

Town of Plymouth Connecticut



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011

Town of Plymouth Connecticut

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011

Prepared by:
COMPTROLLER'S OFFICE

DIRECTOR OF FINANCE
David Bertnagel

TOWN OF PLYMOUTH, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2011

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Introductory Section

TOWN OF PLYMOUTH, CONNECTICUT

For Fiscal Year Ended June 30, 2011

PRINCIPAL OFFICIALS

MAYOR AND TOWN COUNCIL

Vincent Festa, Jr., Mayor
Councilman Martin Sandshaw
Councilman John C. Wunsch
Councilman Tom Zagurski
Councilwoman DiAnna Schenkel
Councilman David Sekorski

BOARD OF FINANCE

Ralph S. Zovich, Chairman
Victoria A. Carey, Vice-Chairman
Patricia A. Budnick
Peter Cook
Daniel Murray III
Michael Drozdick

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 Coordinator
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

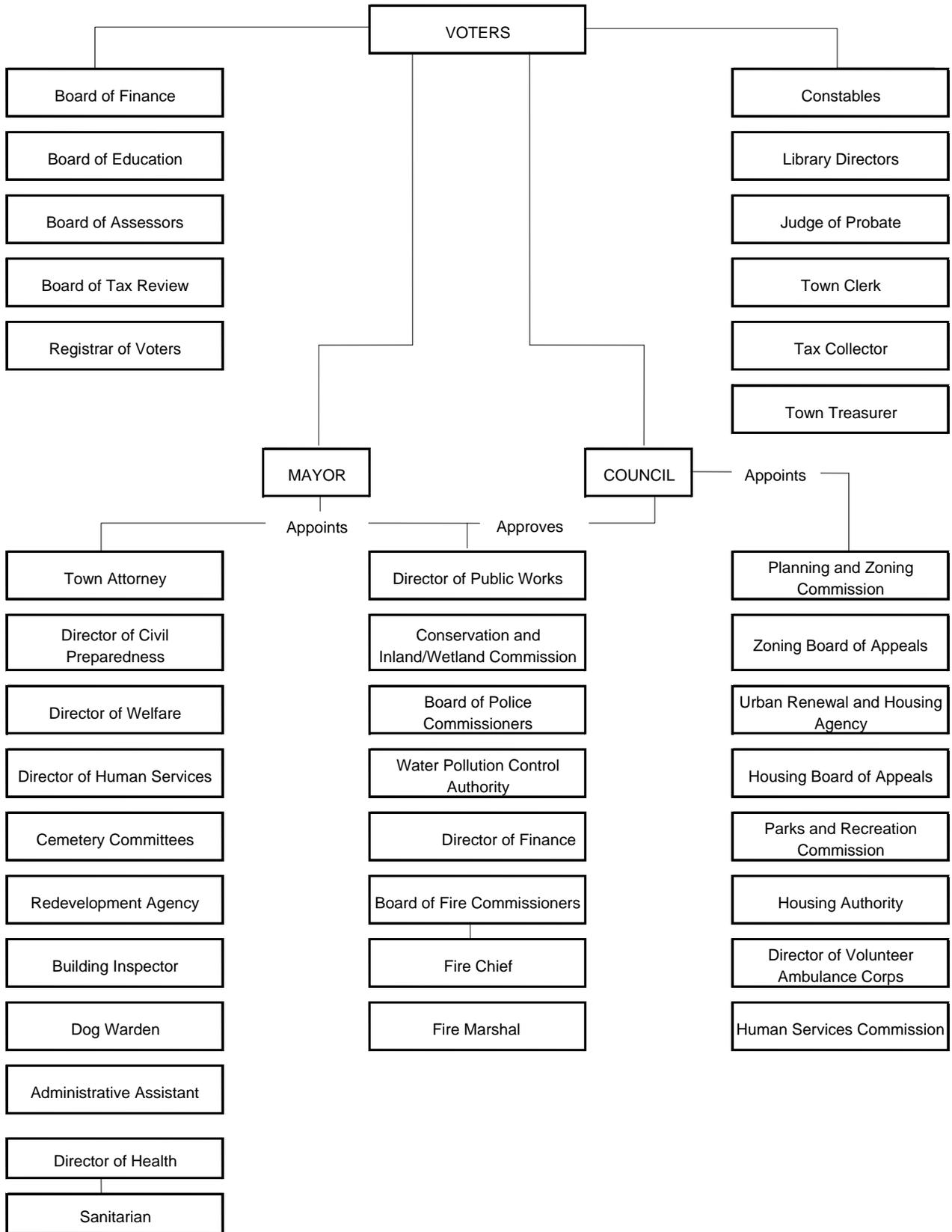
Cheryl J. Giancesini
Barbara L. Deschaine
Rae Ann Walcott
Linda A. Hood
David J. Bertnagel
David J. Barbieri
William Bellotti
Salvatore Vitrano
Barbara K. Rockwell
John Schubert
Abigail Egan
Andre Dorval
Khara Dodds
Anthony A. Lorenzetti
David Elder
Karen M. Krasicky
Mark Sekorski
Paul Schwanka
Clarence B. Atkinson
Anthony A. Lorenzetti
Dr. Antonio Scappiticci
Lynn White
Brian Forman
Dr. Anthony W. Distasio

BOARD OF EDUCATION

Raymond Engle, Chairman
Mark E. Berube
Gerard Bourbonniere
Karen E. Kulesa
Anthony J. Orsini

Patrick A. Perugino
Roxanne M. Perugino
Daniel Santorso
Martin E. Wetzel

TOWN OF PLYMOUTH ORGANIZATIONAL CHART





200 Years of Quality Service

80 Main Street, Terryville, Connecticut 06786

Telephone: (860) 585-4001

Fax: (860) 585-4015

December 21, 2011

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, 2011.

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, 2011. The independent auditors' 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. MD&A complement 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. During the 2010 U. S. Census, the Town population was 12,243.

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 April 2005.

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 the referendum that is held before May 3. Upon approval, the Board of Finance sets the tax rate.

NATIONAL, STATE & LOCAL ECONOMY

The national economy is still recovering and will take some time as we are coming out of a major recession. As the economy recovers there will be a need to tighten policies as well as deal with expected inflationary issues towards the end of 2011. Despite this outlook, the Town has a mix of manufacturing base that has been somewhat stable during the past year and several new business openings in the Town's business park. There are several expansion prospects that look good given the aggressive policies with the tax incentive committee.

The State of Connecticut has the same outlook; structural problems with the State budget were addressed last year that affect all businesses and citizens of the State. In some instances, there will be reduced grants to cities and towns, including Plymouth in the next few years.

Even though there was a downturn in the economy, the October 1, 2010 Grand List grew by a slight margin in comparison to many communities surrounding Plymouth that sustained losses.

The Town has also been very aggressive in the collection of current and back taxes during the past few years.

UNEMPLOYMENT

Unemployment rates and the number of unemployed people, not seasonally adjusted, were up equal or slightly improved over a year in all of the states nine labor market areas. Connecticut's unemployment rate was at 9.1% and was slightly lower than the national rate at 9.2% for June 2011. The Hartford region unemployment rate stood at 9.1% and locally, the Town of Plymouth's unemployment rate is higher than the national and regional average at 10.3% in June 2011. It is expected that the rates will slowly decrease during the next few months and year at 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 through this economic downturn.

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 non-contractual items and efficiencies in performing the same service levels with lower costs. Additionally, unfilled labor positions are closely scrutinized before replacements are hired. As a result of this effort, the Town has had somewhat significant savings in several expenditure categories.

The Town has also evaluated all its expenditure objects and properly identified categories of expenditures and has required complete justification for all its line items. This practice has allowed the Town to operate more efficiently and effectively, while at the same time being able to hold the line on property taxes (the Town's most significant revenue source).

The Town is in the process of adopting a new investment policy using the Government Finance Officer's Association (GFOA) model during the 2012-2013 budget year. This will ensure that the Town maximizes the return on all its investments while preserving the initial investment.

In addition, a level debt policy has been approved by the Board of Finance and Town Council that will ensure that debt 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.

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 Town Comptroller.

Assessment Practices

The Town of Plymouth last revalued its real property effective October 1, 2006. 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

AWARDS AND ACKNOWLEDGEMENTS

Comprehensive Annual Financial Report (CAFR):

The Town of Plymouth received its first award with the Government Finance Officers Association (GFOA) for its CAFR ended June 30, 2010. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report meets the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for its certificate.

I would personally like to commend our independent auditors, Blum, Shapiro & Company, Certified Public Accountants, specifically Director Nikoleta McTigue for her 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 efficient and dedicated service of the entire staff of Town's Comptroller's Office, as well as the Board of Education business office, lastly, credit must also be given to the Mayor and the Town Council and Board of Finance for their support for maintaining the highest standards of professionalism in the management for the Town of Plymouth's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David J. Bertnagel". The signature is fluid and cursive, with a large initial "D" and "B".

David J. Bertnagel
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Plymouth Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Dandson

President

Jeffrey R. Emer

Executive Director

Financial Section



Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Board of Finance
Town of Plymouth, Connecticut

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, 2011, which collectively comprise the Town of Plymouth, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. 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 basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2011 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2011 on our consideration of the Town of Plymouth, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 3 through 12 and the budgetary comparison information on pages 48 through 51 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 tables 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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

Blum, Shapiro & Company, P.C.

December 21, 2011

**TOWN OF PLYMOUTH, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

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, 2011.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$173,480,274 (*net assets*). *Unrestricted net assets*, the amount that may be used to meet the Town's ongoing obligations to citizens and creditors, was \$10,967,676 at June 30, 2011.
- The Town's total net assets increased by \$810,549 or .47%. The increase is primarily due to a capital grant decrease in debt service of \$2,323,891 in the current year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$1,394,955, a decrease of \$867,808 or 38.35% in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,655,273 or 4.29% of total general fund expenditures and other financing uses.
- The Town of Plymouth's total bond/note debt decreased by a net of \$2,346,528 or 11.59% during the current fiscal year due in total to principal payments 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 assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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).

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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 27 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 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 nonmajor 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.

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 nonmajor governmental funds are presented immediately following the required supplementary information on pensions.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a town's financial position. In the case of the Town, assets exceeded liabilities by \$173,480,274 at the close of the most recent fiscal year.

By far the largest portion of the Town's net assets (93%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the 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 Assets

	Governmental Activities	
	2011	2010
Current and other assets	\$ 16,777,052	\$ 17,603,870
Capital assets, net of accumulated depreciation	184,560,218	185,482,534
Total assets	<u>201,337,270</u>	<u>203,086,404</u>
Long-term debt outstanding	21,633,982	23,709,195
Other liabilities	6,223,014	6,707,484
Total liabilities	<u>27,856,996</u>	<u>30,416,679</u>
Net Assets:		
Invested in capital assets, net of debt	161,399,980	159,710,588
Restricted	1,112,618	1,679,362
Unrestricted	<u>10,967,676</u>	<u>11,279,775</u>
Total Net Assets	<u>\$ 173,480,274</u>	<u>\$ 172,669,725</u>

An additional portion of the Town's net assets of \$810,549 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets is \$10,967,676.

At the end of the current fiscal year, the Town is able to report positive balances in all of the categories of net assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The Town's net assets increased by \$810,549 or .47% during the current fiscal year. The majority of the changes occurred due to refunding of the Town's debt service that reduced the future burden to the Town.

Town of Plymouth, Connecticut Change in Net Assets

	Governmental Activities	
	2011	2010
Revenues:		
Program revenues:		
Charges for services	\$ 2,264,354	\$ 2,737,781
Operating grants and contributions	14,329,706	13,636,979
Capital grants and contributions	2,360,889	954,848
General revenues:		
Property taxes	25,752,017	24,870,975
Grants and contributions not restricted to specific purposes	439,693	373,942
Unrestricted investment earnings (losses)	192,386	126,921
Miscellaneous	54,509	40,618
Total revenues	<u>45,393,554</u>	<u>42,742,064</u>
Program expenses:		
General administration	4,721,379	4,444,531
Public safety	2,839,161	2,330,658
Public works	8,584,108	7,130,940
Health and welfare	257,151	298,839
Library	494,022	432,404
Recreation	207,751	234,430
Education	26,865,049	26,346,342
Land use	312,442	183,452
Interest on long-term debt	301,942	1,788,989
Total program expenses	<u>44,583,005</u>	<u>43,190,585</u>
Increase (Decrease) in Net Assets	810,549	(448,521)
Net assets - Beginning of Year	<u>172,669,725</u>	<u>173,118,246</u>
Net assets - End of Year	<u>\$ 173,480,274</u>	<u>\$ 172,669,725</u>

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

- Operating grants increased by \$692,727 during the year. This increase is due to ARRA (American Recovery and Reinvestment Act) funding from the federal government for the Board of Education and additional education grants from the State.
- Capital grants and contributions increased by \$1,460,041 primarily due to the school renovation projects and ARRA funding for the Harwinton Avenue reconstruction project.
- Property taxes showed an increase this year due to continued efforts to collect back taxes as well as increase of the mill rate. There are economic challenges facing some residents in paying their current taxes. Efforts are continuing to try and improve collections from the Mayor’s and Tax Collector’s office. This amount is fairly consistent with the previous fiscal year.
- Investment earnings are lower due to the entire economy and shown negative due to losses in various permanent funds.
- Public works expenses increased by \$1,453,168 due to increased outlay expenditures in the current fiscal year.
- Public safety expenses increased by \$508,503 due to the purchase of a new fire truck and increases in extra duty expenditures in the police department.
- Education increased by \$518,707 due to grant programs provided by ARRA from the federal government and increased personnel costs.

The Cost of the 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	
	2011	2010	2011	2010
Education	\$ 26,865,049	\$ 26,346,342	\$ 11,472,309	\$ 12,241,526
Public works	8,584,108	7,130,940	5,646,551	4,480,346
General administration	4,721,379	4,444,531	4,570,195	4,203,549
Public safety	2,839,161	2,330,658	2,631,977	2,214,914
Interest expense	301,942	1,788,989	268,867	1,738,609
All others	1,271,366	1,149,125	1,038,157	982,033
Total	\$ 44,583,005	\$ 43,190,585	\$ 25,628,056	\$ 25,860,977

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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, unreserved 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 \$1,394,955 a decrease of \$867,808 in comparison with the prior year. 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 \$1,373,970 (2) to pay debt service \$19.860 and (3) endowments \$996,766.

The Capital Projects funds show a deficit fund balance of \$3,790,142 at June 30, 2011 primarily due to school construction projects. This amount will be offset by capital grants once the State of Connecticut completes its audit of the project and the issuance of the final debt by the Town. It is anticipated that this will take place sometime before June 30, 2012.

The General Fund is the operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,655,273 while total fund balance reached \$3,229,243. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 4.29% of total general fund expenditures, while total fund balance represents 8.36% of that same amount.

The Board of Finance with approval of the Town Council transferred balances to cover the departmental deficits at fiscal year end for a total of \$327,254 between departments within the general fund.

