

# **Town of Plymouth Connecticut**



## **Comprehensive Annual Financial Report**

**Fiscal Year Ended June 30, 2018**

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## **Comprehensive Annual Financial Report**

**Fiscal Year Ended June 30, 2018**

Prepared by:  
**COMPTROLLER'S OFFICE**

**DIRECTOR OF FINANCE**  
Ann Marie Rheault

**TOWN OF PLYMOUTH, CONNECTICUT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 TABLE OF CONTENTS  
 JUNE 30, 2018**

<b>Introductory Section</b>		<b>Page</b>
	List of Principal Officials	i
	Organizational Chart	ii
	Letter of Transmittal	iii-vii
<b>Financial Section</b>		
	Independent Auditors' Report	1-3
	Management's Discussion and Analysis	4-13
Basic Financial Statements		
<b>Exhibit</b>	Government-Wide Financial Statements:	
I	Statement of Net Position	14
II	Statement of Activities	15
	Fund Financial Statements:	
III	Balance Sheet - Governmental Funds	16-17
IV	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18-19
V	Statement of Net Position - Proprietary Funds	20
VI	Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	21
VII	Statement of Cash Flows - Proprietary Funds	22
VIII	Statement of Net Position - Fiduciary Funds	23
IX	Statement of Changes in Net Position - Fiduciary Funds	24
	Notes to the Financial Statements	25-68
Required Supplementary Information		
	General Fund:	
RSI-1	Schedule of Revenues and Other Financing Sources - Budget and Actual	69-70
RSI-2	Schedule of Expenditures and Other Financing Uses - Budget and Actual	71-72
	Sewer Operating Fund:	
RSI-3	Schedule of Revenues and Other Financing Sources and Expenditures - Budget and Actual	73-74
	Pension Plans:	
RSI-4	Schedule of Changes in Net Pension Liability and Related Ratios - Town Plan	75
RSI-5	Schedule of Changes in Net Pension Liability and Related Ratios - Board of Education Plan	76
RSI-6	Schedule of Employer Contributions - Town Plan	77
RSI-7	Schedule of Employer Contributions - Board of Education Plan	78
RSI-8	Schedule of Investment Returns - Pension Plan	79
RSI-9	Schedule of the Town's Proportionate Share of the Net Pension Liability - Teachers Retirement Plan	80
RSI-10	Schedule of the Town's Proportionate Share of the Net Pension Liability - Municipal Employees Retirement System	81
RSI-11	Schedule of Employer Contributions - Municipal Employees Retirement System	82
RSI-12	Schedule of Changes in Total OPEB Liability and Related Ratios	83
RSI-13	Schedule of the Town's Proportionate Share of the Net OPEB Liability - Teachers Retirement Plan	84

<u>Exhibit</u>	Supplemental, Combining and Individual Fund Statements and Schedules	<u>Page</u>
	General Fund:	
A-1	Comparative Balance Sheet	85
A-2	Report of Tax Collector	86
	Nonmajor Governmental Funds:	
B-1	Combining Balance Sheet - Nonmajor Governmental Funds	87-89
B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	90-92
	Water Assessment Fund:	
B-3	Schedule of Water Assessment Receivable	93
	Sewer Operating Fund:	
B-4	Schedule of Sewer Use Charges Receivable	94
	Agency Funds:	
C	Combining Statement of Changes in Assets and Liabilities - Agency Fund	95

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**Statistical Section**

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<u>Table</u>		
	Financial Trends:	
1	Net Position by Component	96
2	Changes in Net Position	97
3	Fund Balances, Governmental Funds	98
4	Changes in Fund Balances, Governmental Funds	99
	Revenue Capacity:	
5	Assessed Value and Estimated Actual Value of Taxable Property	100
6	Principal Property Taxpayers	101
7	Property Tax Levies and Collections	102
	Debt Capacity:	
8	Ratio of Outstanding Debt by Type	103
9	Schedule of Debt Limitation	104
10	Leal Debt Margin Information	105
	Demographic and Economic Statistics:	
11	Demographic and Economic Statistics	106
12	Principal Employers	107
	Operating Information:	
13	Full-Time Equivalent Town Government Employees by Function/Program	108
14	Operating Indicators by Function/Program	109
15	Capital Asset Statistics by Function/Program	110



# **Introductory Section**

**TOWN OF PLYMOUTH, CONNECTICUT**

**For Fiscal Year Ended June 30, 2018**

**PRINCIPAL OFFICIALS**

**MAYOR AND TOWN COUNCIL**

David V. Merchant, Mayor  
Councilman Daniel Gentile  
Councilwoman Susan R. Murawski  
Councilman Tom Zagurski  
Councilman John Pajeski  
Councilwoman Roxanne McCann

**BOARD OF FINANCE**

James Kilduff, Chairman  
Victoria A. Carey, Vice-Chairman  
Pattie DeHuff  
James Zalot  
Brianna Brumaghim  
Jay Dorso

