201	596	1,734	2,526	4,856	40,605
2008	54,982		20,899		34,083	2,673	2,092	2,476	7,241	31,410
2009	42,674		21,725		20,949	2,810	2,478	6,183	11,471	18,139
2010	80,109		24,787		55,322	10,041	8,814	9,236	28,091	45,281
2011	60,432		25,795		34,637	4,273	4,770	11,305	20,348	30,364
2012	181,992		25,471	62,998	93,523	45,945	19,115	507	65,567	47,578
2013	523,849		22,056		501,793	312,134	87,171		399,305	189,659
Total prior years	1,138,734	-	227,697	62,998	848,039	379,194	127,506	37,285	543,985	468,845
2014	27,241,590		238,491		27,003,099	26,429,209	133,381		26,562,590	573,890
Total	\$ 28,380,324	\$ -	\$ 466,188	\$ 62,998	\$ 27,851,138	\$ 26,808,403	\$ 260,887	\$ 37,285	\$ 27,106,575	\$ 1,042,735

**Nonmajor
Governmental Funds**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The Special Revenue Funds utilize the modified accrual basis of accounting.

Fund	Funding Source	Function
Sewer Assessment	Special Assessment	Collection of old assessments levied for sewer connections
Water Assessment	Grants and General Fund appropriations	Collection of water assessments and asset construction/purchases
Dog Fund	Fees, GF Contribution	Operations of animal control and K9
Miscellaneous Contributions	Donations	Management of funds related to Fuel Bank, Small Wonders and trust fund income accounts.
ATM Fund	State and Federal grants	Police department drug and asset forfeiture fund and various police department grants and contributions
CDBG Loan	State and Federal grants	Loan administration by the Town and a third party contractor that benefit low and moderate income households for housing and commercial rehabilitation.
Small Cities	State grants	State administered loan/grant program by the Town and a third party contractor that benefits low and moderate income households for housing rehabilitation projects.
Open Space	Charges for Services	Purchase and procurement of open space pursuant to State Statutes and Town ordinances.
Hospice	Donations	Donations made for services that are provided for hospice.
Economic Development	Sale of Land, GF Contribution	Grants to businesses and related expenses for expansion of economic development within the Town.
Police Extra Duty	Charges for Services	Accounts for extra duty hired police officers paid for by contractors.
Recreational Revolving	Charges for Services	Accounts for recreational activities and programs that are self supporting.
Historical Preservation	Charges for Services, Fees	Accounts for document and historic preservation and stated in the Connecticut General Statutes
Subdivision Engineering	Charges for Services	Fund established to pay outside contractors for engineering services the Town required.
Education Grants	State and Federal Grants, Donations	Providing additional educational opportunities.
School Cafeteria	Intergovernmental, Charges for Services	School cafeteria program in the Town school system.
Blight Fund	Fines Levied	Fund established for the administration of blighted properties.

Education Sinking Fund is used to account for the financial resources committed for the replacement of capital outlay for building and grounds for the Board of Education. The fund is funded by transfers from surplus funds in the General Fund at the end of the fiscal year from the Board of Education as approved by the Board of Finance. The fund value may not exceed 1% of the latest Board of Education's operating budget.

Debt Service Fund is used to account for the accumulation of resources for debt payments.

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Fund	Funding Source	Function
Hillside Cemetery Trust	Trust Income, GF Contribution	To pay for the maintenance and operations of Hillside Cemetery
Plymouth Cemetery Trust	Trust Income, GF Contribution	To pay for the maintenance and operations of the Plymouth Cemetery
Allentown Cemetery Trust	Trust Income	To pay for the maintenance of Allentown Cemetery
Terryville Public Library Trust	Trust Income, Intergovernmental	To assist the Terryville Library in its expansion of books for circulation and operations
Mercy J. Cone Trust	Trust Income	To assist the Terryville Library in its expansion of books for circulation and operations
St. Matthews Trust	Contributions	To pay for the maintenance of St. Matthews Cemetery

TOWN OF PLYMOUTH, CONNECTICUT
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	Special Revenue									
	Sewer Assessment	Water Assessment	Dog Fund	Miscellaneous Contributions	ATM Fund	CDBG Loan Fund	Small Cities	Open Space	Hospice	Economic Development
ASSETS										
Cash and cash equivalents	\$ 20,481	\$ 454,799	\$ 118,404	\$ 42,877	\$ 20,970	\$ 16,861	\$ 114,657		\$ 20,451	\$ 77,405
Investments					5,779					
Restricted investments						195,157				
Receivables:										
Assessments/use charges		262,714								
Intergovernmental										
Loans							1,021,909			
Other			9,956							
Due from other funds	2,343	100,000					20,000	257,169		
Total Assets	\$ 22,824	\$ 817,513	\$ 128,360	\$ 42,877	\$ 26,749	\$ 212,018	\$ 1,156,566	\$ 257,169	\$ 20,451	\$ 77,405
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$	\$	\$ 678	\$ 148	\$	\$	\$	\$	\$ 39	\$ 7,300
Due to other funds		148,809	9,101			38,842	79,298			284,512
Unearned revenue										2,996
Total liabilities	-	148,809	9,779	148	-	38,842	79,298	-	39	294,808
Deferred inflows of resources:										
Unavailable revenue - special assessments		262,714								
Unavailable revenue - loans receivable							1,021,909			
Total deferred inflows of resources	-	262,714	-	-	-	-	1,021,909	-	-	-
Fund balances:										
Nonspendable										
Restricted					26,749	173,176	55,359	257,169		
Committed	22,824	405,990	118,581	42,729					20,412	
Unassigned										(217,403)
Total fund balances	22,824	405,990	118,581	42,729	26,749	173,176	55,359	257,169	20,412	(217,403)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 22,824	\$ 817,513	\$ 128,360	\$ 42,877	\$ 26,749	\$ 212,018	\$ 1,156,566	\$ 257,169	\$ 20,451	\$ 77,405

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TOWN OF PLYMOUTH, CONNECTICUT
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET (CONTINUED)
 JUNE 30, 2016