- Over-expenditure of general government departments by \$2,006 mainly due to Legal services. This department had the largest overage of \$104,258 due to four intensive labor investigations and outstanding labor contracts. The Town Clerk's office was under-expended by \$46,064 due to an employee vacancy and less volume within the office.
- Under-expenditure in public safety primarily due to savings from the regular wages in the police department of \$17,071. A total of \$25,981 was unexpended.
- The public works budget returned a sum of \$87,391 from the revised appropriation. The Public Works Transfer Station also showed a surplus of \$63,428 due to less tonnage from solid waste at the this location. The Public Works Highway showed a surplus of \$23,963 due to delays in filling a position within that department. In addition, overages in the Maintenance Garage of \$48,334 due to increased fuel costs and underground tank monitoring. There were addition overages public buildings due to the abandoned Prospect Street School and VNA building. The streetlights/hydrants due to increased costs by CL & P after the budget was adopted and CT Water for the Hydrant costs. All the overages were covered by transfers within various public works departments.
- Under-expenditures within the Board of Education in the amount of \$197,587 due to cost savings measures imposed from outsourcing the cafeteria program and savings associated with conservation efforts in utility usage at its facilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The debt service fund has a total fund balance of \$19,860, all of which is restricted for the payment of debt service. This amount was reduced this year due to debt refinancing that utilized a prepayment of debt in the amount of \$699,302.

Proprietary fund. Unrestricted net assets of the Board of Education Health Insurance Fund at the end of the year amounted to \$991,670, a decrease of \$331,409 from the balance at June 30, 2010 of \$1,323,079.

General Fund Budgetary Highlights

There were two additional (special) appropriations within the General Fund during the fiscal year that amount to \$102,430.80. The special appropriations were related to \$60,181 for a heart and hypertension claim and \$42,250 for snow removal operations due to a significant storm on January 11, 2011.

As explained above in the Governmental Funds category, the General Fund under expended its appropriations by \$516,922. Most of the under-expenditures are related to savings in personnel consolidations, overtime and benefits. Some of the savings is attributed to cost saving energy conservation efforts as well as reduced usage of tonnage at the transfer station.

The total revenue shortfall from budget within the General Fund can be found in several categories. The total revenue shortfall amounted to \$482,215.

- Current tax collections fell short \$455,495 from the original budget. Efforts are continuing to reduce this amount by taking off "dead" properties off the grand list and revising collection rates to actual collections. In total, tax collections were under budget by \$803,982. Aggressive efforts are still underway by the Mayor's office and Tax Office to collect delinquent taxes.
- Charges for services was short by \$2,041, primarily due to a decrease in tipping fee charges from public works and miscellaneous fees charged by the Town Clerk. This can be attributed to the economy and lower volumes of trash and recordings taking place. Under budget was the transfer station tipping fees charged to haulers due to less tonnage and can also be seen in the expenditure side of the budget.
- There was a use of fund balance to balance operating expenses in the current fiscal year amounting to \$270,904.

Capital Assets and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental activities as of June 30, 2011, amounts to \$184,560,218 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, building improvements, machinery and equipment, vehicles, and infrastructure. There was a decrease in the Town's investment in capital assets for the current fiscal year of \$922,316 or .50%. The majority of this decrease is due to increased depreciation for the town buildings and infrastructure. Increases for continued vehicle replacement held down the total decrease in capital assets with the purchase of several public works vehicles and a new fire truck.

Current year major capital asset events during the current fiscal year included the following:

- Completion of the track at the new High School.
- Two new public works vehicles and a new fire truck.
- Harwinton Avenue repaved and improvements to the roadway as a result of ARRA funding.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Town of Plymouth, Connecticut Capital Assets (Net)

	Governmental Activities	
	2011	2010
Land	\$ 4,912,352	\$ 4,912,352
Buildings	24,701,114	24,982,794
Buildings improvements	1,594,471	1,640,949
Land improvements	3,587,580	3,009,446
Machinery and equipment	3,950,617	3,933,936
Vehicle	3,326,840	3,562,079
Infrastructure	95,142,453	96,127,504
Construction in progress	47,344,791	47,313,474
Total	<u>\$ 184,560,218</u>	<u>\$ 185,482,534</u>

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 total bonds and notes outstanding of \$17,905,635. All of this amount comprises debt backed by the full faith and credit of the Town. This debt will be partially retired by \$397,565 in State of Connecticut grants for school building projects.

Town of Plymouth, Connecticut Long-Term Debt

	Governmental Activities	
	2011	2010
General obligation bonds	\$ 17,255,000	\$ 17,950,000
Notes payable	650,635	2,302,163
Total	<u>\$ 17,905,635</u>	<u>\$ 20,252,163</u>

The Town's total debt decreased by \$2,346,528 (11.59%) during the current fiscal year due to scheduled principal payments and recent refunding of debt service.

The Town maintains an "AA3" rating from Moody's for general obligation debt and a MIG 1 rating on its bond anticipation notes (BANS).

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 \$174,183,331 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Town as of June 2011 was 10.3%, which is a decrease from last year of 10.5%. This is higher than the state's average unemployment rate of 9.1%.
- Inflationary trends in the region compare favorably to national indices.
- The business park has a new water booster station that was completed that will assist in the development and expansion of the business base in the park.
- The Town is continuing to aggressively pursuing new tenants with and expansions within the business park and has two new businesses that will be building and taking empty space by the fall of 2011.

The 2011-2012 budget was evaluated using the anticipated fund balance projections from the past. The 2011-2012 budget uses \$250,000 from its fund balance to balance operations. The overall budget in the General Fund increased by \$29,360. This was the result of evaluating all expenditures within the Town and Board of Education. The 2011-2012 budget has a property tax rate of 31.50 after a small increase the previous year and prior three years of property tax freezes.

All revenue sources were evaluated and adjusted in the 2011-2012 budget. The most significant revenue increase is the property tax revenue. This resulted in the increased property tax rate increase from 30.85 to 31.50 mills or .65 mill increase.

Property tax collections became the focus of the Board of Finance and adjustments were made based on goals set by the Board as well as a downward projection of the current collection rate from 97.5% to 97.0% in the 2010-2011 budget and continued with the 2011-2012 budget. This will become an agenda item for all Board of Finance meetings to properly address and evaluate the progress for future budget years.

The expenditure side of the budget was scrutinized in all office supply, conferences and salaries. The expenditure side was slightly increased primarily in the area of general insurances for workers' compensation. The largest budget, Board of Education, was unchanged as a requested 0% increase.

With anticipated contracts coming due becoming open in the 2011-2012 year, funds were set aside in the budget to address these issues.

Long-term obligations such as Other Post Employment Benefits are addressed in the 2011-2012 budget in the line item nonemployee benefits. \$25,000 will be placed into a new trust that will be adopted in 2011-2012 fiscal year to address this new concern as well as a new proposed funding mechanism.

The Mayor's office, in conjunction with the Comptroller's office, has instituted spending freezes that control noncontractual line items. This has proved to be successful in stopping unnecessary expenditures as well as being able to deliver quality and efficient services to the Town residents. In addition, the Board of Education has followed suit and reduced energy consumption and instituted programmatic changes to reduce special education costs.

It is anticipated that growth in the grand list, the total of all taxable property that sets the property tax collection rate, will grow at a minimal pace of approximately .25% in the upcoming year. It should also be noted that the statistical revaluation will also be taking place that will in all likelihood show a decrease in the total grand list due to the declined property values from the most recent economic recession.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Long-term capital outlay and capital improvement plans are being developed and will be available for the 2011-2012 year. It is anticipated that a referendum of these expenditures will occur sometime in the later winter or early spring of 2012.

During the current fiscal year, undesignated fund balance in the general fund decreased to \$2,134,881. Of this amount, \$250,000 is being used to offset the 2011-2012 General Fund budget.

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 ASSETS

JUNE 30, 2011

	<u>Governmental Activities</u>
Assets:	
Cash and cash equivalents	\$ 5,943,549
Investments	31,074
Restricted investments	1,187,558
Receivables, net	7,069,324
Due from pension trust funds	25,753
Net pension asset	6,236
Assets held for sale	2,513,558
Capital assets not being depreciated	52,257,143
Capital assets being depreciated, net	132,303,075
Total assets	<u>201,337,270</u>
Liabilities:	
Accounts and other payables	810,213
Accrued interest payable	97,426
Due to agency funds	128,805
Unearned revenue	106,570
Bond anticipated notes payable	5,080,000
Noncurrent liabilities:	
Due within one year	2,521,025
Due in more than one year	19,112,957
Total liabilities	<u>27,856,996</u>
Net Assets:	
Invested in capital assets, net of related debt	161,399,980
Restricted for:	
Perpetual care:	
Expendable	71,900
Nonexpendable	706,984
Libraries:	
Expendable	24,092
Nonexpendable	289,782
Debt service	19,860
Unrestricted	<u>10,967,676</u>
Total Net Assets	<u>\$ 173,480,274</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, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General administration	\$ 4,721,379	\$ 145,910	\$ 5,274	\$	\$ (4,570,195)
Public safety	2,839,161	207,184			(2,631,977)
Public works	8,584,108	1,566,852	2,805	1,367,900	(5,646,551)
Health and welfare	257,151	48,400	148,208		(60,543)
Library	494,022	13,092	2,429		(478,501)
Recreation	207,751				(207,751)
Education	26,865,049	268,000	14,131,751	992,989	(11,472,309)
Land use	312,442	14,916	6,164		(291,362)
Interest expense	301,942		33,075		(268,867)
Total Governmental Activities	\$ <u>44,583,005</u>	\$ <u>2,264,354</u>	\$ <u>14,329,706</u>	\$ <u>2,360,889</u>	<u>(25,628,056)</u>
General revenues:					
Property taxes					25,752,017
Grants and contributions not restricted to specific programs					439,693
Investment earnings					192,386
Miscellaneous					54,509
Total general revenues					<u>26,438,605</u>
Change in net assets					810,549
Net Assets at Beginning of Year					<u>172,669,725</u>
Net Assets at End of Year					\$ <u><u>173,480,274</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF PLYMOUTH, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2011

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 1,327,445	\$ 1,085,366	\$ 1,406,642	\$ 3,819,453
Investments			31,074	31,074
Restricted investments			1,187,558	1,187,558
Receivables, net:				
Property taxes	2,524,485			2,524,485
Interest	1,070,825		188,483	1,259,308
Assessments/use charges			1,230,377	1,230,377
Intergovernmental	55,116	155,412	360,839	571,367
Loans			508,606	508,606
Other	485,614		92,002	577,616
Due from other funds	<u>2,263,181</u>	<u>555,098</u>	<u>456,098</u>	<u>3,274,377</u>
Total Assets	<u>\$ 7,726,666</u>	<u>\$ 1,795,876</u>	<u>\$ 5,461,679</u>	<u>\$ 14,984,221</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 346,072	\$ 100,854	\$ 170,422	\$ 617,348
Due to other funds	731,337	405,164	1,301,367	2,437,868
Deferred revenue	3,420,014		2,034,036	5,454,050
Bond anticipation notes payable		5,080,000		5,080,000
Total liabilities	<u>4,497,423</u>	<u>5,586,018</u>	<u>3,505,825</u>	<u>13,589,266</u>
Fund balances:				
Nonspendable			996,766	996,766
Restricted			611,598	611,598
Committed			675,281	675,281
Assigned	1,573,970			1,573,970
Unassigned	<u>1,655,273</u>	<u>(3,790,142)</u>	<u>(327,791)</u>	<u>(2,462,660)</u>
Total fund balances	<u>3,229,243</u>	<u>(3,790,142)</u>	<u>1,955,854</u>	<u>1,394,955</u>
Total Liabilities and Fund Balances	<u>\$ 7,726,666</u>	<u>\$ 1,795,876</u>	<u>\$ 5,461,679</u>	<u>\$ 14,984,221</u>

(Continued on next page)

TOWN OF PLYMOUTH, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2011

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

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

Fund balances - total governmental funds (Exhibit III)	\$	1,394,955
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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		2,513,558
Governmental capital assets	\$ 226,553,188	
Less accumulated depreciation	<u>(41,992,970)</u>	
Net capital assets		184,560,218

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

Property tax receivable greater than 60 days	2,349,189
Interest receivable on property taxes	1,070,825
Housing loans	508,606
Sewer use and assessments receivable	409,434
Interest receivable on sewer use and assessments	188,483
Water assessment receivable	820,943
School building grant receivable	397,565
Net pension asset	6,236

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 assets	991,670
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Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(17,905,635)
Deferred amount in refunding	74,075
Premium on refunding	(248,678)
Interest payable on bonds and notes	(97,426)
Net OPEB obligation	(1,432,446)
Compensated absences	(1,221,466)
Heart and hypertension	(77,908)
Early retirement incentive	(26,025)
Net pension obligation	(70,899)
Landfill postclosure costs	<u>(725,000)</u>

Net Assets of Governmental Activities (Exhibit I)	\$	<u>173,480,274</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, 2011

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 24,976,767	\$	\$	\$ 24,976,767
Charges for services	509,179		1,826,317	2,335,496
Intergovernmental	13,200,523	992,989	3,041,587	17,235,099
Income from investments	9,405	8,491	31,160	49,056
Net increase in fair value of investments			137,792	137,792
Contributions			28,609	28,609
Other	173,755	39,700	69,644	283,099
Total revenues	<u>38,869,629</u>	<u>1,041,180</u>	<u>5,135,109</u>	<u>45,045,918</u>
Expenditures:				
Current:				
General administration	4,402,457		20,628	4,423,085
Public safety	2,420,437		158,887	2,579,324
Public works	3,763,566		1,420,402	5,183,968
Health and welfare	191,388		229,770	421,158
Library	450,353		16,042	466,395
Recreation	180,840		35,380	216,220
Education	24,167,940		1,766,208	25,934,148
Land use	208,762			208,762
Debt service	3,131,093		100,000	3,231,093
Capital outlay		831,635	2,417,938	3,249,573
Total expenditures	<u>38,916,836</u>	<u>831,635</u>	<u>6,165,255</u>	<u>45,913,726</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(47,207)</u>	<u>209,545</u>	<u>(1,030,146)</u>	<u>(867,808)</u>
Other Financing Sources (Uses):				
Transfers in	855,000		633,000	1,488,000
Transfers out	(633,000)		(855,000)	(1,488,000)
Premium on refunding bonds	248,678			248,678
Issuance of refunding bonds	9,820,000			9,820,000
Payment to refunding bond escrow agent	(10,068,678)			(10,068,678)
Total other financing sources (uses)	<u>222,000</u>	<u>-</u>	<u>(222,000)</u>	<u>-</u>
Net Change in Fund Balances	174,793	209,545	(1,252,146)	(867,808)
Fund Balances at Beginning of Year	<u>3,054,450</u>	<u>(3,999,687)</u>	<u>3,208,000</u>	<u>2,262,763</u>
Fund Balances at End of Year	<u>\$ 3,229,243</u>	<u>\$ (3,790,142)</u>	<u>\$ 1,955,854</u>	<u>\$ 1,394,955</u>

(Continued on next page)

TOWN OF PLYMOUTH, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2011

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) \$ (867,808)

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 1,700,967
Depreciation expense (2,612,783)

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. (10,500)