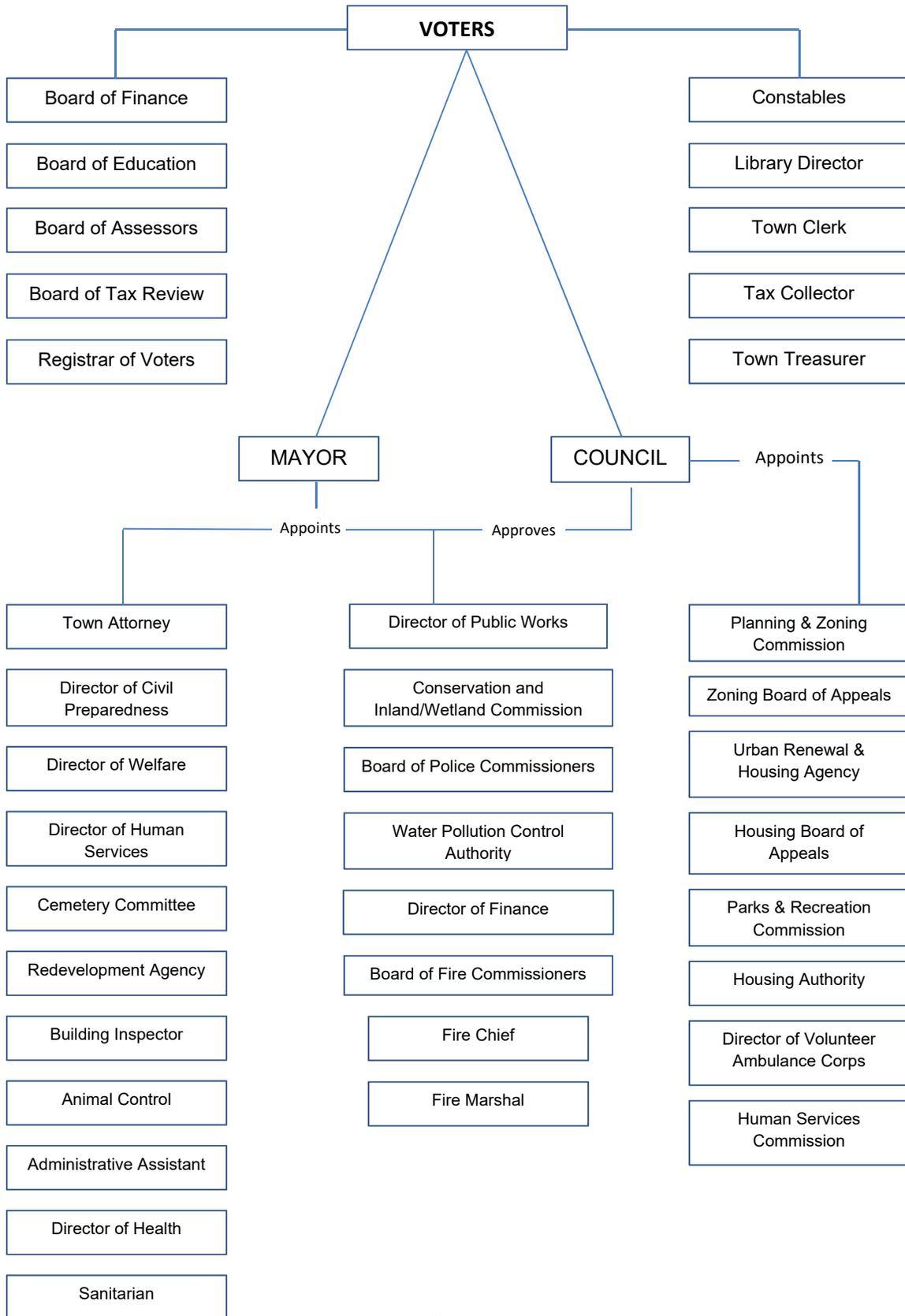
**ADMINISTRATION**

Registrar of Voters – Democrat	Cheryl J. Giancesini
Registrar of Voters – Republican	Barbara L. Deschaine
Interim Assessor	Christie Arena
Tax Collector	Joseph Kilduff
Director of Finance	Ann Marie Rheault
Treasurer	David C. Mischke
Town Attorney	William Hamzy
Town Clerk	Barbara K. Rockwell
Fire Marshal	Ray Kovaleski
Judge of Probate	Andre Dorval
Director of Planning and Economic Development	Margus T. Laan
Zoning Enforcement Officer	Scott Eisenlohr
Police Chief	Karen M. Krasicky
Fire Chief	Mark Sekorski
Civil Preparedness Director	Anthony J. Orsini
Building Official	Clarence B. Atkinson
Director of Public Works	Charles Wiegert
Medical Director	Dr. Antonio Scappitucci
Library Director	Vacant
Parks and Recreation Director	Michael Ganem
Superintendent of Schools	Martin Semmel

**BOARD OF EDUCATION**

Melissa Johnson, Chairperson	Josiah Elsaghir
Karen E. Kulesa	Richard Foote
Michelle Lucian	Gregory Showers
Melissa Kremmel	Gerard Bourbonniere
Cindy Candrea-Florenciani	

# TOWN OF PLYMOUTH ORGANIZATIONAL CHART





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200 Years of Quality Service

80 Main Street, Terryville, Connecticut 06786

Telephone: (860) 585-4001

Fax: (860) 585-4015

December 28, 2018

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2018.

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, 2018. The independent auditor's report is located at the front of the financial section of this report.

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

## **PROFILE OF THE GOVERNMENT**

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

Plymouth is a community predominantly composed of owner-occupied, single-family dwellings. Single-family dwellings comprise over 80% of all housing units in the Town. Estimated population at June 30, 2018 is 11,718.

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

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

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

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

### **Form of Government**

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

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

A referendum vote is retained under the Charter for approval of the annual budget. Beginning with the fiscal year 2019 budget, the Town Charter was updated to require a referendum vote only if certain criteria are met. The Board of Finance recommends the annual budget for referendum to be held before May 3. Upon approval, the Board of Finance sets the tax rate.

### **STATE & LOCAL ECONOMY**

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

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

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

### **UNEMPLOYMENT**

Unemployment rates and the number of unemployed people, not seasonally adjusted, were down slightly over a year in all of the states' nine labor market areas. Connecticut's unemployment rate was at 4.5% and was slightly higher than the national rate at 4.0% for June 2018. The Town of Plymouth's unemployment rate is higher than the national and regional average at 4.6% for June 2018, a slight decrease from the prior year. It is expected that the rates will slowly decrease during the next few months and year as employment becomes available in the various labor markets.

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

## **LONG-TERM FINANCIAL PLANNING**

The Town of Plymouth has addressed many of the financial market downturns during the past several years with spending freezes on 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.

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

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

## **FINANCIAL POLICIES**

The Town has several financial policies as summarized below:

### **Budgetary Procedures**

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

Beginning with fiscal year 2019, the Town Charter has been amended to require a budget referendum only if the annual proposed budget increase or decrease exceeds 3% of the current year approved budget. If the proposed budget increase or decrease is 3% or less, the recommended budget is presented directly to the Town Council for approval.

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; and (2) overnight repurchase agreements collateralized by U.S. government agency obligations which are priced daily. Additional information on the Town's specific investment policies and investments are available upon request to the Director of Finance.

## **Assessment Practices**

The Town of Plymouth last revalued its real property effective October 1, 2016. Under Section 12-62 of the Connecticut General Statutes, the Town must revalue all real estate by physical inspection no later than ten years following the preceding physical inspection. The Town must conduct a statistical revaluation no later than five years after the last physical inspection. The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion on the Grand List is the responsibility of the Assessor. The Grand List represents the total of assessed value for all taxable real and personal property located within the Town as of October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at seventy percent (70%) of market value at the time of the last general revaluation.

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

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

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

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

## **Tax Collection Procedures**

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

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

## **ACKNOWLEDGEMENTS**

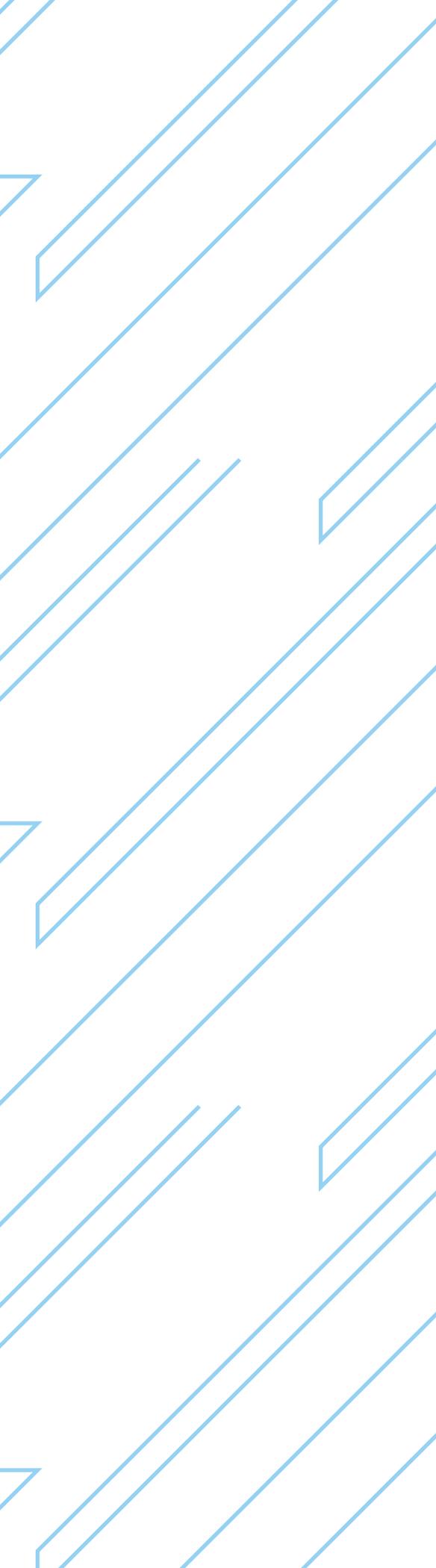
I thank our independent auditors, Blum, Shapiro & Company, Certified Public Accountants, specifically Audit Partner, Nikoleta McTigue, and Audit Manager, Santo Carta, for their expertise in guiding the Town through the required annual reporting updates and modifications as well as the entire audit process.

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

Respectfully submitted,

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

Ann Marie Rheault  
Director of Finance



# Financial Section

## **Independent Auditors' Report**

To the Board of Finance  
Town of Plymouth, Connecticut

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Plymouth, Connecticut, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Plymouth, Connecticut's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Plymouth, Connecticut, as of June 30, 2018 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Change in Accounting Principle***

As discussed in Note 15 to the financial statements, during the fiscal year ended June 30, 2018, the Town of Plymouth, Connecticut, adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The net position of the Town of Plymouth, Connecticut, has been restated to recognize the net other postemployment benefit liability in accordance with GASB No. 75. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town of Plymouth, Connecticut, as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated June 22, 2018, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2017 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2017 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2017.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2018 on our consideration of the Town of Plymouth, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Plymouth, Connecticut's internal control over financial reporting and compliance.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
December 28, 2018

**TOWN OF PLYMOUTH, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

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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, 2018.