	Special Revenue							Capital Project	Debt Service	
	Police Extra Duty	Recreational Revolving	Historical Preservation	Subdivision Engineering	Education Grants	School Cafeteria	Blight Fund	Total	Education Sinking Fund	Debt Service Fund
ASSETS										
Cash and cash equivalents	\$	\$	\$	\$	\$ 541,160	\$ 105,483	\$	\$ 1,533,548	\$	\$
Investments								5,779		
Restricted investments								195,157		
Receivables:										
Assessments/use charges								262,714		
Intergovernmental					9,955	34,065		44,020		
Loans								1,021,909		
Other	419,417							429,373		
Due from other funds		49,686	49,222	1,113			128,000	607,533	197,528	205,536
Total Assets	\$ 419,417	\$ 49,686	\$ 49,222	\$ 1,113	\$ 551,115	\$ 139,548	\$ 128,000	\$ 4,100,033	\$ 197,528	\$ 205,536
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$	\$	\$	\$	\$ 7,782	\$ 99,379	\$	\$ 115,326	\$	\$
Due to other funds	45,665				148,099			754,326		
Unearned revenue					19,711			22,707		
Total liabilities	45,665	-	-	-	175,592	99,379	-	892,359	-	-
Deferred inflows of resources:										
Unavailable revenue - special assessments								262,714		
Unavailable revenue - loans receivable								1,021,909		
Total deferred inflows of resources	-	-	-	-	-	-	-	1,284,623	-	-
Fund balances:										
Nonspendable								-		
Restricted					375,523	40,169	128,000	1,056,145		205,536
Committed	373,752	49,686	49,222	1,113				1,084,309	197,528	
Unassigned								(217,403)		
Total fund balances	373,752	49,686	49,222	1,113	375,523	40,169	128,000	1,923,051	197,528	205,536
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 419,417	\$ 49,686	\$ 49,222	\$ 1,113	\$ 551,115	\$ 139,548	\$ 128,000	\$ 4,100,033	\$ 197,528	\$ 205,536

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TOWN OF PLYMOUTH, CONNECTICUT
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET (CONTINUED)
 JUNE 30, 2016

	Hillside Cemetery Trust	Plymouth Cemetery Trust	Allentown Cemetery Trust	Permanent Terryville Public Library Trust	Mercy J. Cone Trust	St. Matthews Trust	Total	Eliminations	Total Nonmajor Governmental Funds
ASSETS									
Cash and cash equivalents	\$ 186,684	\$ 275,588	\$ 1,348	\$ 14,038	\$ 6,567	\$ 1,751	\$ 485,976	\$	\$ 2,019,524
Investments	27,544						27,544		33,323
Restricted investments	325,588			254,252	181,828		761,668		956,825
Receivables:									
Assessments/use charges							-		262,714
Intergovernmental							-		44,020
Loans							-		1,021,909
Other							-		429,373
Due from other funds				23,059		8,160	31,219	(2,343)	1,039,473
Total Assets	\$ 539,816	\$ 275,588	\$ 1,348	\$ 291,349	\$ 188,395	\$ 9,911	\$ 1,306,407	\$ (2,343)	\$ 5,807,161
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 13,160						\$ -	\$	\$ 115,326
Due to other funds							13,160	(2,343)	765,143
Unearned revenue							-		22,707
Total liabilities	13,160	-	-	-	-	-	13,160	(2,343)	903,176
Deferred inflows of resources:									
Unavailable revenue - special assessments							-		262,714
Unavailable revenue - loans receivable							-		1,021,909
Total deferred inflows of resources	-	-	-	-	-	-	-	-	1,284,623
Fund balances:									
Nonspendable	325,588	-	1,348	254,252	181,828		761,668		761,668
Restricted	201,068	275,588		37,097	6,567	9,911	531,579		1,793,260
Committed							-		1,281,837
Unassigned							-		(217,403)
Total fund balances	526,656	275,588	1,348	291,349	188,395	9,911	1,293,247	-	3,619,362
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 539,816	\$ 275,588	\$ 1,348	\$ 291,349	\$ 188,395	\$ 9,911	\$ 1,306,407	\$ (2,343)	\$ 5,807,161

**TOWN OF PLYMOUTH, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016**

	Special Revenue									
	Sewer Assessment	Water Assessment	Dog Fund	Miscellaneous Contributions	ATM Fund	CDBG Loan Fund	Small Cities	Open Space	Hospice	Economic Development
Revenues:										
Charges for services	\$	\$ 178,772	\$ 14,743	\$	\$	\$	\$	\$	\$	\$
Intergovernmental										
Income from investments	53	1,044		58	93	1,045	88		58	157
Net change in fair value of investments								5,148		
Contributions										
Other		4,734		19,200	2,774					6,000
Total revenues	<u>53</u>	<u>184,550</u>	<u>14,743</u>	<u>19,258</u>	<u>2,867</u>	<u>1,045</u>	<u>88</u>	<u>5,148</u>	<u>58</u>	<u>6,157</u>
Expenditures:										
Current:										
General administration					12,155	102				
Public safety			2,647							
Health and welfare				13,218			1,000		2,993	
Library										
Recreation										
Education										
Total expenditures	<u>-</u>	<u>-</u>	<u>2,647</u>	<u>13,218</u>	<u>12,155</u>	<u>102</u>	<u>1,000</u>	<u>-</u>	<u>2,993</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	53	184,550	12,096	6,040	(9,288)	943	(912)	5,148	(2,935)	6,157
Other Financing Sources:										
Transfers in			7,500							
Transfers out			(26,835)							
Net other financing sources	<u>-</u>	<u>-</u>	<u>(19,335)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	53	184,550	(7,239)	6,040	(9,288)	943	(912)	5,148	(2,935)	6,157
Fund Balances at Beginning of Year	<u>22,771</u>	<u>221,440</u>	<u>125,820</u>	<u>36,689</u>	<u>36,037</u>	<u>172,233</u>	<u>56,271</u>	<u>252,021</u>	<u>23,347</u>	<u>(223,560)</u>
Fund Balances at End of Year	<u>\$ 22,824</u>	<u>\$ 405,990</u>	<u>\$ 118,581</u>	<u>\$ 42,729</u>	<u>\$ 26,749</u>	<u>\$ 173,176</u>	<u>\$ 55,359</u>	<u>\$ 257,169</u>	<u>\$ 20,412</u>	<u>\$ (217,403)</u>