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 513,759
Property tax interest revenue - accrual basis change 261,491
Housing loans receivable - accrual basis change 191,092
Sewer use and assessment receivable - accrual basis change 44,393
Sewer use and assessment interest receivable - accrual change 75,045
Water assessment receivable - accrual basis change (84,464)
School building grant receipts (397,566)
Other receivable - accrual basis change (70,560)

Change in pension asset 6,236

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 assets. Also, governmental funds report the effect of issuance costs, 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 2,097,850
Refunding bonds issued (9,820,000)
Payments to refunding bond escrow agent 10,068,678

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 (520,605)
Compensated absences (41,735)
Heart and hypertension (1,079)
Early retirement incentive 24,150
Net pension obligation (67,052)
Landfill postclosure costs 69,826
Accrued interest payable 317,443
Deferred charges in refunding 513,858
Unamortized premium in refunding (248,678)

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

Internal service funds are used by management to charge costs of medical insurance to individual departments (331,409)

Change in Net Assets of Governmental Activities (Exhibit II) \$ 810,549

The accompanying notes are an integral part of the financial statements

TOWN OF PLYMOUTH, CONNECTICUT

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2011

	Governmental Activities
	Internal Service Fund
Assets:	
Cash and cash equivalents	\$ <u>2,124,096</u>
Liabilities:	
Due to other funds	939,561
Claims payable	<u>192,865</u>
Total liabilities	<u>1,132,426</u>
Net Assets:	
Unrestricted	\$ <u><u>991,670</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 FUND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2011

	Governmental Activities <u>Internal Service Fund</u>
Operating Revenues:	
Charges for services	\$ <u>3,020,222</u>
Operating Expenses:	
Claims incurred	2,858,319
Administration	<u>498,850</u>
Total operating expenses	<u>3,357,169</u>
Operating Loss	(336,947)
Nonoperating Revenues:	
Revenues from use of money	<u>5,538</u>
Changes in Net Assets	(331,409)
Net Assets at Beginning of Year	<u>1,323,079</u>
Net Assets at End of Year	\$ <u><u>991,670</u></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, 2011

	Governmental Activities
	Internal Service Fund
	<u> </u>
Cash Flows from Operating Activities:	
Cash received from charges for services	\$ 3,020,222
Cash paid for benefits	(2,865,277)
Cash paid for administration	(498,850)
Net cash used in operating activities	<u>(343,905)</u>
Cash Flows from Investing Activities:	
Interest on investments	<u>5,538</u>
Net Decrease in Cash and Cash Equivalents	(338,367)
Cash and Cash Equivalents at Beginning of Year	<u>2,462,463</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,124,096</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating loss	\$ (336,947)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Decrease in claims payable	<u>(6,958)</u>
Net Cash Used in Operating Activities	<u>\$ (343,905)</u>

The accompanying notes are an integral part of the financial statements

TOWN OF PLYMOUTH, CONNECTICUT

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2011

	<u>Pension Fund</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
Assets:			
Cash and cash equivalents	\$ <u> </u>	\$ <u> 2,990</u>	\$ <u> 410,971</u>
Investments:			
Guaranteed investment contract	9,703,412		
Equity mutual funds	183,052		
Fixed income mutual funds	<u>432,961</u>		
Total investments	<u>10,319,425</u>	<u>-</u>	<u>-</u>
Accounts receivable	<u>98,464</u>		
Due from other funds			<u>128,805</u>
Total assets	<u>10,417,889</u>	<u>2,990</u>	<u>539,776</u>
Liabilities:			
Accounts payable and due to others			539,776
Due to other funds	<u>25,753</u>		
Total liabilities	<u>25,753</u>	<u>-</u>	<u>539,776</u>
Net Assets:			
Held in Trust for Pension/Other Benefits	\$ <u><u>10,392,136</u></u>	\$ <u><u>2,990</u></u>	\$ <u><u>-</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF PLYMOUTH, CONNECTICUT

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN PLAN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2011

	Pension Fund	Private Purpose Trust Fund
	<u> </u>	<u> </u>
Additions:		
Contributions:		
Employer	\$ 444,303	\$
Plan members	102,048	
Total contributions	<u>546,351</u>	<u>-</u>
Investment income:		
Net appreciation in fair value of investments	133,849	
Interest and dividends	463,549	9
Total investment income	<u>597,398</u>	<u>9</u>
Less investment expense	(5,929)	
Net investment income	<u>591,469</u>	<u>9</u>
Total additions	<u>1,137,820</u>	<u>9</u>
Deductions:		
Benefits	975,625	
Administration	91,796	
Total deductions	<u>1,067,421</u>	<u>-</u>
Net Increase	70,399	9
Net Assets Held in Trust for Pension/Other Benefits at Beginning of Year	<u>10,321,737</u>	<u>2,981</u>
Net Assets Held in Trust for Pension/Other Benefits at End of Year	<u>\$ 10,392,136</u>	<u>\$ 2,990</u>

The accompanying notes are an integral part of the financial statements

TOWN OF PLYMOUTH, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

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 which 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 assets 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.

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

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 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

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.

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.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

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, 2011.

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Restricted Assets

Debt Service Fund

Certain assets from the UDSA loans received are being held in escrow by a third party for payment of the related debt service principal amounts on those loans.

Small Cities Loans

Certain passbook 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.

H. 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.

I. 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 fair market 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

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. 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 assets. Bond premiums and discounts, as well as issuance costs, 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. Significant bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

L. Fund Equity

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

Invested in Capital Assets, Net of Related Debt - This component of net assets 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 Assets - Net assets are restricted because they 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 Assets - This component consists of net assets that do 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).

Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by 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.

M. 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.

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.
- 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. There were \$102,611 in additional appropriation for General Fund. There were no additional Sewer Operating Fund appropriations authorized during the year.
- 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 their budget at their 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, 2011, expenditures exceeded appropriations in the Plymouth Library by \$743. This overexpenditure was funded by the available fund balance.

C. Fund Deficits

Fund balance deficits existed as of June 30, 2011 in the following funds:

Capital Projects	\$ 3,790,142
Nonmajor Governmental Funds:	
Capital Nonrecurring	326,733
Permanent Funds:	
St. Matthews Trust	1,058

These fund deficits will be reduced or eliminated by transfers from the General Fund or when permanent financing is obtained.

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) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are 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.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$4,243,674 of the Town's bank balance of \$5,651,410 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,710,404
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>533,270</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 4,243,674</u>

Cash Equivalents

At June 30, 2011, the Town's cash equivalents amounted to \$1,591,816. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u>Standard & Poor's</u>
Money market*	
Cutwater Asset Management - Cooperative Liquid Assets Security System (CLASS), Connecticut CLASS Plus	AAA/m

*Not rated

Investments

As of June 30, 2011, the Town had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less Than 1</u>	<u>1 - 5</u>	<u>More Than 5</u>
Interest-bearing investments:					
Guaranteed investment contracts	N/A	\$ 9,703,411	\$	\$	\$ 9,703,411
Certificates of deposit	*	<u>321,967</u>	<u>129,092</u>	<u>192,875</u>	
Total		10,025,378	<u>\$ 129,092</u>	<u>\$ 192,875</u>	<u>\$ 9,703,411</u>
Other investments:					
Mutual funds		<u>1,512,679</u>			
Total Investments		<u>\$ 11,538,057</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.

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, 2011, 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.

4. DEFERRED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable	\$ 2,349,189	\$
Accrued interest on property taxes	1,070,825	
CDBG loans receivable	508,606	
Sewer use receivable	394,659	
Sewer assessment receivable	14,775	
Accrued interest on sewer use and assessment	188,483	
Miscellaneous grants		106,570
Water assessment receivable	<u>820,943</u>	
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 5,347,480</u>	<u>\$ 106,570</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 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	\$ 4,912,352	\$	\$	\$ 4,912,352
Construction in progress	47,313,474	31,317		47,344,791
Total capital assets not being depreciated	<u>52,225,826</u>	<u>31,317</u>	<u>-</u>	<u>52,257,143</u>
Capital assets being depreciated:				
Buildings	36,100,902	265,126		36,366,028
Building improvement	2,972,531	19,620		2,992,151
Land improvement	5,961,209	769,314	18,500	6,712,023
Machinery and equipment	5,133,810	179,524	35,042	5,278,292
Vehicles	5,925,164	28,903	28,260	5,925,807
Infrastructure	116,614,581	407,163		117,021,744
Total capital assets being depreciated	<u>172,708,197</u>	<u>1,669,650</u>	<u>81,802</u>	<u>174,296,045</u>
Less accumulated depreciation for:				
Buildings	(11,118,108)	(546,806)		(11,664,914)
Building improvement	(1,331,582)	(66,098)		(1,397,680)
Land improvement	(2,951,763)	(187,665)	14,985	(3,124,443)
Machinery and equipment	(1,199,874)	(162,843)	35,042	(1,327,675)
Vehicles	(2,363,085)	(257,157)	21,275	(2,598,967)
Infrastructure	(20,487,077)	(1,392,214)		(21,879,291)
Total accumulated depreciation	<u>(39,451,489)</u>	<u>(2,612,783)</u>	<u>71,302</u>	<u>(41,992,970)</u>
Total capital assets being depreciated, net	<u>133,256,708</u>	<u>(943,133)</u>	<u>10,500</u>	<u>132,303,075</u>
Governmental Activities Capital Assets, Net	<u>\$ 185,482,534</u>	<u>\$ (911,816)</u>	<u>\$ 10,500</u>	<u>\$ 184,560,218</u>

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

Governmental activities:	
General administration	\$ 80,580
Public safety	156,970
Public works	1,901,917
Health and welfare	25,889
Library	13,335
Recreation	35,187
Education	352,420
Land use	46,485
Total Depreciation Expense - Governmental Activities	<u>\$ 2,612,783</u>

Construction Commitments

The Town has active construction projects as of June 30, 2011. The projects include the following:

<u>Project</u>	<u>Appropriations</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
Plymouth School Project	\$ 47,000,000	\$ 46,964,389	\$ 35,611
Bridge and Roadwork Project	2,150,000	2,074,033	75,967
Industrial Park Phase III	3,650,000	2,934,388	715,612
Additional Paving Fall Mountain	490,000		490,000
Various Improvements - Downtown Terryville	300,000	46,560	253,440
Burr Road and Harwinton Avenue Water	1,200,000		1,200,000
Total	<u>\$ 54,790,000</u>	<u>\$ 52,019,370</u>	<u>\$ 2,770,630</u>

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	\$ 233,000
General Fund	Nonmajor Governmental Funds	1,064,867
General Fund	Pension Plan	25,753
General Fund	Health Insurance	939,561
Capital Projects	General Fund	327,098
Capital Projects	Nonmajor Governmental Funds	228,000
Nonmajor Funds	Capital Projects	180,664
Nonmajor Funds	General Fund	275,434
Performance Bonds	General Fund	128,805
		<u>\$ 3,403,182</u>

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

Interfund transfers:

	Transfer In		
	General Fund	Nonmajor Governmental	Total Transfer Out
Transfers out:			
General Fund	\$	\$ 633,000	\$ 633,000
Nonmajor Governmental Funds	855,000		855,000
Total Transfers In	<u>\$ 855,000</u>	<u>\$ 633,000</u>	<u>\$ 1,488,000</u>

Transfers are used to 1) move money to General Fund for debt service payments due to refunding and monies set aside for the new high school 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, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 17,950,000	\$ 9,820,000	\$ 10,515,000	\$ 17,255,000	\$ 1,770,000
Deferred amounts in refunding	439,783	(480,028)	33,830	(74,075)	
Premium on refunding		248,678		248,678	
Total bonds payable	<u>18,389,783</u>	<u>9,588,650</u>	<u>10,548,830</u>	<u>17,429,603</u>	<u>1,770,000</u>
Notes payable	2,302,163		1,651,528	650,635	650,635
Net OPEB obligation	911,841	520,605		1,432,446	
Compensated absences	1,179,731	99,077	57,342	1,221,466	59,565
Heart and hypertension	76,829	73,236	72,157	77,908	
Early retirement incentive	50,175		24,150	26,025	15,825
Net pension obligation	3,847	67,052		70,899	
Landfill postclosure costs	<u>794,826</u>	<u>67,838</u>	<u>137,664</u>	<u>725,000</u>	<u>25,000</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 23,709,195</u>	<u>\$ 10,416,458</u>	<u>\$ 12,491,671</u>	<u>\$ 21,633,982</u>	<u>\$ 2,521,025</u>

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

A schedule of bonds and notes payable at June 30, 2011 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, 2011</u>
Bonds Payable:					
General purpose:					
Refunding bonds	8/19/2009	5/15/2016	2.00-4.00	\$ 1,585,000	\$ 1,161,500
Refunding bonds	8/19/2009	5/15/2020	2.00-3.50	5,520,000	1,245,500
Refunding bonds	9/16/2010	12/15/2028	2.00-4.00	1,000,000	930,000
School:					
Refunding bonds	05/15/01	05/15/12	4.00-5.00	6,600,000	360,000
Refunding bonds	8/19/2009	5/15/2020	2.00-3.50	5,520,000	4,373,000
School bond	12/15/06	12/15/26	4.00-5.00	10,000,000	475,000
Refunding bonds	9/16/2010	12/15/2028	2.00-4.00	8,820,000	<u>8,710,000</u>
Total Bonds					<u>17,255,000</u>
Sewer:					
Clean Water Fund Loans	04/30/82	07/01/11		10,851,529	<u>650,635</u>
Total Loans					<u>650,635</u>
Total Bonds and Notes Payable					<u>\$ 17,905,635</u>

The annual requirements to amortize all bonds and notes outstanding as of June 30, 2011, including interest payments, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Bonds</u>		<u>Notes</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 1,770,000	\$ 545,457	\$ 650,635	\$ 13,013	\$ 2,420,635	\$ 558,470
2013	1,135,000	493,131			1,135,000	493,131
2014	1,175,000	458,431			1,175,000	458,431
2015	1,200,000	422,831			1,200,000	422,831
2016	1,240,000	390,994			1,240,000	390,994
2017-2021	5,155,000	1,408,297			5,155,000	1,408,297
2021-2026	4,755,000	490,094			4,755,000	490,094
2027-2029	<u>825,000</u>	<u>18,425</u>			<u>825,000</u>	<u>18,425</u>
Total	<u>\$ 17,255,000</u>	<u>\$ 4,227,660</u>	<u>\$ 650,635</u>	<u>\$ 13,013</u>	<u>\$ 17,905,635</u>	<u>\$ 4,240,673</u>

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	\$ 55,987,499	\$ 5,620,000	\$ 50,367,499
Schools	111,974,999	18,947,844	93,027,155
Sewers	93,312,499	650,635	92,661,864
Urban renewal	80,870,832		80,870,832
Pension deficit	74,649,999		74,649,999

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$174,183,331.

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. The Town has authorized, unissued bonds for general purposes in the amount of \$2,630,409 at June 30, 2011. Net indebtedness is reduced by State of Connecticut grant commitments in the amount of \$29,000,000.

Additionally, school building grants receivable for bond principal of \$397,565 are reflected in the computation of net indebtedness.