**Financial Highlights**

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$139,048,686 (net position).
- The Town's total net position increased by \$1,989,172, or 1.5%. Unrestricted net position, the amount that may be used to meet the Town's ongoing obligations to citizens and creditors, was (\$21,826,316) at June 30, 2018. Notably, the June 30, 2017 net position was restated to reflect the implementation of Government Accounting Standards Board (GASB) Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which went into effect in 2018. The inclusion of future postemployment obligations as a long-term liability has a negative impact on the unrestricted net position.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$1,268,161.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,683,452 or 3.9% of total general fund expenditures and other financing uses.
- The Town of Plymouth's long-term debt decreased by \$2,185,169 or 11.1% during the current fiscal year.
- In January 2018, the Town issued \$6,950,000 of short-term bond anticipation notes to finance various capital projects and retired \$5,000,000 of the same. The Town issued long-term debt of \$6,950,000 in October 2018 upon completion of these projects, as approved at a bond referendum in April 2017.

**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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The government-wide financial statements present the functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general administration, public safety, public works, health and welfare, libraries, recreation, education, land use and interest expense.

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

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

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

The Town maintains 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, Sewer Operating Fund, Capital and Nonrecurring Projects Fund and Capital Projects Fund, which are considered to be major funds. Data from the other 23 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

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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 non-major governmental funds are presented immediately following the required supplementary information.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a town's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$139,048,686 at June 30, 2018.

By far the largest portion of the Town's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

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**Town of Plymouth, Connecticut  
Net Position**

	<b>Governmental Activities</b>	
	<b>2018</b>	<b>2017</b>
Current and other assets	\$ 15,653,992	\$ 18,690,795
Capital assets, net of accumulated depreciation	184,026,332	180,119,954
Total assets	<u>199,680,324</u>	<u>198,810,749</u>
Deferred Outflows of Resources	<u>1,718,555</u>	<u>2,326,782</u>
Long-term debt outstanding	51,707,351	55,713,685
Other liabilities	9,973,437	8,220,372
Total liabilities	<u>61,680,788</u>	<u>63,934,057</u>
Deferred Inflows of Resources	<u>669,405</u>	<u>143,960</u>
Net Position:		
Net investment in capital assets	159,206,125	154,601,111
Restricted	1,668,877	1,611,154
Unrestricted	<u>(21,826,316)</u>	<u>(19,152,751)</u>
Total Net Position	<u>\$ 139,048,686</u>	<u>\$ 137,059,514</u>

**MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)**

A portion of the Town’s net position, \$1,668,877, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is (\$21,826,316). The Town’s net position increased by \$1,989,172, or 1.5%, during the current fiscal year. Approximately, 57% of the revenues were derived from property taxes, followed by 30% from operating grants. The remaining 13% is from charges for services, capital grants and contributions and other grants that were not restricted for specific purposes. Key elements of the increase are as follows:

**Town of Plymouth, Connecticut  
Net Position**

	<b>Governmental Activities</b>	
	<b>2018</b>	<b>2017</b>
Revenues:		
Program revenues:		
Charges for services	\$ 3,284,878	\$ 2,981,503
Operating grants and contributions	15,307,874	15,913,718
Capital grants and contributions	2,201,169	2,463,497
General revenues:		
Property taxes	28,912,490	27,700,908
Grants and contributions not restricted to specific purposes	875,042	471,148
Unrestricted investment earnings (loss)	132,842	128,558
Miscellaneous	10,375	18,191
Total revenues	<u>50,724,670</u>	<u>49,677,523</u>
Program expenses:		
General administration	4,321,900	4,888,571
Public safety	4,067,794	3,644,971
Public works	6,748,667	6,996,417
Health and welfare	283,431	274,696
Library	395,690	506,880
Recreation	291,532	290,241
Education	31,823,765	32,257,631
Land use	179,437	192,175
Interest on long-term debt	623,282	583,283
Total program expenses	<u>48,735,498</u>	<u>49,634,865</u>
Change in Net Position	1,989,172	42,658
Net Position - Beginning of Year	137,059,514	151,320,044
Restatement	<u>                    </u>	<u>(14,303,188)</u>
Net Position - End of Year	<u>\$ 139,048,686</u>	<u>\$ 137,059,514</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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- Charges for services increased by \$303,375 mainly due to an increase of \$157,882 of police extra duty reimbursements. The town experienced additional increases in conveyance tax, asset forfeiture, structural permits and sewer fee receipts.
- Operating grants decreased by \$605,844 during the year. This decrease is primarily due to lower education grants received from the State of Connecticut, including Education Cost Sharing and Out Placement Excess Cost of \$1,352,167 and other state education grants. This decline was offset by an increase in the state's contribution on behalf of the Town into the State Teachers' Retirement Board, which increased \$450,736. A decline in library bequests also contributed to the overall decrease in the current year.
- Capital grants and contributions decreased by \$262,328 primarily due to a decrease in other funds received from the State of Connecticut, particularly LOTCIP grant revenue of \$1,788,064. This decline was offset by increases in grant funds received for various projects including Main Street Streetscapes \$530,844, North Main Street bridge \$619,669, Fall Mountain Water \$589,502 and Mayfair Garage \$121,048.
- Property tax revenue increased \$1,211,582 from the prior year. The increase largely reflects higher current year tax collections by \$1,061,611 and prior year taxes by \$73,478, partially offset by declines in motor vehicle supplement collections by \$198,085.
- Investment earnings increased \$4,284 due mainly to an increase in the amount of invested assets.
- Education expenses decreased by \$433,866 due mainly to staff reductions and wide reaching cost cutting measures aimed at counteracting the loss of state grant revenue to the town.
- Public works expenses decreased by \$247,750 due to reductions in wages of \$86,249 that resulted from staff reductions, \$79,073 of utility costs and \$76,133 of repair costs. These decreases were partially offset by higher costs for the Water Pollution Control facility for UV Disinfection and Phosphorous removal projects.
- General Administration expenses decreased by \$566,671, due mainly to health insurance and benefit cost reductions of \$335,774 and a decrease of \$79,376 in probate costs from the prior year and various reductions in pension and post-employment benefits allocations, partially offset by increases in worker's compensation expenses.
- Public safety expenses increased by \$422,823. The increase is due higher salary and overtime costs of \$194,427, technical support salary costs of \$35,000 and extra duty expenditures of \$78,948 and various increases in pension and post-employment benefit costs. Increases were partially offset by lower training and firearms expenses.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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

<b>Town of Plymouth, Connecticut Governmental Activities</b>				
	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Education	\$ 31,823,765	\$ 32,257,631	\$ 16,283,829	\$ 16,048,661
Public works	6,748,667	6,996,417	2,691,793	2,870,755
General administration	4,321,900	4,888,571	4,023,349	4,664,127
Public safety	4,067,794	3,644,971	3,345,891	3,061,582
Interest expense	623,282	583,283	623,282	583,283
All others	1,150,090	1,263,992	973,433	1,047,739
<b>Total</b>	<b>\$ 48,735,498</b>	<b>\$ 49,634,865</b>	<b>\$ 27,941,577</b>	<b>\$ 28,276,147</b>

### Financial Analysis of the Government's Funds

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

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

As of June 30, 2018, the Town's governmental funds reported a combined ending fund balance of \$1,268,161, a decrease of \$4,501,500 from the prior year. The decrease over prior year largely reflects expenditures for capital projects to be bonded in October 2018 offset by an increase of \$763,078 in the General Fund with slight changes in all other funds combined. A portion of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed; (1) to liquidate contracts and purchase orders of the prior period \$588,034 (2) to pay debt service of \$205,536, and (3) endowments \$1,053,014.

The General Fund is the operating fund of the Town. At the end of 2018, the unassigned fund balance of the General Fund was \$1,683,452 while total fund balance was \$2,371,486. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 3.9% of total general fund expenditures, while total fund balance represents 5.5% of that same amount. The town and Board of Education continue to take a variety of steps aimed at reducing spending and generating operating surpluses the increase the fund balance going forward.