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TOWN OF PLYMOUTH, CONNECTICUT
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue							Capital Projects	Debt Service	
	Police Extra Duty	Recreational Revolving	Historical Preservation	Subdivision Engineering	Education Grants	School Cafeteria	Blight Fund	Total	Education Sinking Fund	Debt Service Fund
Revenues:										
Charges for services	\$ 745,109	\$ 80,820	\$	\$	\$	\$ 290,770	\$	\$ 1,310,214	\$	\$
Intergovernmental			3,000		900,010	298,689		1,201,699		
Income from investments								2,596		
Net change in fair value of investments								-		
Contributions								5,148		
Other		4,999			10,882		128,000	176,589		
Total revenues	<u>745,109</u>	<u>85,819</u>	<u>3,000</u>	<u>-</u>	<u>910,892</u>	<u>589,459</u>	<u>128,000</u>	<u>2,696,246</u>	<u>-</u>	<u>-</u>
Expenditures:										
Current:										
General administration			8,725					20,982		
Public safety	558,159							560,806		
Health and welfare								17,211		
Library								-		
Recreation		73,764						73,764		
Education					901,880	681,755	-	1,583,635		
Total expenditures	<u>558,159</u>	<u>73,764</u>	<u>8,725</u>	<u>-</u>	<u>901,880</u>	<u>681,755</u>	<u>-</u>	<u>2,256,398</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	186,950	12,055	(5,725)		9,012	(92,296)	128,000	439,848		
Other Financing Sources:										
Transfers in						105,000		112,500	7,213	
Transfers out	(33,165)							(60,000)		
Net other financing sources	<u>(33,165)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,000</u>	<u>-</u>	<u>52,500</u>	<u>7,213</u>	<u>-</u>
Net Change in Fund Balances	153,785	12,055	(5,725)	-	9,012	12,704	128,000	492,348	7,213	-
Fund Balances at Beginning of Year	<u>219,967</u>	<u>37,631</u>	<u>54,947</u>	<u>1,113</u>	<u>366,511</u>	<u>27,465</u>	<u>-</u>	<u>1,430,703</u>	<u>190,315</u>	<u>205,536</u>
Fund Balances at End of Year	<u>\$ 373,752</u>	<u>\$ 49,686</u>	<u>\$ 49,222</u>	<u>\$ 1,113</u>	<u>\$ 375,523</u>	<u>\$ 40,169</u>	<u>\$ 128,000</u>	<u>\$ 1,923,051</u>	<u>\$ 197,528</u>	<u>\$ 205,536</u>

(Continued on next page)

**TOWN OF PLYMOUTH, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

	Permanent						Total	Eliminations	Total Nonmajor Governmental Funds
	Hillside Cemetery Trust	Plymouth Cemetery Trust	Allentown Cemetery Trust	Terryville Public Library Trust	Mercy J. Cone Trust	St. Matthews Trust			
Revenues:									
Charges for services	\$ 22,420	\$ 31,421	\$ -	\$ 6,015	\$ -	\$ -	\$ 59,856	\$ -	\$ 1,370,070
Intergovernmental				1,501			1,501		1,203,200
Income from investments	7,650	4,403		4	9,469		21,526		24,122
Net change in fair value of investments	(16,785)	(16,321)		3,944	(13,305)		(42,467)		(42,467)
Contributions		-		131,529		544	132,073		137,221
Other							-		176,589
Total revenues	<u>13,285</u>	<u>19,503</u>	<u>-</u>	<u>142,993</u>	<u>(3,836)</u>	<u>544</u>	<u>172,489</u>	<u>-</u>	<u>2,868,735</u>
Expenditures:									
Current:									
General administration									20,982
Public safety									560,806
Health and welfare	35,937	14,225				188	50,350		67,561
Library				7,004	8,877		15,881		15,881
Recreation									73,764
Education									1,583,635
Total expenditures	<u>35,937</u>	<u>14,225</u>	<u>-</u>	<u>7,004</u>	<u>8,877</u>	<u>188</u>	<u>66,231</u>	<u>-</u>	<u>2,322,629</u>
Excess (Deficiency) of Revenues over Expenditures	(22,652)	5,278	-	135,989	(12,713)	356	106,258	-	546,106
Other Financing Sources:									
Transfers in	2,000	2,000					4,000		123,713
Transfers out							-		(60,000)
Net other financing sources	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>63,713</u>
Net Change in Fund Balances	(20,652)	7,278	-	135,989	(12,713)	356	110,258	-	609,819
Fund Balances at Beginning of Year	<u>547,308</u>	<u>268,310</u>	<u>1,348</u>	<u>155,360</u>	<u>201,108</u>	<u>9,555</u>	<u>1,182,989</u>	<u>-</u>	<u>3,009,543</u>
Fund Balances at End of Year	<u>\$ 526,656</u>	<u>\$ 275,588</u>	<u>\$ 1,348</u>	<u>\$ 291,349</u>	<u>\$ 188,395</u>	<u>\$ 9,911</u>	<u>\$ 1,293,247</u>	<u>\$ -</u>	<u>\$ 3,619,362</u>

**TOWN OF PLYMOUTH, CONNECTICUT
WATER ASSESSMENT FUND
SCHEDULE OF WATER ASSESSMENT RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2016**

<u>Due Date</u>	<u>Uncollected Balance July 1, 2015</u>	<u>Current Year Adjustments</u>	<u>Collections</u>	<u>Uncollected Balance June 30, 2016</u>
Water Line Assessment	\$ <u>332,412</u>	\$ <u>42,007</u>	\$ <u>111,705</u>	\$ <u>262,714</u>

**TOWN OF PLYMOUTH, CONNECTICUT
SEWER OPERATING FUND
SCHEDULE OF SEWER USE CHARGES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2016**