Refunding of Debt

On September 16, 2010, the Town issued \$9,820,000 of general obligation refunding bonds with interest rates ranging from 2.0% to 4.0%. The bonds were issued to refund all or a portion of the aggregate outstanding principal amounts of general obligation bonds and RDA loans of the Town as follows: \$8,575,000 general obligation bonds 2006 Series and \$1,013,650 RDA Loans 2009 Series.

The net proceeds of \$10,068,678 (including a premium of \$378,583 and issuance costs of \$129,905, including underwriter's fees) were deposited in an irrevocable trust fund under an escrow agreement dated September 30, 2010 between the Escrow Agent and the Town. The Escrow Agent will use such proceeds to purchase a portfolio of United States Treasury, State and Local Government Securities. All investment income on and the maturing principal of the escrow securities held will be used for payment of the refunded bonds. The Town refunded the above bonds to reduce total debt service payments over the next 15 years by approximately \$509,000 and represents an economic gain (difference between present values of the debt service payments on the old and the new debt) of \$391,181. As a result, the refunded bonds are considered defeased. The outstanding balance of the defeased bonds as of June 30, 2011 is \$9,588,650.

8. BOND ANTICIPATION NOTES

The following is a schedule of changes in bond anticipation notes for the year ended June 30, 2011:

<u>Project</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Balance July 1, 2010</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2011</u>
High School	08/27/09	08/26/10	1.75	\$ 5,080,000		\$ 5,080,000	\$ -
High School	08/26/10	08/25/11	1.50		5,080,000		5,080,000
Total				<u>\$ 5,080,000</u>	<u>\$ 5,080,000</u>	<u>\$ 5,080,000</u>	<u>\$ 5,080,000</u>

The notes were issued to finance the construction of the high school prior to the issuance of the bonds at the completion of the project. These notes are reported in the Capital Projects fund and will be retired or permanently financed in the future.

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 29 years at \$25,000 per year are \$725,000. These amounts are based on estimates which 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 28 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, 2011 was \$24,150. Benefits are payable through 2013.

9. 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 anyone 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
2009-2010	\$ 235,576	\$ 2,497,381	\$ 2,533,134	\$ 199,823
2010-2011	199,823	2,858,319	2,865,277	192,865

10. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2011 are as follows:

	<u>General Fund</u>	<u>Projects Fund</u>	<u>Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Permanent funds	\$	\$	\$ 996,766	\$ 996,766
Restricted for:				
Grants			591,738	591,738
Debt service			19,860	19,860
Committed to:				
Sewer operating and assessment			298,650	298,650
Water assessment			10,155	10,155
General administration			8,415	8,415
Public safety			114,255	114,255
Health and welfare			81,853	81,853
Recreation			134	134
Education			47,416	47,416
Economic development			17,298	17,298
Engineering services			1,113	1,113
Permanent funds			95,992	95,992
Assigned to:				
Subsequent year's budget	200,000			200,000
Education	1,371,750			1,371,750
General administration	25			25
Public safety	687			687
Public works	143			143
Library	1,243			1,243
Land use	122			122
Unassigned	<u>1,655,273</u>	<u>(3,790,142)</u>	<u>(327,791)</u>	<u>(2,462,660)</u>
Total Fund Balances	<u>\$ 3,229,243</u>	<u>\$ (3,790,142)</u>	<u>\$ 1,955,854</u>	<u>\$ 1,394,955</u>

Significant encumbrances at June 30, 2011 are contained in the above table in both the assigned and committed categories of the General Fund.

11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Pension Trust Fund

A. Plan Description

The Town administers two single-employer, contributory, defined benefit pension plans (Town Plan and Board of Education). Plan benefit and contribution requirements are established by plan document as amended April 1, 1982, and approved by the Town Council. Both plans are part of the Town's reporting entity and are included in the Town's financial report as a single Pension Trust Fund since the assets may be used to pay benefits or refunds of any plan member or beneficiary. The plans do not issue separate stand alone financial reports.

At July 1, 2010 the plan's membership consisted of:

	<u>Town</u>	<u>Board of Education</u>
Retirees and beneficiaries currently receiving benefits	52	21
Terminated employees entitled to benefits but not yet receiving them	12	5
Active plan members	<u>22</u>	<u>47</u>
Total	<u><u>86</u></u>	<u><u>73</u></u>

The plans provide for retirement and disability income for all eligible employees. All employees who work at least 20 hours a week 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.

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting: The plan's financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due pursuant to contractual requirements. Benefit payments and refunds are payable when due and payable in accordance with the terms of the plan. Administrative costs are funded by the income of the fund.

Method Used to Value Investments: All funds are invested and administered through various portfolio management plans and are reported at market value. There are no investments of 5% or greater in any one organization.

C. Funding Status and Progress

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. For the fiscal year ended June 30, 2011, these required contributions were \$282,921 and \$222,198 for the Town and Board of Education, respectively.

D. Annual Pension Cost and Net Pension Obligations

The Town's annual pension cost and net pension obligation to the PERS for the current year were as follows:

	<u>Town</u>	<u>Board of Education</u>
Annual required contribution	\$ 282,921	\$ 222,198
Interest on net pension obligation		
Adjustment to annual required contribution	<u> </u>	<u> </u>
Annual pension cost	282,921	222,198
Contributions made	<u>212,022</u>	<u>232,281</u>
Increase in net pension obligation (asset)	70,899	(10,083)
Net pension obligation beginning of year	<u> </u>	<u>3,847</u>
Net Pension Obligation (Asset) End of Year	<u><u>\$ 70,899</u></u>	<u><u>\$ (6,236)</u></u>

The following is a summary of certain significant actuarial assumptions and other PERS information:

	<u>Town</u>	<u>Board of Education</u>
Actuarial valuation date	July 1, 2010	July 1, 2010
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Amortization method	Level of Payroll	Level Dollar
Remaining amortization period	24 years (decreasing) Closed	10 years Open
Asset valuation method	Fair Value	Fair Value
Valuation type	Closed Group	Open Group
Actuarial assumptions:		
Investment rate of return	6.5%/annum	7.25%/annum
Projected salary increases	4%/annum	4%/annum
Underlying inflation	3%	3%

E. Trend Information

<u>Town</u>			
<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/09	\$ 183,749	100%	\$ -
6/30/10	158,836	100%	-
6/30/11	282,921	74.9%	70,899
<u>Board of Education</u>			
<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
6/30/09	\$ 256,775	100.0%	\$ -
6/30/10	222,436	98.3%	3,847
6/30/11	222,198	104.5%	(6,236)

Schedule of Funding Progress

Town						
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)
7/1/03	\$ 5,014,093	\$ 6,095,151	\$ (1,081,058)	82.3%	\$ 2,492,835	(43.4)%
7/1/05	5,964,894	6,681,834	(716,940)	89.3	2,103,562	(34.1)
7/1/07	6,671,185	8,920,725	(2,249,540)	74.8	1,830,723	(122.9)
7/1/08	6,648,575	9,195,986	(2,547,411)	72.3	1,739,452	(146.4)
7/1/10	6,364,010	10,431,734	(4,067,724)	61.0	1,261,567	(322.4)

Board of Education						
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)
7/1/02	\$ 2,583,866	\$ 2,530,499	\$ 53,367	102.1%	\$ 1,191,486	4.5%
7/1/04	2,599,567	3,022,632	(423,065)	86.0	1,362,211	(31.1)
7/1/06	2,989,024	3,427,714	(438,690)	87.2	1,562,455	(28.1)
7/1/08	3,506,017	3,998,273	(492,256)	87.7	1,642,217	(30.0)
7/1/10	3,966,319	4,575,969	(609,650)	86.7	1,682,735	(36.2)

Note: Biennial valuation

Schedule of Employer Contributions

Fiscal Year Ended	Town		Board of Education	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
6/30/06	\$ 263,676	100.0%	\$ 214,249	100.0%
6/30/07	221,127	100.0	218,781	100.0
6/30/08	202,661	100.0	241,517	100.0
6/30/09	183,749	100.0	256,775	100.0
6/30/10	158,836	100.0	218,589	98.0
6/30/11	212,022	74.9	232,281	104.5

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the date indicated. Additional information as of the latest actuarial valuation is presented in Section D above.

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 (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating municipalities. MERS is considered to be a part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension Trust Fund. The MERS issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State of Connecticut Retirement and Benefit Services Division, Office of the State Controller, 55 Elm Street, Hartford, Connecticut 06106.

B. Plan Provisions

Plan provisions are set by Statute of the State of Connecticut. MERS provides retirement benefits, as well as death and disability benefits. Annual cost of living increases between 3% and 5% are paid to disabled members and nondisabled retired members who have reached age 65. All benefits vest after 10 years of continuous service. Members who retire after age 55 with 10 years of continuous service or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life.

- If not covered by Social Security: 2% of the average of earnings for the three highest paid years of service.
- If covered by Social Security: 1-1/6% of the average of earnings not in excess of the taxable wage base for the 10 highest paid years, plus 2% of the average of earnings for the three highest paid years of service which is in excess of the average of earnings not in excess of the taxable wage base for the 10 highest paid years.

C. Funding Policy

Covered employees are required by State Statute to contribute 2.25% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute the amounts necessary to finance the remaining costs of the plan. Town's employer and employee contributions for for the years ended June 30, 2011, 2010 and 2009 were \$351,860, \$191,563 and \$139,218 respectively, equal to the required contributions for each year.

Teacher Retirement

All Town of Plymouth teachers participate in the State of Connecticut Teacher's Retirement System, a cost sharing plan with a special funding situation, under Section 10.183 of the General Statutes of the State of Connecticut. This is a multiple employer PERS. A teacher is eligible to receive a normal retirement benefit if he or she has:

- Attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or;
- Attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public schools of Connecticut.

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$10,327,030.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. For the year ended June 30, 2011, the Town has recorded in the General Fund (Exhibit IV) intergovernmental revenue schools and schools expenditures in the amount of \$1,641,593 as payments made by the State of Connecticut on behalf of the Town. The Town does not have any liability for teacher pensions.

The State of Connecticut Teacher Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

12. 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, 2010, plan membership consisted of the following:

	Retiree Healthcare Plan
Active plan members	270
Retired members	78
Spouses of retirees	36
Total Participants	<u>384</u>

B. Funding Policy

The Town's funding and payment of postemployment benefits for the year ended June 30, 2011 are accounted for in the General Fund on a pay-as-you-go basis. As of June 30, 2011, the Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with the post employment 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 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)	\$ 1,080,000
Interest on net OPEB obligation	36,474
Adjustment to annual required contribution	<u>(33,869)</u>
Annual OPEB cost	1,082,605
Contributions made	<u>562,000</u>
Increase in net OPEB obligation	520,605
Net OPEB obligation, beginning of year	<u>911,841</u>
Net OPEB Obligation, End of Year	<u>\$ 1,432,446</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation (asset) for the fiscal year ended June 30, 2011 is presented below.

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2009	\$ 966,000	\$ 521,000	53.93%	\$ 445,000
6/30/2010	1,022,841	556,000	54.35	911,841
6/30/2011	1,082,605	562,000	51.91	1,432,446

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)
7/1/08	\$ -	\$ 13,987,000	\$ (13,987,000)	0.0%	N/A	N/A
7/1/10	-	14,612,000	(14,612,000)	0.0	N/A	N/A

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2009	\$ 966,000	46.06%
2010	1,021,000	54.45
2011	1,080,000	52.04

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, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The annual required contribution (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% interest rate and annual payroll growth rate of 4.0%. The annual healthcare cost trend rate is 8% initially with an ultimate rate of 4%.

13. JOINT VENTURES

The Town is a participant in two joint ventures as described below.

Tunxis Recycling Operating Committee

The Town is a participant with 13 other cities and towns in a joint venture, the Tunxis Recycling Operating Committee (TROC). TROC is responsible for the development, operations and management of a solid waste recycling program for all participating communities. The governing board consists of town officials appointed by each of the participating municipalities and assumes all the management decisions. The Town has an obligation to appropriate funds in amounts necessary to fulfill its obligations created pursuant to the intercommunity agreement dated as of June 21, 1990. Expenditures of \$26,935 were incurred in 2010-11 related to the Town's participation in TROC.

Unassigned fund balance for fiscal year ended June 30, 2011 as reflected in TROC's financial statements is \$1.4 million. A complete set of financial statements for TROC can be obtained from TROC's administrative office at 43 Enterprise Drive, Bristol, Connecticut.

Bristol Resource Recovery Facility Operating Committee

The Town is a participant with 13 other cities and towns in a joint venture, the Bristol Resource Recovery Facility Operating Committee (BRRFOC). BRRFOC was created pursuant to an Inter-Community Agreement to exercise certain rights on behalf of contracting municipalities in dealing with the trash to energy plant built by Ogden Martin Systems of Bristol, Inc. (now Covanta Bristol, Inc.). The governing board consists of town officials appointed by each of the participating municipalities, and assumes all the management decisions. The Town has an obligation to appropriate funds in amounts necessary to fulfill its obligations created pursuant to the Intercommunity Agreement dated as of August 15, 1985. These obligations deal with guarantees to meet certain tonnage requirements.

The Town expenditures to BRRFOC amounted to \$379,304 this year. The unassigned fund balance for fiscal year ended June 30, 2011 as reflected in BRRFOC's financial statements is \$7.1 million. A complete set of financial statements for BRRFOC can be obtained from the administrative office at 43 Enterprise Drive, Bristol, Connecticut.

Under the Service Agreement, the service fee is an obligation of the Contracting Municipalities to which each has pledged its full faith and credit. Should any Contracting Municipality default in its obligation to pay the service fee, the other Contracting Municipalities shall have an obligation to continue to pay the aggregate service fee. If the Company does not perform its obligations under the service agreement and Ogden Corporation (now Covanta Bristol, Inc.) fails to perform such obligations pursuant to its guarantee, the Contracting Municipalities have certain rights to terminate the service agreement and, upon termination, would no longer be obligated to pay the service fee.

14. 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.