The Capital and Nonrecurring Fund, used for infrastructure improvements in the Town, held a balance of (\$6,055,554) at June 30, 2018. The negative fund balance mainly reflects spending for capital projects to be bonded in October 2018.

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

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

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**Proprietary fund.** The unrestricted net position of the Board of Education Health Insurance Fund at the end of the year amounted to \$168,836, a decrease of \$110,645 from the June 30, 2017 balance of \$279,481. The decrease in the balance is mainly attributable to higher than expected claim experience.

### **General Fund Budgetary Highlights**

The Town experienced a variety of significant General Fund budgetary events that affected the year ending equity balances. The major impacts include:

General Fund revenues were below the estimated budget by \$1,197,115 in the current year:

- Current year tax collections fell short of budget levels by \$123,125, which was offset by higher prior year taxes, supplemental motor vehicle taxes, interest and lien fees.
- Charges for services exceeded budget by \$131,263, due to higher conveyance tax and metal reimbursement revenue.
- The Town's intergovernmental revenues were significantly below budget by \$1,445,666, mainly due to the elimination of the Special Education Grant of \$3,066,765. This was offset by an unanticipated Municipal stabilization grant of \$571,063 and out placement - excess income grant of \$699,304.

General Fund expenditures were below budgeted appropriations by \$2,071,777.

- Total General Administration costs were below budget by \$364,351, largely driven by foregoing the Board of Finance's planned restoration of fund balance of \$100,000 and savings in employee benefit expenses by \$119,061 due to lower staffing.
- Education costs were below budget by \$1,060,171 which reflected a selective reduction of staff and close management of outplacement, supplies, and property expenses.
- Positive variances existed in all departments which was attributable to several positions left vacant within public works, town clerk, library and police department. In addition, hours of operation at the library were reduced and a town hall maintenance position was eliminated. Due to the state budget cuts that the town experienced, all departments were diligent in eliminating all non-essential spending throughout the year.

### **Capital Assets and Debt Administration**

**Capital assets.** The Town's investment in capital assets for its governmental activities as of June 30, 2018, amounted to \$184,026,332 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, building improvements, machinery and equipment, vehicles, and infrastructure.

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

- Building improvements of \$8,633 for the replacement of heating and air-conditioning units.
- Vehicle additions of \$126,621, including a Police Department vehicle and a truck for the Fire Department.
- Equipment purchases totaling \$6,772 for the replacement of Fire Department pagers.

**MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)**

- Infrastructure additions of \$5,388,076 resulted from the rebuilding of the North Main Street Bridge and completion of ongoing general road upgrades.
- Construction in progress at June 30, 2018 of \$5,347,390 includes those projects approved by Town referendum for the Plymouth firehouse renovation and town hall upgrades. Additional new and ongoing projects include Fall Mountain paving, a communications upgrade, WPCA UV disinfection and phosphorous removal and the Mayfair Garage remediation. Construction in progress increased in the current fiscal year by \$3,116,115, or 40.0%, due to the above noted projects. The increase was offset by the completion of the North Main Street bridge and the Main Street Streetscape projects.

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

	<b>Governmental Activities</b>	
	<u>2018</u>	<u>2017</u>
Land	\$ 6,782,353	\$ 6,782,353
Buildings	46,308,558	47,896,788
Buildings improvements	10,664,971	11,088,802
Land improvements	2,195,725	2,385,207
Machinery and equipment	4,412,291	4,706,591
Vehicles	3,189,355	3,380,865
Infrastructure	105,125,689	101,648,073
Construction in progress	<u>5,347,390</u>	<u>2,231,275</u>
Total	<u>\$ 184,026,332</u>	<u>\$ 180,119,954</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 general obligation bonds outstanding of \$17,558,062. The amount reflects debt backed by the full faith and credit of the Town.

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

	<b>Governmental Activities</b>	
	<u>2018</u>	<u>2017</u>
General obligation bonds	<u>\$ 17,558,062</u>	<u>\$ 19,743,231</u>

The Town’s long term total debt decreased by \$2,185,169 or 11.0% during the current fiscal year, based upon scheduled principal payments.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

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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. The current debt limitation for the Town is \$195,400,576, which is significantly in excess of the Town's outstanding general obligation debt.

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

### **Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for the Town as of June 30, 2018 was 4.6%, which is a decrease from June 30, 2017 of 5.1%, but slightly higher than the state's unemployment rate of 4.5%.
- Inflationary trends in the region are in line with national indices.
- The Town is continuing to aggressively pursue new commercial enterprises to increase the value of the net grand list, including additional tenants for, and expansions within, the business park.

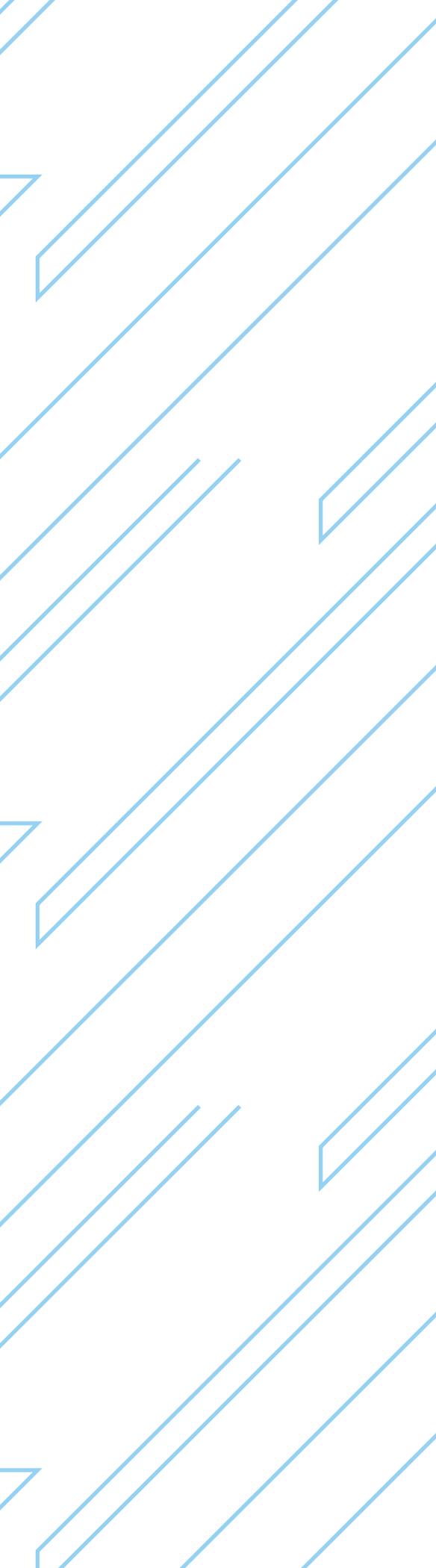
The 2018-2019 budget was evaluated using the anticipated fund balance projections from the past fiscal year. The 2018-2019 appropriations factors in a \$100,000 restoration of general fund balance rather than any use of the Town's fund balance to balance revenues and expenditures. The overall budget for expenditures in the General Fund decreased by \$33,483, with the change coming in costs for Education, offset slightly by an increase funding for General Government and capital projects. The 2018-2019 budget has an unchanged property tax rate of 39.69 mils.

The 2018-2019 budget assumes a current collection rate of 98.5% for real estate property taxes and a 95.0% collection rate for motor vehicle taxes and a 95.5% collection rate for personal property taxes. The Board of Finance reviews tax collections and results from the Tax office on an ongoing basis.

The grand list, the total of all taxable property that sets the property tax collection rate, increased by \$5,889,822 or .8% from the prior year.

### **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 Director of Finance, The Town of Plymouth, 80 Main Street, Terryville, Connecticut, 06786.