<u>Due Date</u>	<u>Uncollected Balance July 1, 2015</u>	<u>Current Year Use Charges and Adjustments</u>	<u>Collections</u>	<u>Uncollected Balance June 30, 2016</u>
October 1, 2015	\$	\$ 1,204,353	\$ 1,050,666	\$ 153,687
October 1, 2014	168,935	(230)	106,961	61,744
October 1, 2013	76,300	(1,060)	48,118	27,122
October 1, 2012	49,361	(1,027)	35,052	13,282
October 1, 2011	35,077	(960)	24,981	9,136
October 1, 2010	27,053	(940)	19,609	6,504
October 1, 2009	20,585	(920)	14,526	5,139
October 1, 2008	14,586	(920)	10,906	2,760
October 1, 2007	8,836	(908)	5,431	2,497
October 1, 2006	4,476	(879)	2,291	1,306
October 1, 2005	2,713	(663)	1,230	820
October 1, 2004	1,367	(564)	427	376
October 1, 2003	712	(534)		178
October 1, 2002	584	(414)		170
October 1, 2001	489	(326)		163
Total	\$ <u>411,074</u>	\$ <u>1,194,008</u>	1,320,198	\$ <u>284,884</u>
Interest and lien fees			<u>169,007</u>	
Total Collections			\$ <u>1,489,205</u>	

Fiduciary Funds

AGENCY FUNDS

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency Funds are as follows:

Student Activity Fund - to account for the collection and payment of expenses for education extra-curricular activities at the high school, middle school and elementary schools.

Performance Bonds - to account for all bonds collected from contractors, developers and others - these bonds will be returned to payee upon successful completion of related construction projects.

**TOWN OF PLYMOUTH, CONNECTICUT
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
Student Activity				
Assets:				
Cash and cash equivalents	\$ 208,547	\$ 273,935	\$ 288,826	\$ 193,656
Liabilities:				
Due to student groups	\$ 208,547	\$ 273,935	\$ 288,826	\$ 193,656
Performance Bonds				
Assets:				
Cash and cash equivalents	\$ 144,180	\$ 2	\$ 97,558	\$ 46,624
Due from other funds	129,554	8,800	8,749	129,605
Total Assets	\$ 273,734	\$ 8,802	\$ 106,307	\$ 176,229
Liabilities:				
Due to contractors	\$ 273,734	\$ 8,802	\$ 106,307	\$ 176,229
Total All Funds				
Assets:				
Cash and cash equivalents	\$ 352,727	\$ 273,937	\$ 386,384	\$ 240,280
Due from other funds	129,554	8,800	8,749	129,605
Total Assets	\$ 482,281	\$ 282,737	\$ 395,133	\$ 369,885
Liabilities:				
Deposits and amounts due to student groups and participants	\$ 482,281	\$ 282,737	\$ 395,133	\$ 369,885
Total Liabilities	\$ 482,281	\$ 282,737	\$ 395,133	\$ 369,885

Statistical Section

Statistical Section Information

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

**TOWN OF PLYMOUTH, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)**

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities:										
Net investment in capital assets	\$ 157,247,133	\$ 157,324,466	\$ 153,245,507	\$ 157,424,652	\$ 163,863,638	\$ 161,399,980	\$ 159,710,588	\$ 158,322,383	\$ 157,731,934	\$ 142,349,741
Restricted for:										
Capital projects									1,453,242	4,710,403
Perpetual care:										
Nonexpendable	478,004	112,351	84,488	84,491	86,850	71,900	343,179	343,163	342,838	342,838
Expendable	325,588	704,615	817,664	738,943	687,550	706,984	346,314	260,355	406,140	455,284
Libraries:										
Nonexpendable	53,575	44,681	42,999	40,553	38,234	24,092	144,744	144,744	144,744	144,744
Expendable	436,080	321,342	332,574	291,308	270,073	289,782	125,963	110,740	171,849	141,122
Debt service	205,536	205,536	205,533	205,530	19,860	19,860	719,162	1,692,280	2,328,491	1,540,559
Unrestricted	<u>(7,425,872)</u>	<u>(5,081,858)</u>	<u>13,732,522</u>	<u>16,853,737</u>	<u>9,325,937</u>	<u>10,967,676</u>	<u>11,279,775</u>	<u>12,244,581</u>	<u>7,588,344</u>	<u>12,742,064</u>
Total Net Position	<u>\$ 151,320,044</u>	<u>\$ 153,631,133</u>	<u>\$ 168,461,287</u>	<u>\$ 175,639,214</u>	<u>\$ 174,292,142</u>	<u>\$ 173,480,274</u>	<u>\$ 172,669,725</u>	<u>\$ 173,118,246</u>	<u>\$ 170,167,582</u>	<u>\$ 162,426,755</u>

Notes:

(1) Schedule prepared on the accrual basis of accounting.