**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, 2011

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Property taxes:				
Current taxes	\$ 24,586,440	\$ 24,586,440	\$ 24,130,945	\$ (455,495)
Supplemental motor vehicle tax	175,000	175,000	180,757	5,757
Prior year taxes	700,000	700,000	407,110	(292,890)
Interest and lien fees	300,000	300,000	257,955	(42,045)
PILOT - retirement community	21,000	21,000	14,693	(6,307)
PILOT - housing authority	13,100	13,100	11,435	(1,665)
PILOT - telephone access	50,000	50,000	38,663	(11,337)
Total property taxes	<u>25,845,540</u>	<u>25,845,540</u>	<u>25,041,558</u>	<u>(803,982)</u>
Charges for services:				
Recording fees	52,000	52,000	50,266	(1,734)
Conveyance tax	60,000	60,000	46,802	(13,198)
Hunting and fishing licenses	500	500	5	(495)
Vital statistics	1,500	1,500	463	(1,037)
Miscellaneous town clerk	35,500	35,500	19,765	(15,735)
Planning and zoning	6,000	6,000	4,617	(1,383)
Sub-division hearings	3,000	3,000	612	(2,388)
Public hearings	1,500	1,500	2,593	1,093
Zoning board of appeals	3,500	3,500	3,644	144
Fire marshal	800	800	1,485	685
Police permits	2,000	2,000	2,855	855
Insurance reports	800	800	379	(421)
Parking tickets & alarm fines	750	750	100	(650)
Extra duty reimbursements	5,000	5,000	20,000	15,000
Hancock dam control	2,670	2,670	2,262	(408)
Miscellaneous public works	10,500	10,500	8,015	(2,485)
Transfer station tipping fees	220,000	220,000	193,463	(26,537)
Transfer station permits	12,000	12,000	9,975	(2,025)
Metal reimbursement	11,000	11,000	24,671	13,671
Conservation commission	2,000	2,000	1,916	(84)
Structural permits	45,000	45,000	48,054	3,054
Electrical permits	5,000	5,000	5,928	928
Demolition permits	600	600	13,813	13,213
Plumbing permits	5,000	5,000	2,850	(2,150)
Heating permits	4,500	4,500	5,550	1,050
Library petty cash	5,000	5,000	8,373	3,373
Recreation - programs	12,000	12,000	21,000	9,000
Aircraft registrations	600	600	630	30
False alarms	2,000	2,000	175	(1,825)
EMD training reimbursements	500	500		(500)
Intertown revenues			8,918	8,918
Total charges for services	<u>511,220</u>	<u>511,220</u>	<u>509,179</u>	<u>(2,041)</u>

(Continued on next page)

TOWN OF PLYMOUTH, CONNECTICUT

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Intergovernmental revenues				
PILOT - state property	\$ 12,405	\$ 12,405	\$ 12,477	\$ 72
Property tax relief for the elderly freeze	3,400	3,400	3,642	242
Property tax relief for the elderly - circuit breaker	75,000	75,000	79,482	4,482
Veteran's grant	11,500	11,500	10,827	(673)
Manufacturer's PILOT	90,000	90,000	124,508	34,508
Disability exemption	1,000	1,000	2,386	1,386
Civil preparedness	3,500	3,500	4,686	1,186
ECS grant	9,743,270	9,743,270	9,725,310	(17,960)
Out placement - excess income	430,000	430,000	557,808	127,808
School construction building grant	420,000	420,000	430,641	10,641
School transportation	367,965	367,965	250,834	(117,131)
Boat refunds			2,795	2,795
Pequot PILOT	72,095	72,095	70,688	(1,407)
Federal PILOT	1,400	1,400	1,556	156
Miscellaneous grants	20,000	20,000	61,855	41,855
Total intergovernmental revenues	<u>11,251,535</u>	<u>11,251,535</u>	<u>11,339,495</u>	<u>87,960</u>
Income from investments	<u>100,000</u>	<u>100,000</u>	<u>9,405</u>	<u>(90,595)</u>
Other revenues:				
Insurance reimbursements	50,000	50,000	60,000	10,000
Judicial refunds	650	650	1,986	1,336
Miscellaneous	10,000	10,000	3,904	(6,096)
Total other revenues	<u>60,650</u>	<u>60,650</u>	<u>65,890</u>	<u>5,240</u>
Total Revenues	<u>37,768,945</u>	<u>37,768,945</u>	<u>36,965,527</u>	<u>(803,418)</u>
Other financing sources				
Cancellation of prior year's encumbrances	25,000	25,000	33,694	8,694
Note premiums			54,509	54,509
Transfers in	600,000	600,000	855,000	255,000
Total other financing sources	<u>625,000</u>	<u>625,000</u>	<u>943,203</u>	<u>318,203</u>
Total Revenues and Other Financing Sources	<u>\$ 38,393,945</u>	<u>\$ 38,393,945</u>	<u>37,908,730</u>	<u>\$ (485,215)</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	1,641,593
Magnet school transportation grant	208,000
Cancellation of prior year encumbrances are recognized as budgetary revenue	(33,694)
Proceeds from refunding bond issue	9,820,000
Premium on bond refunding	<u>248,678</u>

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

\$ 49,793,307

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, 2011

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
General administration:				
Mayor	\$ 145,290	\$ 158,225	\$ 158,225	\$ -
Town Council	5,570	5,572	5,572	-
Human Resource	41,400	51,792	51,792	-
Comptroller	167,820	165,959	165,959	-
Central Office	127,750	121,849	121,849	-
Treasurer	3,600	3,600	3,600	-
Registrar	48,300	43,321	43,321	-
Board of Finance	127,300	77,205	77,205	-
Assessors	116,590	100,575	100,575	-
Board of Assessment Appeals	890	375	375	-
Tax Collector	103,975	112,062	112,062	-
Legal Services	120,000	224,258	224,258	-
Insurance	640,000	590,826	590,826	-
Employee Benefits	2,481,300	2,554,996	2,554,996	-
Heart and Hypertension	42,000	72,509	72,509	-
Town Clerk	141,860	95,796	95,796	-
Probate Court	3,400	3,400	3,400	-
Special Services	23,250	20,162	20,162	-
Total general administration	<u>4,340,295</u>	<u>4,402,482</u>	<u>4,402,482</u>	<u>-</u>
Public safety:				
Fire Marshal	53,935	59,324	59,324	-
Police Department	1,715,455	1,709,433	1,698,384	11,049
Emergency Management	17,000	17,000	15,015	1,985
Dog Warden	32,550	32,550	26,984	5,566
Communications	385,565	389,581	389,581	-
Fire Department	240,390	235,001	229,626	5,375
Total public safety	<u>2,444,895</u>	<u>2,442,889</u>	<u>2,418,914</u>	<u>23,975</u>
Public works:				
Facilities	300,260	300,260	262,920	37,340
Snow Removal	402,100	444,530	438,733	5,797
Highway Department	983,715	935,381	930,765	4,616
Transfer Station	886,305	838,690	822,877	15,813
Public Works Director	184,880	184,880	171,612	13,268
Maintenance Garage	440,425	488,759	488,759	-
Utilities - Hydrants and Streetlights	493,000	516,526	516,526	-
Other Public Buildings	20,000	44,089	44,089	-
Building Inspector	97,185	97,185	86,628	10,557
Total public works	<u>3,807,870</u>	<u>3,850,300</u>	<u>3,762,909</u>	<u>87,391</u>
Health and welfare:				
Human Services Commission	2,000	2,000	1,258	742
Public Health	53,200	54,868	54,868	-
Medical Director	68,600	68,600	66,935	1,665
Ambulance Corps	25,600	30,613	30,613	-
Public Health - other	45,815	39,134	37,714	1,420
Total health and welfare	<u>195,215</u>	<u>195,215</u>	<u>191,388</u>	<u>3,827</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, 2011

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Library Services:				
Terryville Library	\$ 440,845	\$ 440,845	\$ 431,853	\$ 8,992
Plymouth Library	19,000	19,000	19,743	(743)
Total library services	<u>459,845</u>	<u>459,845</u>	<u>451,596</u>	<u>8,249</u>
Parks and recreation	<u>206,210</u>	<u>206,210</u>	<u>180,840</u>	<u>25,370</u>
Education	<u>22,996,115</u>	<u>22,996,115</u>	<u>22,798,528</u>	<u>197,587</u>
Land use:				
Planning and Zoning	155,400	158,803	158,803	-
Zoning Board of Appeals	4,000	4,000	3,831	169
Conservation Commission	4,350	5,953	5,953	-
Economic Development	41,500	37,003	37,003	-
St. Matthew Cemetery	2,800	2,900	2,900	-
Historic Properties	2,450	1,841	394	1,447
Total land use	<u>210,500</u>	<u>210,500</u>	<u>208,884</u>	<u>1,616</u>
Debt service	<u>3,300,000</u>	<u>3,300,000</u>	<u>3,131,093</u>	<u>168,907</u>
Total expenditures	<u>37,960,945</u>	<u>38,063,556</u>	<u>37,546,634</u>	<u>516,922</u>
Other financing uses:				
Transfers out:				
Capital and nonrecurring	630,000	630,000	630,000	-
Hillside cemetery	2,000	2,000	2,000	-
Plymouth cemetery (West)	1,000	1,000	1,000	-
Total other financing uses	<u>633,000</u>	<u>633,000</u>	<u>633,000</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 38,593,945</u>	<u>\$ 38,696,556</u>	38,179,634	<u>\$ 516,922</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

1,641,593

Magnet school transportation grant

208,000

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

(479,391)

Payment to bond escrow agent

10,068,678

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

\$ 49,618,514

**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 a budget referendum. The General Fund utilizes the modified accrual basis of accounting.

TOWN OF PLYMOUTH, CONNECTICUT

GENERAL FUND

COMPARATIVE BALANCE SHEET

JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash and cash equivalents	\$ 1,327,445	\$ 1,600,438
Receivables:		
Property taxes receivable, net of allowance for uncollectible of \$200,000 in 2011 and 2010	2,524,485	1,971,683
Interest tax receivable	1,070,825	809,334
Intergovernmental	55,116	29,403
Other	485,614	606,281
Due from other funds	<u>2,263,181</u>	<u>2,463,480</u>
Total Assets	<u>\$ 7,726,666</u>	<u>\$ 7,480,619</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts and other payables	\$ 346,072	\$ 332,362
Advance tax collections		37,445
Due to other funds	731,337	1,341,038
Deferred revenues	<u>3,420,014</u>	<u>2,715,324</u>
Total liabilities	<u>4,497,423</u>	<u>4,426,169</u>
Fund Equity:		
Assigned	1,573,970	919,569
Unassigned	<u>1,655,273</u>	<u>2,134,881</u>
Total fund equity	<u>3,229,243</u>	<u>3,054,450</u>
Total Liabilities and Fund Equity	<u>\$ 7,726,666</u>	<u>\$ 7,480,619</u>

TOWN OF PLYMOUTH, CONNECTICUT

GENERAL FUND

REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2011

Grand List as of October 1,	Uncollected Taxes July 1, 2010	Lawful Corrections		Transfers to Suspense	Adjustments	Net Amount Collectible	Collections			Uncollected Taxes June 30, 2011	
		Additions	Deductions				Taxes	Interest and Lien Fees	Suspense Collection		Total
1994	\$ 19,434	\$	\$ 811	\$	\$	\$ 18,623	\$	\$	\$ 35	\$ 35	\$ 18,623
1995	20,055		840			19,215			78	78	19,215
1996	20,055		840			19,215			60	60	19,215
1997	21,478		885			20,593			859	859	20,593
1998	24,149		912			23,237			508	508	23,237
1999	25,173		959			24,214			914	914	24,214
2000	24,967		959			24,008			3,028	3,028	24,008
2001	27,666		2,323			25,343	48	86	1,302	1,436	25,295
2002	37,272		953	618		35,701	2,152	4,397	2,776	9,325	33,549
2003	42,505		1,650	114		40,741		2,642	1,809	4,451	40,741
2004	108,999	1,578	1,736	2,185		106,656	5,146	2,731	2,294	10,171	101,510
2005	136,999		2,304	12,886		121,809	5,875	3,499	5,313	14,687	115,934
2006	309,415	279	1,703	20,669		287,322	21,057	15,355	6,045	42,457	266,265
2007	481,364	516	3,618	28,135		450,127	61,423	33,652	83	95,158	388,704
2008	856,926	1,370	8,249			850,047	284,630	70,064		354,694	565,417
Total prior years	2,156,457	3,743	28,742	64,607	-	2,066,851	380,331	132,426	25,104	537,861	1,686,520
2009	25,390,477	16,397	139,306			25,267,568	24,229,603	112,227		24,341,830	1,037,965
Total	\$ 27,546,934	\$ 20,140	\$ 168,048	\$ 64,607	\$ -	\$ 27,334,419	\$ 24,609,934	\$ 244,653	\$ 25,104	24,879,691	\$ 2,724,485

**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 Operating	User Fees	Operations of the Sewer Collection System
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.

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.

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, 2011

Special Revenue

	<u>Sewer Operating</u>	<u>Sewer Assessment</u>	<u>Water Assessment</u>	<u>Dog Fund</u>	<u>Miscellaneous Contributions</u>	<u>ATM Fund</u>	<u>CDBG Loan Fund</u>	<u>Small Cities</u>	<u>Open Space</u>
ASSETS									
Cash and cash equivalents	\$ 293,032	\$ 41,326	\$ 57,039	\$ 75,774	\$ 58,270	\$ 40,362	\$ 56,639	\$ 78,845	\$
Investments						5,623			
Restricted investments							190,792		
Receivables:									
Interest	188,483								
Assessments/use charges	394,659	14,775	820,943						
Intergovernmental									
Loans								508,606	
Other			1,059	21,000					
Due from other funds	<u>2,149</u>	<u>1,171</u>	<u>20,000</u>						<u>204,955</u>
Total Assets	<u>\$ 878,323</u>	<u>\$ 57,272</u>	<u>\$ 899,041</u>	<u>\$ 96,774</u>	<u>\$ 58,270</u>	<u>\$ 45,985</u>	<u>\$ 247,431</u>	<u>\$ 587,451</u>	<u>\$ 204,955</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 19,028	\$	\$	\$ 248	\$	\$	\$	\$ 9,014	\$
Due to other funds		20,000	67,943	7,239			78,842	8,500	
Deferred revenue	<u>583,142</u>	<u>14,775</u>	<u>820,943</u>					<u>556,350</u>	
Total liabilities	<u>602,170</u>	<u>34,775</u>	<u>888,886</u>	<u>7,487</u>	<u>-</u>	<u>-</u>	<u>78,842</u>	<u>573,864</u>	<u>-</u>
Fund balances:									
Nonspendable									
Restricted						45,985	168,589	13,587	204,955
Committed	276,153	22,497	10,155	89,287	58,270				
Unassigned									
Total fund balance	<u>276,153</u>	<u>22,497</u>	<u>10,155</u>	<u>89,287</u>	<u>58,270</u>	<u>45,985</u>	<u>168,589</u>	<u>13,587</u>	<u>204,955</u>
Total Liabilities and Fund Balances	<u>\$ 878,323</u>	<u>\$ 57,272</u>	<u>\$ 899,041</u>	<u>\$ 96,774</u>	<u>\$ 58,270</u>	<u>\$ 45,985</u>	<u>\$ 247,431</u>	<u>\$ 587,451</u>	<u>\$ 204,955</u>

(Continued on next page)

TOWN OF PLYMOUTH, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2011

	<u>Special Revenue</u>							<u>Capital Project</u>	
	<u>Hospice</u>	<u>Economic Development</u>	<u>Police Extra Duty</u>	<u>Recreational Revolving</u>	<u>Historical Preservation</u>	<u>Subdivision Engineering</u>	<u>Education Grants</u>	<u>School Cafeteria</u>	<u>Capital and Nonrecurring</u>
ASSETS									
Cash and cash equivalents	\$ 23,583	\$ 26,066	\$	\$	\$	\$	\$ 401,930	\$ 15,778	\$ 173,559
Investments									
Restricted investments									
Receivables:									
Interest									
Assessments/use charges									
Intergovernmental							145,864	27,731	187,244
Loans									
Other			31,579					3,907	34,457
Due from other funds		1,090		22,494	8,415	1,113			180,664
Total Assets	\$ 23,583	\$ 27,156	\$ 31,579	\$ 22,494	\$ 8,415	\$ 1,113	\$ 547,794	\$ 47,416	\$ 575,924
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$	\$	\$	\$	\$	\$	\$ 30,006	\$	\$ 112,126
Due to other funds			6,611				332,558		790,531
Deferred revenue		9,858		22,360			26,608		
Total liabilities	-	9,858	6,611	22,360	-	-	389,172	-	902,657
Fund balances:									
Nonspendable									
Restricted							158,622		
Committed	23,583	17,298	24,968	134	8,415	1,113		47,416	
Unassigned									(326,733)
Total fund balance	23,583	17,298	24,968	134	8,415	1,113	158,622	47,416	(326,733)
Total Liabilities and Fund Balances	\$ 23,583	\$ 27,156	\$ 31,579	\$ 22,494	\$ 8,415	\$ 1,113	\$ 547,794	\$ 47,416	\$ 575,924