# **Basic Financial Statements**

**TOWN OF PLYMOUTH, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 8,454,521
Investments	132,699
Restricted investments	1,195,944
Receivables, net	3,598,531
Assets held for sale	2,272,297
Capital assets not being depreciated	12,129,743
Capital assets being depreciated, net	<u>171,896,589</u>
Total assets	<u>199,680,324</u>
<b>Deferred Outflows of Resources:</b>	
Deferred charge on refunding	76,164
Deferred outflows related to PERS	812,292
Deferred outflows related to MERS	<u>830,099</u>
Total deferred outflows of resources	<u>1,718,555</u>
<b>Liabilities:</b>	
Accounts and other payables	2,428,893
Accrued interest payable	141,315
Due to agency funds	123,305
Unearned revenue	329,924
Bond anticipation notes payable	6,950,000
Noncurrent liabilities:	
Due within one year	2,362,744
Due in more than one year	<u>49,344,607</u>
Total liabilities	<u>61,680,788</u>
<b>Deferred Inflows of Resources:</b>	
Deferred inflows related to PERS	32,112
Deferred inflows related to MERS	58,192
Deferred inflows related to OPEB	<u>579,101</u>
Total deferred inflows of resources	<u>669,405</u>
<b>Net Position:</b>	
Net investment in capital assets	159,206,125
Perpetual care:	
Expendable	368,235
Nonexpendable	475,733
Libraries:	
Expendable	42,092
Nonexpendable	577,281
Debt service	205,536
Unrestricted	<u>(21,826,316)</u>
<b>Total Net Position</b>	<b>\$ <u>139,048,686</u></b>

The accompanying notes are an integral part of the financial statements

**TOWN OF PLYMOUTH, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Net Position
		Charges for Services	Operating Grants and Contributions		
Governmental activities:					
General administration	\$ 4,321,900	\$ 281,392	\$ 17,159	\$	\$ (4,023,349)
Public safety	4,067,794	721,528	375		(3,345,891)
Public works	6,748,667	1,676,149	179,556	2,201,169	(2,691,793)
Health and welfare	283,431	25,462	17,180		(240,789)
Library	395,690	10,799	2,667		(382,224)
Recreation	291,532	94,680	5,071		(191,781)
Education	31,823,765	457,088	15,082,848		(16,283,829)
Land use	179,437	17,780	3,018		(158,639)
Interest expense	623,282				(623,282)
<b>Total Governmental Activities</b>	<b>\$ 48,735,498</b>	<b>\$ 3,284,878</b>	<b>\$ 15,307,874</b>	<b>\$ 2,201,169</b>	<b>(27,941,577)</b>
General revenues:					
Property taxes					28,912,490
Grants and contributions not restricted to specific programs					875,042
Investment earnings					132,842
Miscellaneous					10,375
Total general revenues					<u>29,930,749</u>
Change in Net Position					1,989,172
Net Position at Beginning of Year, as Restated					<u>137,059,514</u>
Net Position at End of Year					<u>\$ 139,048,686</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF PLYMOUTH, CONNECTICUT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2018**

	<u>General</u>	<u>Sewer Operating</u>	<u>Capital Projects</u>	<u>Capital and Nonrecurring</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 698,573	\$ 2,866,001	\$ 116,896	\$ 1,619,165	\$ 2,069,123	\$ 7,369,758
Investments		99,183			33,516	132,699
Restricted investments					1,195,944	1,195,944
Receivables, net:						
Property taxes	674,875					674,875
Interest	179,190	80,891				260,081
Assessments/use charges		278,291			129,696	407,987
Intergovernmental	20,995		97,000	631,864	54,834	804,693
Loans					974,031	974,031
Other	50,844				76,386	127,230
Due from other funds	4,370,222	532	380,747	713,722	1,262,039	6,727,262
Total Assets	<u>\$ 5,994,699</u>	<u>\$ 3,324,898</u>	<u>\$ 594,643</u>	<u>\$ 2,964,751</u>	<u>\$ 5,795,569</u>	<u>\$ 18,674,560</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 785,080	\$ 99,132	\$ 236,605	\$ 972,642	\$ 9,434	\$ 2,102,893
Due to other funds	2,188,466	1,632,170	499,309	860,847	730,214	5,911,006
Bond anticipation notes payable				6,950,000		6,950,000
Unearned revenue			10,500	236,816	82,608	329,924
Total liabilities	<u>2,973,546</u>	<u>1,731,302</u>	<u>746,414</u>	<u>9,020,305</u>	<u>822,256</u>	<u>15,293,823</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	649,667					649,667
Unavailable revenue - sewer use receivable		359,182				359,182
Unavailable revenue - special assessments					129,696	129,696
Unavailable revenue - loans receivable					974,031	974,031
Total deferred inflows of resources	<u>649,667</u>	<u>359,182</u>	<u>-</u>	<u>-</u>	<u>1,103,727</u>	<u>2,112,576</u>
Fund balances:						
Nonspendable					1,053,014	1,053,014
Restricted					1,548,968	1,548,968
Committed	100,000	1,234,414	186,691		1,489,160	3,010,265
Assigned	588,034					588,034
Unassigned	1,683,452		(338,462)	(6,055,554)	(221,556)	(4,932,120)
Total fund balances	<u>2,371,486</u>	<u>1,234,414</u>	<u>(151,771)</u>	<u>(6,055,554)</u>	<u>3,869,586</u>	<u>1,268,161</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,994,699</u>	<u>\$ 3,324,898</u>	<u>\$ 594,643</u>	<u>\$ 2,964,751</u>	<u>\$ 5,795,569</u>	<u>\$ 18,674,560</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF PLYMOUTH, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2018**

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

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

Fund balances - total governmental funds (Exhibit III)	\$	1,268,161
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Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported in the funds:

Assets held for sale		2,272,297
Governmental capital assets	\$ 260,570,787	
Less accumulated depreciation	<u>(76,544,455)</u>	
Net capital assets		184,026,332

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

Property tax receivable greater than 60 days	470,477
Interest receivable on property taxes	179,190
Sewer use and assessments receivable	278,291
Interest receivable on sewer use and assessments	80,891
Water assessment receivable	129,696
Housing loans	974,031
Deferred outflows related to PERS	812,292
Deferred outflows related to MERS	830,099

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

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	168,836
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Long-term liabilities and deferred inflows, including bonds payable, are not due and  
payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(17,558,062)
Capital leases	(357,517)
Deferred charge on refunding	76,164
Premium	(549,892)
Interest payable on bonds	(141,315)
Net OPEB obligation	(18,130,527)
Compensated absences	(1,151,107)
Early retirement incentive	(20,000)
Net pension liability	(13,390,246)
Landfill postclosure costs	(550,000)
Deferred inflows related to PERS	(32,112)
Deferred inflows related to MERS	(58,192)
Deferred inflows related to OPEB	<u>(579,101)</u>

Net Position of Governmental Activities (Exhibit I)	\$ <u><u>139,048,686</u></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, 2018**

	<u>General</u>	<u>Sewer Operating</u>	<u>Capital Projects</u>	<u>Capital and Nonrecurring</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 29,097,402					\$ 29,097,402
Charges for services	403,863	1,366,775			1,176,139	2,946,777
Intergovernmental	14,690,771	3,329		2,377,376	1,334,751	18,406,227
Income from investments	10,765	316	1,202	4,394	30,065	46,742
Net change in fair value of investments		873			83,081	83,954
Contributions					45,091	45,091
Other	132,579	300		77,124	72,934	282,937
Total revenues	<u>44,335,380</u>	<u>1,371,593</u>	<u>1,202</u>	<u>2,458,894</u>	<u>2,742,061</u>	<u>50,909,130</u>
Expenditures:						
Current:						
General administration	5,241,267				85,051	5,326,318
Public safety	3,094,096				586,302	3,680,398
Public works	2,965,288	1,394,289			39	4,359,616
Health and welfare	184,135				77,396	261,531
Library	375,129				24,271	399,400
Recreation	191,176				74,372	265,548
Education	27,965,488				1,728,955	29,694,443
Land use	132,952					132,952
Debt service	2,940,060	129,187				3,069,247
Capital outlay	297,920		360	8,220,817		8,519,097
Total expenditures	<u>43,387,511</u>	<u>1,523,476</u>	<u>360</u>	<u>8,220,817</u>	<u>2,576,386</u>	<u>55,708,550</u>
Excess (Deficiency) of Revenues over Expenditures	<u>947,869</u>	<u>(151,883)</u>	<u>842</u>	<u>(5,761,923)</u>	<u>165,675</u>	<u>(4,799,420)</u>
Other Financing Sources (Uses):						
Transfers in	76,950		150,000	356,249	53,412	636,611
Transfers out	(559,661)				(76,950)	(636,611)
Capital lease issuance	297,920					297,920
Total other financing sources (uses)	<u>(184,791)</u>	<u>-</u>	<u>150,000</u>	<u>356,249</u>	<u>(23,538)</u>	<u>297,920</u>
Net Change in Fund Balances	763,078	(151,883)	150,842	(5,405,674)	142,137	(4,501,500)
Fund Balances at Beginning of Year	<u>1,608,408</u>	<u>1,386,297</u>	<u>(302,613)</u>	<u>(649,880)</u>	<u>3,727,449</u>	<u>5,769,661</u>
Fund Balances at End of Year	<u>\$ 2,371,486</u>	<u>\$ 1,234,414</u>	<u>\$ (151,771)</u>	<u>\$ (6,055,554)</u>	<u>\$ 3,869,586</u>	<u>\$ 1,268,161</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF PLYMOUTH, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