**TOWN OF PLYMOUTH, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses:										
Governmental activities:										
General government	\$ 6,819,627	\$ 6,661,824	\$ 5,412,485	\$ 4,951,895	\$ 5,344,207	\$ 4,721,379	\$ 4,444,531	\$ 4,401,717	\$ 1,582,154	\$ 1,399,212
Public safety	3,712,614	3,327,013	3,545,286	3,173,319	2,731,321	2,839,161	2,330,658	2,522,628	2,780,558	3,921,004
Public works	6,546,134	7,237,335	6,907,749	8,207,132	7,142,486	8,584,108	7,130,940	7,538,637	7,328,908	7,275,668
Health and welfare	296,369	361,225	414,831	480,436	470,324	257,151	298,839	492,510	1,203,097	1,235,984
Library	502,572	500,388	449,205	486,295	500,323	494,022	432,404	474,125	569,341	558,178
Recreation	290,445	292,027	285,825	268,241	279,488	207,751	234,430	247,200	351,869	344,758
Education	29,534,659	29,387,177	30,678,545	27,636,311	28,268,369	26,865,049	26,346,342	25,525,049	28,440,626	22,742,302
Land use	225,389	261,447	257,262	227,292	239,813	312,442	183,452	249,020	301,978	301,366
Interest expense	581,762	600,292	917,518	711,595	707,960	301,942	1,788,989	955,582	1,042,959	873,524
Total Expenses	<u>48,509,571</u>	<u>48,628,728</u>	<u>48,868,706</u>	<u>46,142,516</u>	<u>45,684,291</u>	<u>44,583,005</u>	<u>43,190,585</u>	<u>42,406,468</u>	<u>43,601,490</u>	<u>38,651,996</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	210,543	387,065	251,954	227,517	312,065	145,910	218,357	214,973	274,552	1,702,065
Public safety	801,636	642,647	748,413	330,358	185,007	207,184	115,744	85,246	146,689	89,762
Public works	1,559,204	1,584,771	1,699,786	1,598,798	1,745,884	1,566,852	1,590,834	1,858,654	1,542,448	1,705,356
Health and welfare	63,164	36,806	436,271	235,963	70,027	48,400	48,611	233,366	433,420	460,289
Library	12,484	12,297	17,047	16,391	12,709	13,092	16,659	9,921	7,668	15,324
Recreation	83,020	80,379	65,812	56,174	87,811		31,222	8,161	35,223	35,088
Education	455,078	502,010	539,031	491,591	206,700	268,000	675,010	539,234	333,025	314,217
Land use	10,078	26,639	20,111	8,561	11,638	14,916	41,344	42,830	328	58,303
Operating grants and contributions	14,776,852	13,842,949	14,679,246	15,160,952	15,336,169	14,329,706	13,636,979	13,350,706	17,206,543	11,746,059
Capital grants and contributions	919,464	1,065,411	479,819	2,176,497	1,705,314	2,360,889	954,848	3,925,125	5,685,567	12,841,292
Total Program Revenues	<u>18,891,523</u>	<u>18,180,974</u>	<u>18,937,490</u>	<u>20,302,802</u>	<u>19,673,324</u>	<u>18,954,949</u>	<u>17,329,608</u>	<u>20,268,216</u>	<u>25,665,463</u>	<u>28,967,755</u>
Net Expenses:										
Governmental activities	<u>(29,618,048)</u>	<u>(30,447,754)</u>	<u>(29,931,216)</u>	<u>(25,839,714)</u>	<u>(26,010,967)</u>	<u>(25,628,056)</u>	<u>(25,860,977)</u>	<u>(22,138,252)</u>	<u>(17,936,027)</u>	<u>(9,684,241)</u>
General Revenues and Other Changes in Net Assets:										
Governmental activities:										
Property taxes	26,871,040	25,507,258	27,340,437	26,512,181	26,206,360	25,752,017	24,870,975	24,997,252	24,630,034	23,196,430
Grants and contributions not restricted to specific programs	272,821	307,281	412,420	484,554	525,354	439,693	373,942	514,338	378,485	514,908
Investment income (loss)	(2,090)	9,017	206,947	143,188	39,059	192,386	126,921	(77,663)	272,622	679,694
Miscellaneous	165,188	296,966	5,000	46,863	52,062	54,509	40,618	27,969	334,808	61,933
Special Item - Loss of Assets		<u>268,349</u>	<u>(278,349)</u>							
Total Governmental Activities	<u>27,306,959</u>	<u>26,388,871</u>	<u>27,686,455</u>	<u>27,186,786</u>	<u>26,822,835</u>	<u>26,438,605</u>	<u>25,412,456</u>	<u>25,461,896</u>	<u>25,615,949</u>	<u>24,452,965</u>
Changes in Net Position	<u>\$ (2,311,089)</u>	<u>\$ (4,058,883)</u>	<u>\$ (2,244,761)</u>	<u>\$ 1,347,072</u>	<u>\$ 811,868</u>	<u>\$ 810,549</u>	<u>\$ (448,521)</u>	<u>\$ 3,323,644</u>	<u>\$ 7,679,922</u>	<u>\$ 14,768,724</u>

Notes:

(1) Schedule prepared on the accrual basis of accounting.

**TOWN OF PLYMOUTH, CONNECTICUT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS**

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund:										
Reserved	\$	\$	\$	\$	\$	\$	\$ 719,569	\$ 549,187	\$ 476,976	\$ 534,791
Unreserved							2,334,881	2,291,700	1,907,108	1,871,019
Committed	100,000	100,000	100,000							
Assigned	1,092,917	529,681	992,663	1,423,169	1,538,968	1,573,970				
Unassigned	380,632	1,643,638	1,787,337	2,163,609	1,853,353	1,655,273				
Total General Fund	<u>\$ 1,573,549</u>	<u>\$ 2,273,319</u>	<u>\$ 2,880,000</u>	<u>\$ 3,586,778</u>	<u>\$ 3,392,321</u>	<u>\$ 3,229,243</u>	<u>\$ 3,054,450</u>	<u>\$ 2,840,887</u>	<u>\$ 2,384,084</u>	<u>\$ 2,405,810</u>
All other governmental funds:										
Reserved	\$	\$	\$	\$	\$	\$	\$ 1,227,587	\$ 2,180,187	\$ 4,345,785	\$ 6,811,892
Unreserved, reported in:										
Special revenue funds							1,449,744	1,494,852	1,162,693	1,329,111
Capital projects funds							(3,941,295)	(3,216,613)	(2,416,894)	2,831,871
Permanent funds							472,277	371,095	577,989	657,271
Nonspendable	761,668	1,025,957	1,150,238	1,030,251	957,623	996,766				
Restricted	1,793,260	1,273,106	1,125,932	1,170,858	714,644	611,598				
Committed	4,013,535	2,761,606	6,119,718	7,054,130	1,223,419	675,281				
Unassigned	(833,312)	(532,996)	(257,087)	(314,363)	(5,937,009)	(4,117,933)				
Total all Other Governmental Funds	<u>\$ 5,735,151</u>	<u>\$ 4,527,673</u>	<u>\$ 8,138,801</u>	<u>\$ 8,940,876</u>	<u>\$ (3,041,323)</u>	<u>\$ (1,834,288)</u>	<u>\$ (791,687)</u>	<u>\$ 829,521</u>	<u>\$ 3,669,573</u>	<u>\$ 11,630,145</u>