(Continued on next page)

TOWN OF PLYMOUTH, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2011

	<u>Debt Service</u>	<u>Permanent</u>						<u>Eliminations</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Debt Service Fund</u>	<u>Hillside Cemetery Trust</u>	<u>Plymouth Cemetery Trust</u>	<u>Allentown Cemetery Trust</u>	<u>Terryville Public Library Trust</u>	<u>Mercy J. Cone Trust</u>	<u>St. Matthews Trust</u>		
ASSETS									
Cash and cash equivalents	\$	\$ 22,566	\$ 30,914	\$ 1,345	\$ 1,550	\$ 7,184	\$ 880	\$	\$ 1,406,642
Investments		25,451							31,074
Restricted investments		480,096	226,888		103,894	185,888			1,187,558
Receivables:									
Interest									188,483
Assessments/use charges									1,230,377
Intergovernmental									360,839
Loans									508,606
Other									92,002
Due from other funds	<u>19,860</u>				<u>15,358</u>			<u>(21,171)</u>	<u>456,098</u>
Total Assets	<u>\$ 19,860</u>	<u>\$ 528,113</u>	<u>\$ 257,802</u>	<u>\$ 1,345</u>	<u>\$ 120,802</u>	<u>\$ 193,072</u>	<u>\$ 880</u>	<u>\$ (21,171)</u>	<u>\$ 5,461,679</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$	\$ 170,422
Due to other funds		8,376					1,938	(21,171)	1,301,367
Deferred revenue									2,034,036
Total liabilities	<u>-</u>	<u>8,376</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,938</u>	<u>(21,171)</u>	<u>3,505,825</u>
Fund balances:									
Nonspendable		480,096	226,888		103,894	185,888			996,766
Restricted	19,860								611,598
Committed		39,641	30,914	1,345	16,908	7,184			675,281
Unassigned							(1,058)		(327,791)
Total fund balance	<u>19,860</u>	<u>519,737</u>	<u>257,802</u>	<u>1,345</u>	<u>120,802</u>	<u>193,072</u>	<u>(1,058)</u>	<u>-</u>	<u>1,955,854</u>
Total Liabilities and Fund Balances	<u>\$ 19,860</u>	<u>\$ 528,113</u>	<u>\$ 257,802</u>	<u>\$ 1,345</u>	<u>\$ 120,802</u>	<u>\$ 193,072</u>	<u>\$ 880</u>	<u>\$ (21,171)</u>	<u>\$ 5,461,679</u>

TOWN OF PLYMOUTH, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2011

	<u>Special Revenue</u>								
	<u>Sewer Operating</u>	<u>Sewer Assessment</u>	<u>Water Assessment</u>	<u>Dog Fund</u>	<u>Miscellaneous Contributions</u>	<u>ATM Fund</u>	<u>CDBG Loan Fund</u>	<u>Small Cities</u>	<u>Open Space</u>
Revenues:									
Charges for services	\$ 1,018,888	\$ 1,171	\$ 120,345	\$ 27,701	\$	\$	\$	\$	\$ 1,534
Intergovernmental						5,274		145,308	
Income from investments	2,791	105	322		122	183	3,009	2	
Net change in fair value of investments									
Contributions									6,164
Other	7,347				7,988	23,038			
Total revenues	<u>1,029,026</u>	<u>1,276</u>	<u>120,667</u>	<u>27,701</u>	<u>8,110</u>	<u>28,495</u>	<u>3,009</u>	<u>145,310</u>	<u>7,698</u>
Expenditures:									
Current:									
General administration						20,628			
Public safety				33,614					
Public works	1,420,402								
Health and welfare					7,535			154,747	
Library									
Recreation									
Education									
Debt service									
Capital outlay									
Total expenditures	<u>1,420,402</u>	<u>-</u>	<u>-</u>	<u>33,614</u>	<u>7,535</u>	<u>20,628</u>	<u>-</u>	<u>154,747</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(391,376)</u>	<u>1,276</u>	<u>120,667</u>	<u>(5,913)</u>	<u>575</u>	<u>7,867</u>	<u>3,009</u>	<u>(9,437)</u>	<u>7,698</u>
Other Financing Uses									
Transfers in									
Transfers out			(255,000)						
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(255,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(391,376)	1,276	(134,333)	(5,913)	575	7,867	3,009	(9,437)	7,698
Fund Balances at Beginning of Year	667,529	21,221	144,488	95,200	57,695	38,118	165,580	23,024	197,257
Fund Balances at End of Year	<u>\$ 276,153</u>	<u>\$ 22,497</u>	<u>\$ 10,155</u>	<u>\$ 89,287</u>	<u>\$ 58,270</u>	<u>\$ 45,985</u>	<u>\$ 168,589</u>	<u>\$ 13,587</u>	<u>\$ 204,955</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, 2011

	Special Revenue							Capital Projects	
	Hospice	Economic Development	Police Extra Duty	Recreational Revolving	Historical Preservation	Subdivision Engineering	Education Grants	School Cafeteria	Capital Nonrecurring
Revenues:									
Charges for services	\$	\$	\$ 150,241	\$ 35,514	\$ 6,165	\$	\$	\$ 418,790	\$ 837
Intergovernmental							1,300,921	216,950	1,370,705
Income from investments	60	37							
Net change in fair value of investments									
Contributions							19,545		
Other									31,271
Total revenues	<u>60</u>	<u>37</u>	<u>150,241</u>	<u>35,514</u>	<u>6,165</u>	<u>-</u>	<u>1,320,466</u>	<u>635,740</u>	<u>1,402,813</u>
Expenditures:									
Current:									
General administration									
Public safety			125,273						
Public works									
Health and welfare									
Library									
Recreation				35,380					
Education							1,241,809	524,399	
Debt service									
Capital outlay									2,417,938
Total expenditures	<u>-</u>	<u>-</u>	<u>125,273</u>	<u>35,380</u>	<u>-</u>	<u>-</u>	<u>1,241,809</u>	<u>524,399</u>	<u>2,417,938</u>
Excess (Deficiency) of Revenues over Expenditures	<u>60</u>	<u>37</u>	<u>24,968</u>	<u>134</u>	<u>6,165</u>	<u>-</u>	<u>78,657</u>	<u>111,341</u>	<u>(1,015,125)</u>
Other Financing Uses									
Transfers in									630,000
Transfers out									
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>630,000</u>
Net Change in Fund Balances	60	37	24,968	134	6,165	-	78,657	111,341	(385,125)
Fund Balances at Beginning of Year	23,523	17,261	-	-	2,250	1,113	79,965	(63,925)	58,392
Fund Balances at End of Year	<u>\$ 23,583</u>	<u>\$ 17,298</u>	<u>\$ 24,968</u>	<u>\$ 134</u>	<u>\$ 8,415</u>	<u>\$ 1,113</u>	<u>\$ 158,622</u>	<u>\$ 47,416</u>	<u>\$ (326,733)</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, 2011

	<u>Debt Service</u>	<u>Permanent</u>						<u>Elimination</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Debt Service Fund</u>	<u>Hillside Cemetery Trust</u>	<u>Plymouth Cemetery Trust</u>	<u>Allentown Cemetery Trust</u>	<u>Terryville Public Library Trust</u>	<u>Mercy J. Cone Trust</u>	<u>St. Matthews Trust</u>		
Revenues:									
Charges for services	\$	\$ 22,443	\$ 17,969	\$	\$ 4,719	\$	\$	\$	\$ 1,826,317
Intergovernmental					2,429				3,041,587
Income from investments	698	9,025	5,424	1	1,306	8,075			31,160
Net change in fair value of investments		59,883	35,229		16,225	26,455			137,792
Contributions							2,900		28,609
Other									69,644
Total revenues	<u>698</u>	<u>91,351</u>	<u>58,622</u>	<u>1</u>	<u>24,679</u>	<u>34,530</u>	<u>2,900</u>	<u>-</u>	<u>5,135,109</u>
Expenditures:									
Current:									
General administration									20,628
Public safety									158,887
Public works									1,420,402
Health and welfare		42,262	21,321				3,905		229,770
Library					8,458	7,584			16,042
Recreation									35,380
Education									1,766,208
Debt service	100,000								100,000
Capital outlay									2,417,938
Total expenditures	<u>100,000</u>	<u>42,262</u>	<u>21,321</u>	<u>-</u>	<u>8,458</u>	<u>7,584</u>	<u>3,905</u>	<u>-</u>	<u>6,165,255</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(99,302)</u>	<u>49,089</u>	<u>37,301</u>	<u>1</u>	<u>16,221</u>	<u>26,946</u>	<u>(1,005)</u>	<u>-</u>	<u>(1,030,146)</u>
Other Financing Uses									
Transfers in		2,000	1,000						633,000
Transfers out	(600,000)								(855,000)
Net other financing sources (uses)	<u>(600,000)</u>	<u>2,000</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(222,000)</u>
Net Change in Fund Balances	(699,302)	51,089	38,301	1	16,221	26,946	(1,005)	-	(1,252,146)
Fund Balances at Beginning of Year	<u>719,162</u>	<u>468,648</u>	<u>219,501</u>	<u>1,344</u>	<u>104,581</u>	<u>166,126</u>	<u>(53)</u>	<u>-</u>	<u>3,208,000</u>
Fund Balances at End of Year	<u>\$ 19,860</u>	<u>\$ 519,737</u>	<u>\$ 257,802</u>	<u>\$ 1,345</u>	<u>\$ 120,802</u>	<u>\$ 193,072</u>	<u>\$ (1,058)</u>	<u>\$ -</u>	<u>\$ 1,955,854</u>

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, 2011

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Use charges collected:				
Current year	\$ 906,508	\$ 906,508	\$ 847,591	\$ (58,917)
Prior year	75,000	75,000	110,519	35,519
Interest and lien	43,000	43,000	50,780	7,780
Sewer connection - lateral fees	10,600	10,600	8,500	(2,100)
Investment income	15,000	15,000	2,791	(12,209)
Permit fees	21,700	21,700	1,500	(20,200)
Miscellaneous	200	200	7,345	7,145
Total revenues	<u>1,072,008</u>	<u>1,072,008</u>	<u>1,029,026</u>	<u>(42,982)</u>
Expenditures:				
Wages and benefits:				
Wages	294,905	294,905	299,495	(4,590)
Wages - tax collector	3,694	3,694	3,694	-
Wages - overtime	36,750	36,750	43,840	(7,090)
Medical health insurance	69,000	69,000	89,000	(20,000)
Social Security	25,720	25,720	26,600	(880)
Worker's compensation	26,000	26,000	45,500	(19,500)
Seniority pay	900	900	900	-
Retirement	22,400	22,400	31,124	(8,724)
Audit			4,500	(4,500)
Conferences/memberships	500	500	188	312
Education	2,000	2,000	550	1,450
Total wages and benefits	<u>481,869</u>	<u>481,869</u>	<u>545,391</u>	<u>(63,522)</u>
Plant Expenditures:				
Physical Plant:				
Maintenance/service contracts	28,000	28,000	23,491	4,509
Repair and maintenance	25,000	25,000	24,949	51
Vehicle repairs	2,000	2,000	1,455	545
Safety	2,400	2,400		2,400
Insurance	36,000	36,000	37,250	(1,250)

(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, 2011

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Supplies:				
Chemicals	\$ 9,000	\$ 9,000	\$ 6,433	\$ 2,567
Lab supply/equipment	2,500	2,500	2,467	33
Clothing allowance	2,500	2,500	1,670	830
Utilities:				
Electric	117,000	117,000	83,743	33,257
Diesel fuel	500	500	458	42
Natural gas	17,000	17,000	11,439	5,561
Water	1,800	1,800	2,006	(206)
Telephone	4,600	4,600	4,558	42
Sludge disposal	114,777	114,777	113,356	1,421
New vehicles	2,000	2,000		2,000
Total plant expenditures	<u>365,077</u>	<u>365,077</u>	<u>313,275</u>	<u>51,802</u>
Collection System Expenditures:				
Utilities:				
General Maintenance	2,000	2,000		2,000
Electric	39,600	39,600	33,428	6,172
Telephone	1,120	1,120	1,196	(76)
Maintenance: manhole rehabilitation	30,000	30,000	29,762	238
Total collection system expenditures	<u>72,720</u>	<u>72,720</u>	<u>64,386</u>	<u>8,334</u>
Administrative Expenditures:				
Office supplies	1,000	1,000	794	206
Advertising/printing	3,000	3,000	2,739	261
Postage	2,100	2,100	2,097	3
Bank fees			85	(85)
Legal fees	3,000	3,000		3,000
NPDES permit fee	6,443	6,443	7,086	(643)
Nitrogen purchase/credit	11,036	11,036	11,036	-
Computer/software	5,500	5,500	5,738	(238)
Total administrative expenditures	<u>32,079</u>	<u>32,079</u>	<u>29,575</u>	<u>2,504</u>

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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, 2011

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Capital Projects:				
Capital outlay	\$ 40,000	\$ 40,000	\$ 383,699	\$ (343,699)
Capital nonrecurring	80,000	80,000		80,000
Major infrastructure repair	44,700	44,700		44,700
Engineer services	70,000	70,000	74,706	(4,706)
Total capital projects	234,700	234,700	458,405	(223,705)
 Total expenditures	1,186,445	1,186,445	1,411,032	(224,587)
 Net Change in Fund Balance	\$ (114,437)	\$ (114,437)	(382,006)	\$ (267,569)
 Fund Balance - Beginning of Year			654,659	
 Fund Balance - End of Year			\$ 272,653	
Reconciliation to GAAP Basis - Exhibit B-2		Expenditures	Fund Balance	
Balance Budgetary Basis - June 30, 2011		\$ 1,411,032	\$ 272,653	
Encumbrances outstanding at June 30, 2010 liquidated during the year ended July 30, 2011		12,870		
Encumbrances outstanding at June 30, 2011 charged to budgetary expenditures		(3,500)	3,500	
Balance - June 30, 2011 GAAP Basis		\$ 1,420,402	\$ 276,153	