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) \$ (4,501,500)

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	8,646,218
Depreciation expense	(4,720,809)
Loss on disposal of capital assets	(19,031)

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	(106,058)
Property tax interest revenue - accrual basis change	(78,854)
Sewer use and assessment receivable - accrual basis change	51,013
Sewer use and assessment interest receivable - accrual change	14,793
Water assessment receivable - accrual basis change	(55,450)
Housing loans receivable - accrual basis change	(12,050)
Deferred outflows related to PERS	(113,672)
Deferred outflows related to MERS	(483,333)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bonds and notes principal payments	2,185,169
Capital lease issuance	(297,920)
Capital lease payments	167,585

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 liability	351,184
Compensated absences	16,955
Early retirement incentive	71,500
Net pension liability	1,400,937
Landfill postclosure costs	25,000
Accrued interest payable	18,509
Amortization of deferred charge on refunding	(11,222)
Amortization of premium	85,924
Deferred inflows related to PERS	23,895
Deferred inflows related to MERS	20,135
Deferred inflows related to OPEB	(579,101)

Internal service funds are used by management to charge costs of medical insurance to individual departments (110,645)

Change in Net Position of Governmental Activities (Exhibit II) \$ 1,989,172

The accompanying notes are an integral part of the financial statements

**TOWN OF PLYMOUTH, CONNECTICUT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2018**

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	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
	<hr/>
Assets:	
Cash and cash equivalents	\$ 1,084,763
Accounts receivable	349,634
Due from other funds	<u>600,000</u>
Total assets	<u>2,034,397</u>
Liabilities:	
Due to other funds	1,539,561
Claims payable	<u>326,000</u>
Total liabilities	<u>1,865,561</u>
Net Position:	
Unrestricted	<u><u>\$ 168,836</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF PLYMOUTH, CONNECTICUT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2018**

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	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
Operating Revenues:	
Charges for services	\$ <u>3,821,067</u>
Operating Expenses:	
Claims incurred	3,294,162
Administration	<u>639,696</u>
Total operating expenses	<u>3,933,858</u>
Operating Income (Loss)	(112,791)
Nonoperating Revenues:	
Revenues from use of money	<u>2,146</u>
Change in Net Position	(110,645)
Net Position at Beginning of Year	<u>279,481</u>
Net Position at End of Year	\$ <u><u>168,836</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, 2018**

	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
Cash Flows from Operating Activities:	
Cash received from charges for services	\$ 3,821,067
Cash paid for benefits	(3,608,473)
Cash paid for administration	(639,696)
Net cash provided by (used in) operating activities	<u>(427,102)</u>
Cash Flows from Investing Activities:	
Interest on investments	<u>2,146</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(424,956)
Cash and Cash Equivalents at Beginning of Year	<u>1,509,719</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,084,763</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ (112,791)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
(Increase) decrease in accounts receivable	(349,311)
Increase (decrease) in claims payable	<u>35,000</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (427,102)</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF PLYMOUTH, CONNECTICUT  
FIDUCIARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2018**

	<u>Pension Fund</u>	<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>
Assets:			
Cash and cash equivalents	\$ _____	\$ 3,062	\$ 239,403
Investments:			
Guaranteed investment contracts	8,489,556		
Mutual funds	192,637		
Total investments	<u>8,682,193</u>	<u>-</u>	<u>-</u>
Accounts receivable	<u>240,026</u>		
Due from other funds			<u>123,305</u>
Total assets	<u>8,922,219</u>	<u>3,062</u>	<u>\$ 362,708</u>
Liabilities:			
Accounts payable and due to others			<u>\$ 362,708</u>
Net Position:			
Restricted for Pension/Other Benefits	<u>\$ 8,922,219</u>	<u>\$ 3,062</u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF PLYMOUTH, CONNECTICUT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Pension Fund</u>	<u>Private Purpose Trust Fund</u>
Additions:		
Contributions:		
Employer	\$ 1,232,942	\$
Plan members	56,322	
Total contributions	<u>1,289,264</u>	<u>-</u>
Investment income:		
Net change in fair value of investments	2,129	
Interest and dividends	327,384	31
Total investment income	329,513	31
Less investment expense	(84,272)	
Net investment income	<u>245,241</u>	<u>31</u>
Total additions	<u>1,534,505</u>	<u>31</u>
Deductions:		
Benefits	1,506,609	
Administration	4,058	
Total deductions	<u>1,510,667</u>	<u>-</u>
Change in Net Position	23,838	31
Net Position at Beginning of Year	<u>8,898,381</u>	<u>3,031</u>
Net Position at End of Year	<u>\$ 8,922,219</u>	<u>\$ 3,062</u>

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

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

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

The Town reports the following major governmental funds:

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

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

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

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

Additionally, the Town reports the following fund types:

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

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

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

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

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

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

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**D. Deposits and Investments**

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

Investments are reported at fair value.

**E. Receivables and Payables**

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

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

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

An amount of \$200,000 has been established as an allowance for uncollectible taxes as of June 30, 2018.

**F. Restricted Investments**

**CDBG Loans Fund**

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

**Permanent Funds**

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

**G. Assets Held for Sale**

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

**TOWN OF PLYMOUTH, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2018**

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**H. Capital Assets**

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

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

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

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

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

**I. Deferred Outflows/Inflows of Resources**

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

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**J. Compensated Absences**

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

**K. Net Pension Liability**

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

**L. Total Other Postemployment Benefits Other than Pension (OPEB) Liability**

The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period.

**M. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

**N. Fund Equity**

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

**Net Investment in Capital Assets**

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

**Restricted Net Position**

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

**Unrestricted Net Position**

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

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

**Nonspendable Fund Balance**

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

**Restricted Fund Balance**

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

**Committed Fund Balance**

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

**Assigned Fund Balance**

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

**Unassigned Fund Balance**

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

**O. Fund Balance Flow Assumptions**

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

**P. Accounting Estimates**

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

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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- The Finance Director is authorized to transfer budgeted amounts within departments up to \$1,000; all transfers over \$1,000 require Board of Finance approval. Budget over expenditures in departmental line items are approved by the Board of Finance, although no actual budgetary entries are made. Additional appropriations must be approved by the Town Council. Appropriations in excess of \$50,000 must be submitted to a Town Meeting for approval. During the year General Fund appropriations increased in the amount of \$3,950. 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 its budget at its discretion. Any additional appropriations must have Board of Education and Town Council approval and, if over \$50,000, Town Meeting approval.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued, and, accordingly, encumbrances outstanding at year end are reported in budgetary reports as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

**B. Excess of Expenditures Over Appropriations**

For the year ended June 30, 2018, total expenditure for the Sewer Operating Fund exceeded appropriations by \$107,833. These overexpenditures were funded by the available fund balance.

**C. Fund Deficits**

Fund balance deficits existed as of June 30, 2018 in the following funds:

Capital Projects	\$	151,771
Capital and Nonrecurring		6,055,554
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Economic Development		221,556

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

**TOWN OF PLYMOUTH, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2018**

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**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.