Note 1: Schedule prepared on the modified accrual basis of accounting

**TOWN OF PLYMOUTH, CONNECTICUT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
Property taxes	\$ 27,131,451	\$ 27,022,201	\$ 28,144,326	\$ 26,663,027	\$ 25,774,406	\$ 24,976,767	\$ 24,634,459	\$ 24,683,591	\$ 24,300,101	\$ 23,186,787
Charges for services	4,130,283	3,862,075	3,638,031	3,701,765	4,201,083	2,335,496	2,291,113	2,459,462	3,077,317	2,984,686
Intergovernmental	14,970,413	14,780,217	15,055,668	16,680,953	15,871,373	17,235,099	15,531,786	18,133,510	23,709,773	25,476,517
Income on investments	(4,029)	7,698	205,582	141,246	36,949	186,848	117,381	(93,849)	375,192	639,963
Other revenues	519,683	755,419	349,582	322,587	637,964	311,708	448,619	410,813	277,442	10,273,175
Total revenues	46,747,801	46,427,610	47,393,189	47,509,578	46,521,775	45,045,918	43,023,358	45,593,527	51,739,825	62,561,128
Expenditures:										
General government	5,602,713	5,644,423	4,924,547	4,670,723	4,586,050	4,423,085	4,206,184	4,119,628	4,121,178	4,002,658
Public safety	3,377,382	3,272,085	3,262,566	2,835,741	2,527,326	2,579,324	2,387,842	2,304,344	2,220,602	2,085,921
Public works	4,446,052	6,298,937	4,829,757	4,600,298	4,630,873	5,183,968	4,648,712	4,960,877	4,484,985	4,076,563
Health and welfare	274,469	337,718	389,718	454,608	445,631	421,158	275,525	505,434	918,494	880,550
Library	499,400	481,312	471,414	480,379	477,896	466,395	461,358	457,503	435,453	433,093
Recreation	251,097	247,922	245,364	227,885	242,163	216,220	200,505	208,679	186,502	223,873
Board of Education	27,422,633	27,110,023	28,372,356	27,070,240	27,287,693	25,934,148	25,655,632	25,118,856	28,426,889	22,988,487
Land use	178,905	214,962	210,774	180,807	205,759	208,762	205,481	274,693	223,779	210,654
Capital outlay	2,403,027	4,293,021	6,021,445	3,062,731	4,015,792	3,249,573	3,510,302	2,896,935	15,744,640	19,798,122
Debt service:										
Principal	2,313,092	2,300,000	1,912,162	1,059,263	2,420,635	2,692,212	3,383,227	7,157,796	2,959,601	2,786,078
Interest	671,822	713,365	1,018,403	725,914	725,914	538,881	659,683	-	-	-
Total expenditures	47,440,592	50,913,768	51,658,506	45,368,589	47,565,732	45,913,726	45,594,451	48,004,745	59,722,123	57,485,999
Excess of revenue over (under) expenditures	(692,791)	(4,486,158)	(4,265,317)	2,140,989	(1,043,957)	(867,808)	(2,571,093)	(2,411,218)	(7,982,298)	5,075,129
Other financing sources (uses):										
Transfers in	840,713	843,225	978,380	2,288,414	1,167,315	1,488,000	1,268,279	1,396,607	1,239,530	1,286,394
Transfers out	(840,713)	(843,225)	(978,380)	(2,288,414)	(1,167,315)	(1,488,000)	(1,268,279)	(1,396,607)	(1,239,530)	(1,286,394)
Premium on debt issue	-	-	54,709	535,667	-	248,678	-	27,969	-	-
Issuance of bonds and loans	1,200,499	-	3,500,000	9,500,000	-	-	1,067,000	-	-	-
Issuance of refunding bonds	-	-	3,665,000	-	-	9,820,000	7,105,000	-	-	-
Premium on refunding bonds	-	-	201,466	-	-	-	-	-	-	-
Payment to escrow bond agent	-	-	(3,777,838)	-	-	(10,068,678)	(7,008,552)	-	-	-
Total other financing sources	1,200,499	-	3,643,337	10,035,667	-	-	1,163,448	27,969	-	-
Special Item - Loss of Assets	-	268,349	(278,349)	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ 507,708	\$ (4,217,809)	\$ (900,329)	\$ 12,176,656	\$ (1,043,957)	\$ (867,808)	\$ (1,407,645)	\$ (2,383,249)	\$ (7,982,298)	\$ 5,075,129
Debt Service as a Percentage of Noncapital Expenditures	6.6%	6.6%	6.4%	4.1%	7.1%	7.3%	10.3%	17.2%	7.2%	8.0%

Note 1: Schedule prepared on the modified accrual basis of accounting

TOWN OF PLYMOUTH, CONNECTICUT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(In Thousands)

Fiscal Year	Real Property			Personal Property	Motor Vehicle	Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value As a Percentage of Actual Taxable Value (2)
	Residential	Commercial	Industrial							
2016	\$ 596,243	\$ 36,358	\$ 22,241	\$ 29,738	\$ 84,369	\$ 7,761	\$ 761,189	34.85	\$ 1,087,413	70%
2015	605,200	27,590	24,256	27,465	81,779	8,708	757,582	34.90	1,082,260	70%
2014	667,528	32,862	27,489	27,672	76,918	8,459	824,010	31.50	1,177,157	70%
2013 (4)	667,412	34,512	26,913	27,458	75,611	9,715	822,191	30.75	1,174,559	70%
2012	663,396	34,463	27,211	28,992	73,071	9,699	817,434	30.10	1,167,763	70%
2011	652,410	32,862	25,429	27,844	77,090	6,278	809,357	30.10	1,156,224	70%
2010 (3)	651,729	32,862	25,413	27,844	77,077	6,978	807,947	30.10	1,154,210	70%
2009	411,724	26,055	19,361	28,016	75,637	6,657	554,136	41.30	791,623	70%
2008	404,448	26,130	19,296	25,534	70,191	6,553	539,046	40.70	770,066	70%
2007	399,867	26,327	19,181	23,512	66,006	6,630	528,263	39.20	754,661	70%
2006	395,111	26,567	19,773	23,953	66,946	7,713	524,637	35.70	749,481	70%
2005	329,974	25,184	17,833	31,646	63,022	9,833	457,826	36.30	654,037	70%
2004	388,983	27,764	20,327	29,907	58,102	10,258	523,412	36.30	747,731	70%

(1) Assessed values for all real and personal property located within the Town on October 1, are included on the Grand List by the Assessor's office. A Board of Assessment Appeals determines whether adjustments to the Assessor's list under appeal are warranted. Assessments are computed at 70% of market value. A revaluation of all property within the Town is required to be completed no less than every ten years.