TOWN OF PLYMOUTH, CONNECTICUT

SEWER OPERATING FUND

SCHEDULE OF SEWER USE CHARGES RECEIVABLE

FOR THE YEAR ENDED JUNE 30, 2011

<u>Due Date</u>	<u>Uncollected Balance July 1, 2010</u>	<u>Current Year Use Charges and Adjustments</u>	<u>Collections</u>	<u>Uncollected Balance June 30, 2011</u>
October 1, 2010	\$	\$ 1,003,098	\$ 847,591	\$ 155,507
October 1, 2009	173,332		77,005	96,327
October 1, 2008	81,778		18,172	63,606
October 1, 2007	44,456		8,310	36,146
October 1, 2006	24,458		3,162	21,296
October 1, 2005	10,075		1,524	8,551
October 1, 2004	5,990		1,504	4,486
October 1, 2003	3,042		574	2,468
October 1, 2002	2,017		170	1,847
October 1, 2001	1,406		5	1,401
October 1, 2000	899			899
October 1, 1999	607			607
October 1, 1998	468			468
October 1, 1997	450			450
October 1, 1996	450			450
October 1, 1995	150			150
October 1, 1994	93	(93)		-
Total	\$ <u>349,671</u>	\$ <u>1,003,005</u>	958,017	\$ <u>394,659</u>
Interest and lien fees			<u>50,780</u>	
Total Collections			<u>\$ 1,008,797</u>	

TOWN OF PLYMOUTH, CONNECTICUT

SEWER ASSESSMENT FUND

SCHEDULE OF SEWER ASSESSMENT RECEIVABLE

FOR THE YEAR ENDED JUNE 30, 2011

<u>Due Date</u>	<u>Uncollected Balance July 1, 2010</u>	<u>Current Year Adjustments</u>	<u>Collections</u>	<u>Uncollected Balance June 30, 2011</u>
Phase III	\$ 14,775	\$	\$	\$ 14,775
Phase VII	<u>595</u>	<u></u>	<u>595</u>	<u>-</u>
Sewer Assessment	<u>\$ 15,370</u>	<u>\$ -</u>	<u>\$ 595</u>	<u>\$ 14,775</u>
Water Line Assessment	<u>\$ 905,407</u>	<u>\$</u>	<u>\$ 84,464</u>	<u>\$ 820,943</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 schools and grammar 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 BALANCE SHEET

JUNE 30, 2011

	<u>Student Activity</u>	<u>Performance Bonds</u>	<u>Totals</u>
Assets:			
Cash and cash equivalents	\$ 145,530	\$ 265,441	\$ 410,971
Due from other funds		<u>128,805</u>	<u>128,805</u>
Total Assets	<u>\$ 145,530</u>	<u>\$ 394,246</u>	<u>\$ 539,776</u>
Liabilities:			
Deposits and amounts due to student groups and participants	<u>\$ 145,530</u>	<u>\$ 394,246</u>	<u>\$ 539,776</u>
Total Liabilities	<u>\$ 145,530</u>	<u>\$ 394,246</u>	<u>\$ 539,776</u>

TOWN OF PLYMOUTH, CONNECTICUT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2011</u>
Student Activity				
Assets:				
Cash and cash equivalents	\$ 105,337	\$ 311,970	\$ 271,777	\$ 145,530
Liabilities:				
Due to student groups	\$ 105,337	\$ 311,970	\$ 271,777	\$ 145,530
Performance Bonds				
Assets:				
Cash and cash equivalents	\$ 291,687	\$ 9,754	\$ 36,000	\$ 265,441
Due from other funds	120,805	8,000		128,805
Total Assets	\$ 412,492	\$ 17,754	\$ 36,000	\$ 394,246
Liabilities:				
Due to contractors	\$ 412,492	\$ 17,754	\$ 36,000	\$ 394,246
Total All Funds				
Assets:				
Cash and cash equivalents	\$ 397,024	\$ 321,724	\$ 307,777	\$ 410,971
Due from other funds	120,805			120,805
Total Assets	\$ 517,829	\$ 321,724	\$ 307,777	\$ 531,776
Liabilities:				
Deposits and amounts due to student groups and participants	\$ 517,829	\$ 329,724	\$ 307,777	\$ 539,776
Total Liabilities	\$ 517,829	\$ 329,724	\$ 307,777	\$ 539,776

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 ASSETS BY COMPONENT
LAST NINE FISCAL YEARS
(UNAUDITED)**

	FISCAL YEAR								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities:									
Invested in capital assets, net of related debt \$	161,399,980	\$ 159,710,588	\$ 158,322,383	\$ 157,731,934	\$ 142,349,741	\$ 47,528,984	\$ 33,727,248	\$ 35,490,457	\$ 34,157,886
Restricted for:									
Capital projects				1,453,242	4,710,403	16,874,222	2,189,835	3,323,338	2,792,060
Perpetual care:									
Nonexpendable	71,900	343,179	343,163	342,838	342,838	342,838	342,838	342,838	342,838
Expendable	706,984	346,314	260,355	406,140	455,284	381,068	356,737	344,957	308,869
Libraries:									
Nonexpendable	24,092	144,744	144,744	144,744	144,744	144,744	144,744	144,744	144,744
Expendable	289,782	125,963	110,740	171,849	141,122	165,367	148,962	144,173	130,690
Debt service	19,860	719,162	1,692,280	2,328,491	1,540,559	1,504,600	1,536,084	1,775,863	655,525
Unrestricted	10,967,676	11,279,775	12,244,581	7,588,344	12,742,064	(5,381,230)	14,053,948	5,959,123	8,177,531
Total Net Assets	<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>	<u>\$ 61,560,593</u>	<u>\$ 52,500,396</u>	<u>\$ 47,525,493</u>	<u>\$ 46,710,143</u>

Notes:

- (1) Schedule prepared on the accrual basis of accounting.
(2) The Town began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.

TOWN OF PLYMOUTH, CONNECTICUT

CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
(UNAUDITED)

	FISCAL YEAR								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:									
Governmental activities:									
General government	\$ 4,721,379	\$ 4,444,531	\$ 4,401,717	\$ 1,582,154	\$ 1,399,212	\$ 2,056,283	\$ 1,973,957	\$ 1,687,084	\$ 1,880,964
Public safety	2,839,161	2,330,658	2,522,628	2,780,558	3,921,004	3,257,110	3,121,346	2,985,265	2,820,988
Public works	8,584,108	7,130,940	7,538,637	7,328,908	7,275,668	5,406,130	5,356,055	4,708,478	4,222,311
Health and welfare	257,151	298,839	492,510	1,203,097	1,235,984	1,104,969	1,476,889	981,742	1,137,685
Library	494,022	432,404	474,125	569,341	558,178	555,527	550,341	533,774	447,744
Recreation	207,751	234,430	247,200	351,869	344,758	450,308	376,314	1,512,838	1,574,699
Education	26,865,049	26,346,342	25,525,049	28,440,626	22,742,302	22,848,288	20,676,935	19,135,712	19,187,119
Land use	312,442	183,452	249,020	301,978	301,366	257,039	304,968	300,548	198,754
Interest expense	301,942	1,788,989	955,582	1,042,959	873,524	593,434	904,966	697,264	657,295
Total Expenses	<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>	<u>36,529,088</u>	<u>34,741,771</u>	<u>32,542,705</u>	<u>32,127,559</u>
Program Revenues:									
Governmental activities:									
Charges for services:									
General government	145,910	218,357	214,973	274,552	1,702,065	186,436	375,781	334,299	263,555
Public safety	207,184	115,744	85,246	146,689	89,762	72,487	118,517	109,149	164,000
Public works	1,566,852	1,590,834	1,858,654	1,542,448	1,705,356	1,397,008	1,377,166	1,067,935	1,085,663
Health and welfare	48,400	48,611	233,366	433,420	460,289	518,835	557,813	632,028	546,946
Library	13,092	16,659	9,921	7,668	15,324	14,159	8,716	11,672	16,778
Recreation		31,222	8,161	35,223	35,088	49,407	58,495	37,258	41,110
Education	268,000	675,010	539,234	333,025	314,217	305,187	328,353	321,859	604,558
Land use	14,916	41,344	42,830	328	58,303	38,194	138,005	49,329	45,490
Operating grants and contributions	14,329,706	13,636,979	13,350,706	17,206,543	11,746,059	11,761,330	11,172,134	9,906,842	11,359,787
Capital grants and contributions	2,360,889	954,848	3,925,125	5,685,567	12,841,292	7,519,884	3,577,235	1,012,882	1,028,763
Total Program Revenues	<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>	<u>21,862,927</u>	<u>17,712,215</u>	<u>13,483,253</u>	<u>15,156,650</u>
Net Expenses:									
Governmental activities	<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>	<u>(14,666,161)</u>	<u>(17,029,556)</u>	<u>(19,059,452)</u>	<u>(16,970,909)</u>
General Revenues and Other Changes in Net Assets:									
Governmental activities:									
Property taxes	25,752,017	24,870,975	24,997,252	24,630,034	23,196,430	22,812,553	21,163,585	19,188,457	18,049,497
Grants and contributions not restricted to specific programs	439,693	373,942	514,338	378,485	514,908	410,428	412,853	520,898	449,366
Investment income	192,386	126,921	(77,663)	272,622	679,694	362,653	273,266	124,305	112,215
Miscellaneous	54,509	40,618	27,969	334,808	61,933	140,724	154,755	41,142	66,532
Total Governmental Activities	<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>	<u>23,726,358</u>	<u>22,004,459</u>	<u>19,874,802</u>	<u>18,677,610</u>
Changes in Net Assets	<u>\$ 810,549</u>	<u>\$ (448,521)</u>	<u>\$ 3,323,644</u>	<u>\$ 7,679,922</u>	<u>\$ 14,768,724</u>	<u>\$ 9,060,197</u>	<u>\$ 4,974,903</u>	<u>\$ 815,350</u>	<u>\$ 1,706,701</u>

Notes:

- (1) Schedule prepared on the accrual basis of accounting.
- (2) The Town began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.

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

	FISCAL YEAR									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Fund:										
Reserved	\$	\$ 719,569	\$ 549,187	\$ 476,976	\$ 534,791	\$ 536,196	\$ 334,136	\$ 279,186	\$ 311,753	\$ 621,428
Unreserved		2,334,881	2,291,700	1,907,108	1,871,019	1,581,952	1,478,219	1,254,094	1,218,289	1,150,515
Assigned	1,573,970									
Unassigned	<u>1,655,273</u>									
Total General Fund	\$ <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>	\$ <u>2,118,148</u>	\$ <u>1,812,355</u>	\$ <u>1,533,280</u>	\$ <u>1,530,042</u>	\$ <u>1,771,943</u>
All other governmental funds:										
Reserved	\$	\$ 1,227,587	\$ 2,180,187	\$ 4,345,785	\$ 6,811,892	\$ 18,939,900	\$ 4,243,908	\$ 5,638,671	\$ 3,950,972	\$ 8,456,174
Unreserved, reported in:										
Special revenue funds		1,449,744	1,494,852	1,162,693	1,329,111	905,346	918,755	897,635	839,272	1,652,133
Capital projects funds		(3,941,295)	(3,216,613)	(2,416,894)	2,831,871	(13,549,003)	2,289,533	(2,879,821)	(1,196,110)	3,309,679
Permanent funds		472,277	371,095	577,989	657,271	546,435	505,699	489,090	438,759	443,139
Nonspendable	996,766									
Restricted	611,598									
Committed	675,281									
Unassigned	<u>(4,117,933)</u>									
Total all Other Governmental Funds	\$ <u>(1,834,288)</u>	\$ <u>(791,687)</u>	\$ <u>829,521</u>	\$ <u>3,669,573</u>	\$ <u>11,630,145</u>	\$ <u>6,842,678</u>	\$ <u>7,957,895</u>	\$ <u>4,145,575</u>	\$ <u>4,032,893</u>	\$ <u>13,861,125</u>

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

Note 2: Data presented for years prior to the implementation of GASB #34 (2003) has been restated to conform with current governmental funds structure

TOWN OF PLYMOUTH, CONNECTICUT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues:										
Property taxes	\$ 24,976,767	\$ 24,634,459	\$ 24,683,591	\$ 24,300,101	\$ 23,186,787	\$ 22,583,139	\$ 21,281,202	\$ 19,178,006	\$ 18,028,543	\$ 17,046,604
Charges for services	2,335,496	2,291,113	2,459,462	3,077,317	2,984,686	2,706,269	2,966,922	2,740,943	2,512,210	2,241,295
Intergovernmental	17,235,099	15,531,786	18,133,510	23,709,773	25,476,517	20,152,103	13,915,927	11,947,392	13,475,227	14,827,253
Income on investments	186,848	117,381	(93,849)	375,192	639,963	323,463	236,399	97,779	117,593	299,567
Other revenues	311,708	448,619	410,813	277,442	10,273,175	317,994	6,806,071	1,731,512	186,054	485,956
Total revenues	<u>45,045,918</u>	<u>43,023,358</u>	<u>45,593,527</u>	<u>51,739,825</u>	<u>62,561,128</u>	<u>46,082,968</u>	<u>45,206,521</u>	<u>35,695,632</u>	<u>34,319,627</u>	<u>34,900,675</u>
Expenditures:										
General government	4,423,085	4,206,184	4,119,628	4,121,178	4,002,658	3,727,548	3,954,069	3,719,375	3,075,627	3,010,189
Public safety	2,579,324	2,387,842	2,304,344	2,220,602	2,085,921	2,254,131	2,177,073	2,074,095	2,065,322	1,918,216
Public works	5,183,968	4,648,712	4,960,877	4,484,985	4,076,563	3,935,266	3,363,222	3,344,351	3,185,984	2,923,613
Health and welfare	421,158	275,525	505,434	918,494	880,550	825,267	950,895	715,618	771,183	1,057,104
Library	466,395	461,358	457,503	435,453	433,093	442,488	406,913	390,047	371,951	345,853
Recreation	216,220	200,505	208,679	186,502	223,873	216,433	237,980	1,384,300	1,479,681	18,474,415
Board of Education	25,934,148	25,655,632	25,118,856	28,426,889	22,988,487	22,497,675	20,507,220	18,789,813	18,004,450	207,132
Land use	208,762	205,481	274,693	223,779	210,654	205,505	263,692	194,780	158,245	191,457
Capital outlay	3,249,573	3,510,302	2,896,935	15,744,640	19,798,122	10,424,811	6,261,117	2,289,402	4,925,663	3,668,377
Debt service:										
Principal	2,692,212	3,383,227	7,157,796	2,959,601	2,786,078	2,363,268	2,992,945	2,667,931	2,642,425	1,891,107
Interest	538,881	659,683								
Total expenditures	<u>45,913,726</u>	<u>45,594,451</u>	<u>48,004,745</u>	<u>59,722,123</u>	<u>57,485,999</u>	<u>46,892,392</u>	<u>41,115,126</u>	<u>35,569,712</u>	<u>36,680,531</u>	<u>33,687,463</u>
Excess of revenue over (under) expenditures	<u>(867,808)</u>	<u>(2,571,093)</u>	<u>(2,411,218)</u>	<u>(7,982,298)</u>	<u>5,075,129</u>	<u>(809,424)</u>	<u>4,091,395</u>	<u>125,920</u>	<u>(2,360,904)</u>	<u>1,213,212</u>
Other financing sources (uses):										
Transfers in	1,488,000	1,268,279	1,396,607	1,239,530	1,286,394	1,186,658	1,596,863	2,537,816	1,445,607	1,773,619
Transfers out	(1,488,000)	(1,268,279)	(1,396,607)	(1,239,530)	(1,286,394)	(1,186,658)	(1,596,863)	(2,537,816)	(1,345,607)	(1,779,319)
Premium on debt issue	248,678		27,969							
Issuance of bonds and loans		1,067,000								
Issuance of refunding bonds	9,820,000	7,105,000								
Payment to escrow bond agent	(10,068,678)	(7,008,552)								
Total other financing sources (uses)	<u>-</u>	<u>1,163,448</u>	<u>27,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>(5,700)</u>
Net Change in Fund Balances	<u>\$ (867,808)</u>	<u>\$ (1,407,645)</u>	<u>\$ (2,383,249)</u>	<u>\$ (7,982,298)</u>	<u>\$ 5,075,129</u>	<u>\$ (809,424)</u>	<u>\$ 4,091,395</u>	<u>\$ 125,920</u>	<u>\$ (2,260,904)</u>	<u>\$ 1,207,512</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>7.3%</u>	<u>10.3%</u>	<u>17.2%</u>	<u>7.2%</u>	<u>8.0%</u>	<u>6.9%</u>	<u>9.4%</u>	<u>8.7%</u>	<u>9.1%</u>	<u>6.7%</u>