**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*, \$8,490,440 of the Town’s bank balance of \$9,280,869 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 7,588,972
Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name	<u>901,468</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 8,490,440</u></u>

**Cash Equivalents**

At June 30, 2018, the Town’s cash equivalents amounted to \$323,026. The Town’s cash equivalents (excluding U.S. government guaranteed obligations) are mainly money markets with Bank of America, Torrington Savings Bank, Thomaston Savings Bank and Wells Fargo, of which are not rated. The pools all have maturities of less than one year.

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Investments**

As of June 30, 2018, the Town had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1-10	More Than 10
Interest-bearing investments:					
Guaranteed investment contracts	N/A	\$ 8,489,556	\$	\$	\$ 8,489,556
Certificates of deposit	*	<u>176,446</u>	<u>33,516</u>	<u>142,930</u>	
Total		8,666,002	<u>\$ 33,516</u>	<u>\$ 142,930</u>	<u>\$ 8,489,556</u>
Other investments:					
Mutual funds		<u>1,344,834</u>			
Total Investments		<u>\$ 10,010,836</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, 2018, 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.

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**Fair Value**

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2018:

	<u>June 30, 2018</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Guaranteed investment contracts	\$ 8,489,556	\$	\$ 8,489,556	\$
Mutual funds	<u>1,344,834</u>	<u>1,344,834</u>		
Total Investments by Fair Value Level	<u>\$ 9,834,390</u>	<u>\$ 1,344,834</u>	<u>\$ 8,489,556</u>	<u>\$ -</u>

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

**4. RECEIVABLES**

Receivables by type at June 30, 2018 for the Town's government-wide financial statements, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Property Taxes</u>	<u>Interest and Lien Fees</u>	<u>Assessments/ Use Charges</u>	<u>Due From State</u>	<u>Loans</u>	<u>Other Receivables</u>	<u>Total</u>
Accounts receivable	\$ 874,875	\$ 260,081	\$ 407,987	\$ 804,693	\$ 974,031	\$ 476,864	\$ 3,798,531
Less allowance for uncollectible accounts	<u>(200,000)</u>						<u>(200,000)</u>
Net Accounts Receivable	<u>\$ 674,875</u>	<u>\$ 260,081</u>	<u>\$ 407,987</u>	<u>\$ 804,693</u>	<u>\$ 974,031</u>	<u>\$ 476,864</u>	<u>\$ 3,598,531</u>

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,782,353	\$	\$	\$ 6,782,353
Construction in progress	<u>2,231,275</u>	<u>7,825,179</u>	<u>4,709,064</u>	<u>5,347,390</u>
Total capital assets not being depreciated	<u>9,013,628</u>	<u>7,825,179</u>	<u>4,709,064</u>	<u>12,129,743</u>
Capital assets being depreciated:				
Buildings	72,643,757			72,643,757
Building improvement	15,682,477	8,634		15,691,111
Land improvement	6,712,023			6,712,023
Machinery and equipment	8,009,498	6,772		8,016,270
Vehicles	7,131,048	126,621	177,076	7,080,593
Infrastructure	<u>132,909,214</u>	<u>5,388,076</u>		<u>138,297,290</u>
Total capital assets being depreciated	<u>243,088,017</u>	<u>5,530,103</u>	<u>177,076</u>	<u>248,441,044</u>
Less accumulated depreciation for:				
Buildings	(24,746,969)	(1,588,230)		(26,335,199)
Building improvement	(4,593,675)	(432,465)		(5,026,140)
Land improvement	(4,326,816)	(189,482)		(4,516,298)
Machinery and equipment	(3,302,907)	(301,072)		(3,603,979)
Vehicles	(3,750,183)	(299,100)	158,045	(3,891,238)
Infrastructure	<u>(31,261,141)</u>	<u>(1,910,460)</u>		<u>(33,171,601)</u>
Total accumulated depreciation	<u>(71,981,691)</u>	<u>(4,720,809)</u>	<u>158,045</u>	<u>(76,544,455)</u>
Total capital assets being depreciated, net	<u>171,106,326</u>	<u>809,294</u>	<u>19,031</u>	<u>171,896,589</u>
Governmental Activities Capital Assets, Net	<u>\$ 180,119,954</u>	<u>\$ 8,634,473</u>	<u>\$ 4,728,095</u>	<u>\$ 184,026,332</u>

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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Depreciation expense was charged to functions/programs of the governmental activities as follows:

General administration	\$ 125,139
Public safety	206,775
Public works	2,548,709
Health and welfare	21,900
Library	16,191
Recreation	22,945
Education	1,732,665
Land use	<u>46,485</u>
 Total Depreciation Expense - Governmental	 \$ <u><u>4,720,809</u></u>

**Construction Commitments**

The Town has active construction projects as of June 30, 2018. The projects include the following:

<u>Project</u>	<u>Appropriations</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
Industrial Park Phase III	\$ 3,650,000	\$ 3,137,195	\$ 512,805
Additional Paving Fall Mountain	690,000	100,988	589,012
Engineering Studies	400,000	113,208	286,792
Fall Mountain Water Paving- LOTCIP Grant	950,000	650,589	299,411
Plymouth Firehouse Renovation	3,750,000	3,500,592	249,408
Town Hall Boiler and Parking Lot Upgrades	550,000	409,443	140,557
Mayfair Garage Remediation Project - DECD Grant	750,000	123,141	626,859
Town Hall Communications Upgrade	250,000	221,040	28,960
WPCA - UV Disinfection Project	605,775	109,566	496,209
WPCA - Phosphorous Removal Project	<u>5,994,000</u>	<u>68,370</u>	<u>5,925,630</u>
 Total	 \$ <u><u>17,589,775</u></u>	 \$ <u><u>8,434,132</u></u>	 \$ <u><u>9,155,643</u></u>

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**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	\$ 499,309
	Nonmajor Governmental Funds	719,445
	Sewer Operating	1,611,907
	Internal Service Fund	<u>1,539,561</u>
		<u>4,370,222</u>
Sewer Operating	Nonmajor Governmental Funds	<u>532</u>
Capital Projects	General Fund	209,400
	Capital and Nonrecurring	160,847
	Nonmajor Governmental Funds	<u>10,500</u>
		<u>380,747</u>
Capital and Nonrecurring	General Fund	<u>713,722</u>
Nonmajor Funds	General Fund	1,142,039
	Sewer Operating	20,000
	Capital and Nonrecurring	<u>100,000</u>
		<u>1,262,039</u>
Internal Service Fund	Capital and Nonrecurring	<u>600,000</u>
Performance Bonds	General Fund	<u>123,305</u>
Total		<u>\$ 7,450,567</u>

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

Interfund transfers:

	<u>Transfer In</u>				
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Capital and Nonrecurring</u>	<u>Nonmajor Governmental</u>	<u>Total Transfer Out</u>
Transfers out:					
General Fund	\$ 76,950	\$ 150,000	\$ 356,249	\$ 53,412	\$ 559,661
Nonmajor Governmental Funds					<u>76,950</u>
Total Transfer In	<u>\$ 76,950</u>	<u>\$ 150,000</u>	<u>\$ 356,249</u>	<u>\$ 53,412</u>	<u>\$ 636,611</u>

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

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**7. LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds and notes payable:					
General obligation bonds and notes	\$ 19,743,231	\$	\$ 2,185,169	\$ 17,558,062	\$ 2,206,181
Premium	635,816		85,924	549,892	
Total bonds and notes payable	<u>20,379,047</u>	<u>-</u>	<u>2,271,093</u>	<u>18,107,954</u>	<u>2,206,181</u>
Capital Leases	227,182	297,920	167,585	357,517	109,585
Net OPEB obligation	18,481,711		351,184	18,130,527	
Compensated absences	1,168,062	7,030	23,985	1,151,107	7,978
Early retirement incentive	91,500	3,750	75,250	20,000	14,000
Net pension liability - PERS	12,315,297		1,042,540	11,272,757	
Net pension liability - MERS	2,475,886		358,397	2,117,489	
Landfill postclosure costs	<u>575,000</u>		<u>25,000</u>	<u>550,000</u>	<u>25,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 55,713,685</u>	<u>\$ 308,700</u>	<u>\$ 4,315,034</u>	<u>\$ 51,707,351</u>	<u>\$ 2,362,744</u>