(2) Equalized Net Grand List is compiled by the State of Connecticut Office of Policy and Management as a factor in figuring aid to education and is produced by comparing sample sales of real estate, or market value, to the assessed value of the property on the Town books. The resulting sales assessment ratio is used to equalize grand lists for each Town/City in Connecticut. These computations usually take one year to compile.

(3) Real Property revalued as of October 1, 2008

(4) Real Property revalued as of October 1, 2011

TABLE 6

**TOWN OF PLYMOUTH, CONNECTICUT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO**

Taxpayer	October 1, 2014			October 1, 2004		
	Taxable Assessed Value	Rank	Percentage Of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Of Total Taxable Assessed Value
Connecticut Light & Power	\$ 8,696,780	1	1.1%	\$ 4,295,046	2	0.8%
Connecticut Water Company	4,898,740	2	0.6%	4,992,713	1	1.0%
Roth Collection Inc.	2,867,830	3	0.4%			
City of Bristol Water Company	2,604,210	4	0.3%	2,103,430	5	0.4%
Cook Willow Realty Partnership	2,128,070	5	0.3%	2,148,020	4	0.4%
Senior Housing at Quail Hollow Inc.	2,047,470	6	0.3%	1,611,260	7	0.3%
Yankeegas	2,003,080	7	0.3%	1,289,332	9	0.2%
Dimeo Terryville LLC	1,588,450	8	0.2%			
Brittany Property Management Inc.	1,496,810	9	0.2%			
Rubicion Realty LLC	1,295,000	10	0.2%			
Total	<u>\$ 29,626,440</u>		<u>3.89%</u>	<u>\$ 16,439,801</u>		<u>3.13%</u>

Source: Town of Plymouth Assessor

**TOWN OF PLYMOUTH, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Tax Rate In Mills	Taxes Levied For The Fiscal year	Collected Within the Fiscal Year of the Levy		Collection In Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2016	35.43	\$ 27,003,100	\$ 26,429,209	97.87	\$	\$ 26,429,209	97.87
2015	34.85	26,416,625	25,911,185	98.09	319,775	26,230,960	99.30
2014	35.45	26,796,701	26,084,373	97.34	479,301	26,563,674	99.13
2013	34.90	26,362,764	25,390,107	96.31	745,724	26,135,831	99.14
2012	31.50	25,865,788	24,797,984	95.87	800,474	25,598,458	98.97
2011	30.75	25,267,568	24,229,603	95.89	780,792	25,010,395	98.98
2010	30.10	24,420,880	23,684,247	96.98	573,458	24,257,705	99.33
2009	30.10	24,510,715	23,637,046	96.44	701,846	24,338,892	99.30
2008	30.10	24,372,343	23,368,389	95.88	886,592	24,254,981	99.52
2007	41.30	22,953,247	22,154,884	96.52	712,089	22,866,973	99.62

Source: Tax Collector's Report; Comprehensive Annual Financial Report

**TOWN OF PLYMOUTH, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities		Total Primary Government	Ratio of Debt to Estimated Taxable Assessed Value	Debt Per Capita
	General Obligation Bonds	Notes Payable			
2016	\$ 21,912,407	\$	\$ 21,912,407	2.88%	1,865
2015	23,025,000		23,025,000	3.04%	1,949
2014	25,325,000	1,500,000	26,825,000	3.26%	2,252
2013	24,492,349	1,500,000	25,992,349	3.16%	2,150
2012	15,647,962	5,285,000	20,932,962	2.56%	1,711
2011	17,255,000	5,730,635	22,985,635	2.84%	1,874
2010	18,963,650	6,288,513	25,252,163	3.13%	2,101
2009	17,880,000	10,125,666	28,005,666	5.05%	2,328
2008	19,045,000	4,837,032	23,882,032	4.43%	1,995
2007	20,220,000	5,599,670	25,819,670	4.89%	2,150

Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

**TOWN OF PLYMOUTH, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt limitation	\$ 189,236,432	\$ 189,563,086	\$ 197,383,618	\$ 186,229,050	\$ 179,771,326	\$ 174,183,331	\$ 172,864,755	\$ 172,224,416	\$ 169,182,041	\$ 160,730,339
Total net debt applicable to limit	21,912,407	21,457,000	24,537,000	29,149,420	21,502,409	25,218,479	24,953,791	29,648,595	17,456,930	18,226,957
Legal Debt Margin	\$ <u>167,324,025</u>	\$ <u>168,106,086</u>	\$ <u>172,846,618</u>	\$ <u>157,079,630</u>	\$ <u>158,268,917</u>	\$ <u>148,964,852</u>	\$ <u>147,910,964</u>	\$ <u>142,575,821</u>	\$ <u>151,725,111</u>	\$ <u>142,503,382</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>11.58%</u>	<u>11.32%</u>	<u>12.43%</u>	<u>15.65%</u>	<u>11.96%</u>	<u>14.48%</u>	<u>14.44%</u>	<u>17.22%</u>	<u>10.32%</u>	<u>11.34%</u>

Source: Annual financial reports - Schedule of Debt Limitation

Note: See Table 9 for calculation of current year debt limitation

**TOWN OF PLYMOUTH, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Calendar Year	Population (1)	Per Capita Income (2)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2016	11,749	\$ 32,522	41.9	1,514	6.5%
2015	11,813	31,511	41.9	1,827	6.7%
2014	11,914	28,564	41.2	1,835	6.7%
2013	12,089	28,564	41.2	1,785	8.7%
2012	12,235	28,564	41.2	1,830	10.5%
2011	12,235	28,564	41.2	1,830	10.5%
2010	12,014	23,244	40.0	1,842	11.5%
2009	12,031	23,244	40.0	1,851	9.9%
2008	11,969	23,244	40.0	1,907	6.7%
2007	12,011	23,244	40.0	1,905	5.3%