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

Note 2: Data presented for years prior to the implementation of GASB #34 (2003) has been restated to conform with current governmental funds structure

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							
2011	\$ 667,412	\$ 34,512	\$ 26,913	\$ 27,458	\$ 75,611	\$ 9,715	\$ 822,191	30.75	\$ 1,174,559	70%
2010	663,396	34,463	27,211	28,992	73,071	9,699	817,434	30.10	1,167,763	70%
2009	652,410	32,862	25,429	27,844	77,090	6,278	809,357	30.10	1,156,224	70%
2008 (3)	651,729	32,862	25,413	27,844	77,077	6,978	807,947	30.10	1,154,210	70%
2007	411,724	26,055	19,361	28,016	75,637	6,657	554,136	41.30	791,623	70%
2006	404,448	26,130	19,296	25,534	70,191	6,553	539,046	40.70	770,066	70%
2005	399,867	26,327	19,181	23,512	66,006	6,630	528,263	39.20	754,661	70%
2004	395,111	26,567	19,773	23,953	66,946	7,713	524,637	35.70	749,481	70%
2003 (3)	388,983	27,764	20,327	31,834	63,742	9,238	523,412	33.60	747,731	70%
2002	329,974	25,184	17,833	31,646	63,022	9,833	457,826	36.30	654,037	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) Revaluation year

TABLE 6

TOWN OF PLYMOUTH, CONNECTICUT

PRINCIPAL PROPERTY TAXPAYERS

2009 AND 1999

(In Thousands)

Taxpayer	October 1, 2009			October 1, 1999		
	Taxable Assessed Value	Rank	Percentage Of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Of Total Town Taxable Assessed Value
Connecticut Light & Power	\$ 6,610,220	1	0.8%	\$ 2,252,750	5	0.5%
Connecticut Water Company	5,360,530	2	0.7%	2,962,090	3	0.6%
Roth Collection Inc.	3,602,410	3	0.4%			
Jasper Associates Limited Partnership	2,858,310	4	0.3%			
City of Bristol Water Company	2,604,210	5	0.3%	2,003,250	6	0.4%
Cook Willow Realty Partnership	2,241,190	6	0.3%	1,617,050	9	0.4%
Iseli Swiss Screw Company	2,192,580	7	0.3%	3,355,770	2	0.7%
Senior Housing at Quail Hollow Inc.	1,968,820	8	0.2%			
Brittany Property Management Inc.	1,962,800	9	0.2%			
Structus LLC	1,483,400	10	0.2%			
O.Z. Gedney				8,473,960	1	1.9%
NAPCO, Incorporated				2,353,510	4	0.5%
Plymouth Commons Realty Corporation				1,885,390	7	0.4%
Har-Strom Associates				1,622,470	8	0.4%
Braverman Properties/R&R Corrugated				1,328,040	10	0.3%
Total	\$ <u>30,884,470</u>		<u>3.8%</u>	\$ <u>27,854,280</u>		<u>6.08%</u>
October 1 2009 Net Assessment Post BAA Source: Town of Plymouth Assessor	\$ 822,190,738			\$ 457,827,441		

TABLE 7

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
2011	30.75	\$ 25,267,568	\$ 24,229,603	95.89	\$	\$ 24,229,603	95.89
2010	30.10	24,420,880	23,684,247	96.98	171,216	23,855,463	97.68
2009	30.10	24,510,715	23,637,046	96.44	484,965	24,122,011	98.41
2008	30.10	24,372,343	23,368,389	95.88	737,689	24,106,078	98.91
2007	41.30	22,953,247	22,154,884	96.52	682,429	22,837,313	99.49
2006	40.70	22,120,621	21,369,928	96.61	649,183	22,019,111	99.54
2005	39.20	20,720,072	20,033,618	96.69	645,713	20,679,331	99.80
2004	35.70	18,817,234	18,185,415	96.64	598,270	18,783,685	99.82
2003	33.60	17,638,487	16,997,510	96.37	615,742	17,613,252	99.86
2002	36.30	16,625,143	15,986,721	96.16	614,414	16,601,135	99.86

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

TOWN OF PLYMOUTH, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(In Thousands)

Fiscal Year	Governmental Activities		Total Primary Government	Ratio of Debt to Estimated Taxable Assessed Value	Debt Per Capita
	General Obligation Bonds	Notes Payable			
2011	\$ 17,255,000	\$ 5,730,635	\$ 22,985,635	2.80%	\$ 1,874
2010	18,963,650	6,288,513	25,252,163	3.07%	2,101
2009	17,880,000	10,125,666	28,005,666	3.43%	2,328
2008	19,045,000	4,837,032	23,882,032	2.96%	1,995
2007	20,220,000	5,599,670	25,819,670	4.66%	2,150
2006	11,370,000	6,346,966	17,716,966	3.29%	1,457
2005	12,320,000	7,004,995	19,324,995	3.66%	1,586
2004	8,690,000	6,312,580	15,002,580	2.86%	1,238
2003	9,975,000	5,435,681	15,410,681	2.94%	1,277
2002	11,240,000	5,989,519	17,229,519	3.76%	1,439

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

TOWN OF PLYMOUTH, CONNECTICUT

SCHEDULE OF DEBT LIMITATION

JUNE 30, 2011

Total tax collections, including interest and lien fees	\$ 24,879,691
Reimbursement for loss of revenues:	
Tax relief for elderly - freeze	<u>3,642</u>
Base	<u>\$ 24,883,333</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 55,987,499	\$	\$	\$	\$
4-1/2 times base		111,974,999			
3-3/4 times base			93,312,499		
3-1/4 times base				80,870,832	
3 times base					<u>74,649,999</u>
Total	<u>55,987,499</u>	<u>111,974,999</u>	<u>93,312,499</u>	<u>80,870,832</u>	<u>74,649,999</u>
Indebtedness:					
Bonds and notes payable	3,337,000	13,918,000	650,635		
Bond anticipated notes payable		5,080,000			
Bonds authorized-unissued	2,283,000	347,409 *			
Less: State of Connecticut building grants receivable		<u>(397,565)</u>			
Total	<u>5,620,000</u>	<u>18,947,844</u>	<u>650,635</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 50,367,499</u>	<u>\$ 93,027,155</u>	<u>\$ 92,661,864</u>	<u>\$ 80,870,832</u>	<u>\$ 74,649,999</u>

* Bonds authorized and unissued have been reduced by State of Connecticut grant commitments in the amount of \$29,000,000

1. In no event shall total debt exceed seven times annual receipts from taxation. The maximum permitted under this formula would be \$174,183,331.
2. There is no overlapping debt for the Town of Plymouth.
3. Per Connecticut General Statutes, the Water loans are not included in the indebtedness amount.

TOWN OF PLYMOUTH, CONNECTICUT

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

(thousands)

	FISCAL YEAR									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Debt limitation	\$ 174,183,331	\$ 172,864,755	\$ 172,224,416	\$ 169,182,041	\$ 160,730,339	\$ 157,416,021	\$ 147,269,486	\$ 133,115,724	\$ 125,114,010	\$ 118,083,427
Total net debt applicable to limit	<u>25,218,479</u>	<u>24,953,791</u>	<u>29,648,595</u>	<u>17,456,930</u>	<u>18,226,957</u>	<u>8,986,449</u>	<u>12,594,549</u>	<u>8,462,592</u>	<u>7,573,803</u>	<u>9,060,162</u>
Legal Debt Margin	<u>\$ 148,964,852</u>	<u>\$ 197,818,546</u>	<u>\$ 142,575,821</u>	<u>\$ 151,725,111</u>	<u>\$ 142,503,382</u>	<u>\$ 148,429,572</u>	<u>\$ 134,674,937</u>	<u>\$ 124,653,132</u>	<u>\$ 117,540,207</u>	<u>\$ 109,023,265</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>14.48%</u>	<u>14.22%</u>	<u>17.22%</u>	<u>7.44%</u>	<u>11.34%</u>	<u>5.71%</u>	<u>8.55%</u>	<u>6.36%</u>	<u>6.05%</u>	<u>7.67%</u>

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Source: Annual financial reports - Schedule of Debt Limitation

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

TOWN OF PLYMOUTH, CONNECTICUT

TABLE 11

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Per Capita Income(2)</u>	<u>Median Age(2)</u>	<u>School Enrollment(3)</u>	<u>Unemployment Rate(4)</u>
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%
2006	12,164	23,244	40.0	1,921	5.0%
2005	12,183	23,244	40.0	1,940	5.9%
2004	12,117	23,244	40.0	1,915	6.2%
2003	12,067	23,244	40.0	1,888	7.3%
2002	11,976	23,244	40.0	1,961	5.2%

- (1) Source: State Health Department
- (2) Source: U.S. Department of Commerce, Bureau of Census, Census 2000
- (3) Source: Plymouth Board of Education
- (4) Source: State Department of Labor

TOWN OF PLYMOUTH, CONNECTICUT

TABLE 12

PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

Employer	Nature of Business	2011			2001		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Plymouth	Government	311	1	11.27%	360	1	11.58%
Cook Willow Convalescent Home	Convalescent facility	120	2	4.35%	98	3	3.15%
Richards Corporation	Construction	65	3	2.36%			
Laurentano, Inc.	Manufacturing	55	4	1.99%	40	10	1.29%
Al Simmon's Co., Inc.	Manufacturing	45	5	1.63%			
Elm Press	Manufacturing	37	6	1.34%			
Advance Micro Controls, Inc.	Manufacturing	34	7	1.23%	45	9	1.45%
78 American Modular Corp, LLC	Modular Buildings	32	8	1.16%			
OZ Gedney	Manufacturing				190	2	6.11%
NAPCO, Inc.	Plastics moldings				83	5	2.67%
Iseli Swiss Screw Machine	Manufacturing				93	4	2.99%
Cold Form Inc.	Manufacturing				56	6	1.80%
R & R Corrugated	Manufacturing				54	8	1.74%
American Modular	Modular Buildings				55	7	1.77%
Total		2,759		25.34%	3,110		34.53%

Source: Town of Plymouth

TOWN OF PLYMOUTH, CONNECTICUT

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Full-Time Equivalent Employees as of June 30,										
Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Mayor's Office	3	3	3	3	3	3	3	3	3	3
Public Safety	29	29	29	29	28	27	26	25	25	24
Public Health	1	1	1	6	16	16	16	16	16	16
Planning & Zoning	3	3	3	3	3	3	3	3	3	2
Finance and Accounting	2.5	3	3	3	3	3	3	3	3	3
Town Clerk	2	2	3	3	3	3	3	3	3	3
Town Assessor	1	1	2	2	2	2	2	2	2	2
Tax Collector	2	2	2	2	2	2	2	3	3	3
Recreation	3	3	3	3	3	3	3	3	3	3
Library	5	5	5	5	5	5	5	5	5	5
Public Works	18	18	17	18	17	17	17	17	17	17
Education	232	235	241	240	239	239	241	248	253	273
Water Pollution Control	<u>6</u>									
Total	<u><u>308</u></u>	<u><u>311</u></u>	<u><u>318</u></u>	<u><u>323</u></u>	<u><u>330</u></u>	<u><u>329</u></u>	<u><u>330</u></u>	<u><u>337</u></u>	<u><u>342</u></u>	<u><u>360</u></u>

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

Function/Program	FISCAL YEAR									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General government:										
Building permits issued	254	231	282	478	897	463	945	862	931	1,015
Birth Certificates Issued	104	96	85	94	100	120	141	130	124	150
Marriage Certificates	50	35	26	21	41	50	61	40	25	24
Police:										
Calls for Service	21,010	19,451	18,741	18,923	17,232	13,010	12,154	11,185	10,115	9,985
Criminal Arrests	240	230	228	210	206	204	232	245	230	254
Accidents	145	125	118	100	132	140	114	127	151	170
Fire:										
Emergency responses	385	336	305	292	295	297	230	238	246	241
Investigations/Inspections	184	165	143	132	145	160	142	155	160	102
Refuse collection:										
Guaranteed Tonnage	6100	6950	7100	7060	7220	7522	7218	6005	6600	6650
Parks and recreation:										
Number of Programs Offered	75	80	85	85	40	71	76	74	78	79
Library:										
Total Programs	323	375	373	413	458	443	373	337	310	319
Active Cardholders	6,000	5,920	5,830	4,000	6,071	6,071	4,310	4,310	4,148	4,286
Reference Questions	6,100	4,290	4,285	3,000	2,500	5,000	5,000	5,380	5,673	5,803
Volumes in Collection	60,154	59,941	59,512	64,066	64,874	63,288	60,387	53,926	54,923	56,835
Use of Public Computers	11,179	11,250	9,283	8,500	8,000	8,302	4,000	N/A	N/A	N/A
Public Works										
Street Resurfacing (miles)										
Education										
School Enrollment	1,830	1,842	1,851	1,907	1,905	1,921	1,940	1,915	1,888	1,961
Wastewater:										
Average daily sewage treatment (millions of gallons daily)	0.985	0.985	0.985	0.965	1.084	1.054	0.974	1.084	1.09	1.15

N/A - Information not available
 Source: Various Town Departments

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

Function/Program	FISCAL YEAR									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
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	11	11	11	11	11	10	10	9	8	8
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)	82.8	82.8	82.8	82.8	82.1	82.1	81.5	81.5	81.5	80.9
State Highways	12.4	12.4	12.4	12.4	12.4	12.4	12.4	12.4	12.4	12.4
Streetlights	1,188	1,186	1,184	1,184	1,180	1,180	1,178	1,178	1,160	1,150
Fire hydrants	236	234	232	232	230	225	218	215	212	212
Parks and recreation:										
Acres of Park Land	25	25	25	25	25	25	25	25	25	25
Basketball Courts	3	3	3	3	3	3	3	3	3	3
Playgrounds	6	6	6	6	6	6	6	6	6	6
Baseball/softball diamonds	5	5	5	5	5	5	5	5	5	5
Tennis Courts	4	4	4	4	4	4	4	4	4	4
MultiUse Fields:	6	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	3	3	3	3	3	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