(1) Source: State Health Department

(2) Source: U.S. Department of Commerce, Bureau of Census, Census 2016 Quick Facts & City-data.com

(3) Source: Plymouth Board of Education

(4) Source: State Department of Labor - Local Area Unemployment Statistics (LAUS)

TABLE 12

**TOWN OF PLYMOUTH, CONNECTICUT
PRINCIPAL EMPLOYERS
CURRENT YEAR**

Employer	Nature of Business	2016		Percentage of Total Town Employment
		Employees	Rank	
Town of Plymouth	Government	357	1	16.87%
Cook Willow Convalescent Home	Convalescent facility	111	2	5.25%
Richard's Corporation	Construction	70	3	3.31%
Wollenberg's Inc/TLC Limosine	Transportation	50	4	2.36%
Nutmeg Spice Co	Spices-Wholesale	50	5	2.36%
The Learning Center	Daycare Facility	50	6	2.36%
Laurentano, Inc.	Manufacturing	48	7	2.27%
Back to Basics	Feed-dealers (Whls)	44	8	2.08%
Terryville Chevrolet	Car Dealership	40	9	1.89%
Worhunsky/Pete and Steve's Construct.	Transp./Construction	40	10	1.89%
Total		<u>2,116</u>		<u>40.64%</u>

Source: Town of Plymouth

**TOWN OF PLYMOUTH, CONNECTICUT
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Full-Time Equivalent Employees as of June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Mayor's Office	2	2	2	3	3	3	3	3	3	3
Public Safety	31	32	29	30	30	29	29	29	29	28
Public Health	1	1	1	1	1	1	1	1	6	16
Planning & Zoning	3	3	3	3	3	3	3	3	3	3
Finance and Accounting	3	3	3	3	3	3	3	3	3	3
Town Clerk	2	2	2	2	2	2	2	3	3	3
Town Assessor	1	2	1	1	1	1	1	2	2	2
Tax Collector	2	2	2	2	2	2	2	2	2	2
Recreation	3	3	3	3	3	3	3	3	3	3
Library	5	5	5	5	5	5	5	5	5	5
Public Works	19	17	16	16	18	18	18	17	18	17
Education	209	211	219	248	247	245	250	241	240	239
Water Pollution Control	6	6	6	6	6	6	6	6	6	6
Total	287	289	292	323	324	321	326	318	323	330

Source: Town of Plymouth Human Resources

**TOWN OF PLYMOUTH, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government:										
Building permits issued	600	679	578	351	286	254	231	282	478	897
Birth Certificates Issued	115	115	113	135	105	104	96	85	94	100
Marriage Certificates	70	80	82	45	41	50	35	26	21	41
Police:										
Calls for Service	15,585	13,953	13,160	22,512	23,512	21,010	19,451	18,741	18,923	17,232
Criminal Arrests	282	259	259	331	278	240	230	228	210	206
Accidents	299	293	339	145	152	145	125	118	100	132
Fire:										
Emergency responses	350	331	364	401	391	385	336	305	292	295
Investigations/Inspections	328	612	317	185	194	184	165	143	132	145
Refuse collection:										
Guaranteed Tonnage ¹	3,890	3,110	5,325	6,005	6,005	6,100	6,950	7,100	7,060	7,220
Parks and recreation:										
Number of Programs Offered	87	88	29	39	46	48	80	85	85	40
Library:										
Total Programs	422	417	437	341	344	323	375	373	413	458
Active Cardholders	3,438	3,552	3,770	4,930	5,098	6,000	5,920	5,830	4,000	6,071
Reference Questions	6,000	5,670	6,105	5,740	6,517	6,100	4,290	4,285	3,000	2,500
Volumes in Collection	62,252	61,149	61,597	63,216	64,000	60,154	59,941	59,512	64,066	64,874
Use of Public Computers	9,129	9,162	10,800	12,010	12,094	11,179	11,250	9,283	8,500	8,000
Public Works										
Street Resurfacing (miles)	16.53	6.70	8.80	4.50	1.20	1.00	0.90	1.50	1.50	1.50
Education										
School Enrollment	1,514	1,827	1,835	1,585	1,648	1,830	1,842	1,851	1,907	1,905
Wastewater:										
Average daily sewage treatment (millions of gallons daily)	0.64	0.77	0.77	0.99	0.99	0.99	0.99	0.99	0.97	1.08

Source: Various Town Departments
Note 1 - 2016 data is actual tonnage

**TOWN OF PLYMOUTH, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Zones	3	3	3	3	3	3	3	3	3	3
Police Cars	14	13	13	11	11	11	11	11	11	11
Fire stations:										
Stations	3	3	3	3	3	3	3	3	3	3
Fire Trucks	11	11	11	11	11	11	11	11	11	11
Public Works:										
Streets (miles)	82.42	82.42	82.83	82.83	82.83	82.83	82.83	82.83	82.83	82.10
State Highways	12.42	12.42	12.42	12.42	12.42	12.42	12.42	12.42	12.42	12.42
Streetlights	1,428	1,428	1,186	1,186	1,186	1,188	1,186	1,184	1,184	1,180
Fire hydrants	308	308	241	241	238	236	234	232	232	230
Parks and recreation:										
Acres of Park Land (including water)	260	260	217	25	25	25	25	25	25	25
Acres of Water	55	55								
Basketball Courts	3	3	3	3	3	3	3	3	3	3
Playgrounds	4	4	6	6	6	6	6	6	6	6
Baseball/softball diamonds	2	2	5	5	5	5	5	5	5	5
Tennis Courts	2	2	4	4	4	4	4	4	4	4
Multiple Use Fields	5	6	6	6	6	6	6	6	6	6
Library:										
Public Library Locations	1	1	1	1	1	1	1	1	1	1
Private Library Locations	1	1	1	1	1	1	1	1	1	1
Education:										
Number of High Schools	1	1	1	1	1	1	1	1	1	1
Number of Middle School	1	1	1	1	1	1	1	1	1	1
Number of Elementary Schools	2	2	2	2	2	2	2	2	2	3
Water Pollution Control:										
Treatment capacity (millions per day)	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Source: Various Town Departments