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

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

A schedule of bonds and notes payable at June 30, 2018 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, 2018</u>
Bonds and Notes Payable:					
General purpose:					
Refunding bonds	9/16/2010	12/15/2028	2.00-4.00	\$ 1,000,000	\$ 550,000
General obligation bonds	7/19/2012	7/15/2024	2.00-4.00	7,150,000	4,150,000
General obligation bonds	8/30/2013	8/15/2025	2.00-3.25	3,000,000	2,000,000
Refunding bonds	4/22/2014	7/15/2023	2.00-5.00	778,000	545,000
School:					
Refunding bonds	9/16/2010	12/15/2026	2.00-4.00	8,820,000	5,640,000
General obligation bonds	7/19/2012	7/15/2024	2.00-4.00	2,350,000	1,350,000
Refunding bonds	4/22/2014	7/15/2023	2.00-5.00	2,887,000	2,015,000
Sewer:					
General obligation bonds	8/30/2013	8/15/2025	2.00-3.25	500,000	300,000
Clean Water Notes Payable	5/1/2016	3/1/2035	2.00	1,200,499	<u>1,008,062</u>
Total Bonds and Notes Payable					<u>\$ 17,558,062</u>

The annual requirements to amortize all bonds and notes outstanding as of June 30, 2018, including interest payments, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 2,206,181	\$ 489,237
2020	2,202,214	416,530
2021	2,223,268	342,101
2022	2,209,343	275,601
2023	2,200,440	219,167
2024-2028	6,019,446	348,232
2029-2033	375,295	29,779
2034-2035	<u>121,875</u>	<u>4,262</u>
Total	<u>\$ 17,558,062</u>	<u>\$ 2,124,909</u>

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note Payable**

The Town has a note payable at June 30, 2018 of \$1,008,062. The note was issued for a sewer construction project. The loan bears interest of 2%. The loan is payable in monthly installments of \$5,906, including interest through March 2035.

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 62,807,328	\$ 14,795,000	\$ 48,012,328
Schools	125,614,656	9,104,420	116,510,236
Sewers	104,678,880	1,432,473	103,246,407
Urban renewal	90,721,696		90,721,696
Pension deficit	83,743,104		83,743,104

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$195,400,576.

The definition of indebtedness above includes bonds and notes outstanding in addition to the amounts of bonds authorized and unissued against which debt is issued and outstanding. Debt authorized and unissued at June 30, 2018 is \$823,831.

**Bond Anticipation Notes Payable**

The Town issued bond anticipation notes payable to fund road improvements and building renovations. The activity and balance at June 30, 2018 is presented below:

<u>Project</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Balance July 1, 2017</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2018</u>
Capital Projects- various	4/8/2017	1/25/2018	2.0	\$ 5,000,000		\$ 5,000,000	\$ -
Capital Projects- various	1/25/2018	10/24/2018	2.5	-	6,950,000		6,950,000
Total				<u>\$ 5,000,000</u>	<u>\$ 6,950,000</u>	<u>\$ 5,000,000</u>	<u>\$ 6,950,000</u>

**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 22 years at \$25,000 per year are \$550,000. These amounts are based on estimates that are subject to change due to inflation, technology or applicable laws and regulations.

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**Termination Benefits**

The Board of Education provides early retirement incentive benefits to former employees. Benefits are paid annually based on the retirement agreement for each employee from the Board of Education budget. The amount paid for the fiscal year ended June 30, 2018 was \$75,250 and the balance at year end is \$20,000. Benefits are payable through 2021.

**8. LEASES**

**Capital Leases**

The Town entered into lease agreements for the purchase of three vehicle's and communication equipment.

	<u>Amount</u>
Assets:	
Vehicles	\$ 449,283
Communications equipment	207,327
Less accumulated depreciation	<u>34,281</u>
Total	<u>\$ 415,002</u>

The present value of future minimum lease payments under capital lease obligations is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 127,746
2020	127,746
2021	95,773
2022	<u>45,599</u>
Total	396,864
Less amount representing interest	<u>39,347</u>
Total	<u>\$ 357,517</u>

**TOWN OF PLYMOUTH, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2018**

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**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 any one year exceeding an aggregate of 125% of expected claims and for individual claims exceeding \$125,000. The Town purchases commercial insurance for all other risks of loss, including blanket and umbrella policies. Settled claims have not exceeded commercial coverage in any of the past three years, and there has not been any significant reductions in insurance coverage from amounts held in prior years.

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

	<u>Claims Payable July 1</u>		<u>Claims and Changes in Estimates</u>		<u>Claims Paid</u>		<u>Claims Payable June 30</u>
2016-2017	\$ 288,226	\$	3,518,412	\$	3,515,638	\$	291,000
2017-2018	291,000		3,294,162		3,259,162		326,000

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**10. FUND BALANCE**

The components of fund balance for the governmental funds at June 30, 2018 are as follows:

	<u>General Fund</u>	<u>Sewer Operating</u>	<u>Capital Projects Fund</u>	<u>Capital and Nonrecurring</u>	<u>No major Governmental Funds</u>	<u>Total</u>
Fund balances:						
Nonspendable:						
Cemetery trust funds	\$	\$	\$	\$	\$ 475,733	\$ 475,733
Terryville public library trust					374,061	374,061
Mercy J Cone trust					203,220	203,220
Restricted for:						
Grants					933,105	933,105
Debt service					205,536	205,536
Cemetery trust funds					368,235	368,235
Terryville public library trust					29,149	29,149
Mercy J Cone trust					4,550	4,550
St. Mathews trust					8,393	8,393
Committed to:						
Industrial park phase 3			186,691			186,691
Pension obligations	100,000					100,000
Education sinking fund					227,137	227,137
Sewer operating and assessment		1,234,414			23,138	1,257,552
Water assessment					594,358	594,358
Dog fund					139,207	139,207
Fuel bank and Small Wonders					74,263	74,263
Police extra duty					298,602	298,602
Recreation					84,411	84,411
Historical preservation					48,044	48,044
Assigned to:						
Education encumbrances	402,170					402,170
General administration	28,987					28,987
Public safety	29,432					29,432
Public works	92,491					92,491
Health and Welfare	4,428					4,428
Library	4,495					4,495
Parks and recreation	9,224					9,224
Land use	16,807					16,807
Unassigned	<u>1,683,452</u>		<u>(338,462)</u>	<u>(6,055,554)</u>	<u>(221,556)</u>	<u>(4,932,120)</u>
Total Fund Balances	<u>\$ 2,371,486</u>	<u>\$ 1,234,414</u>	<u>\$ (151,771)</u>	<u>\$ (6,055,554)</u>	<u>\$ 3,869,586</u>	<u>\$ 1,268,161</u>

**11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

**Pension Trust Fund**

**A. Plan Description and Benefits Provided**

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

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

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

At July 1, 2016 the plan’s membership consisted of:

	<u>Town</u>	<u>Board of Education</u>
Retirees and beneficiaries currently receiving benefits	63	35
Terminated employees entitled to benefits but not receiving	7	4
Active plan members	<u>13</u>	<u>31</u>
Total	<u><u>83</u></u>	<u><u>70</u></u>

The plan is closed to new participants.

**B. Summary of Significant Accounting Policies**

**Basis of Accounting**

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

**Method Used to Value Investments**

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

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**C. Funding Policy**

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

Administrative costs of the Plans are financed through investment earnings.

**D. Investments**

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

**Concentration:** The Town holds a guaranteed investment contract which represents more than 5% of the respective funds net position at June 30, 2018. The amount held at June 30, 2018 is \$8,489,556.

**Rate of Return**

For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.83%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**E. Net Pension Liability of the Town**

The components of the net pension liability of the Town at June 30, 2018 were as follows:

	<u>Town</u>	<u>Board of Education</u>	<u>Total</u>
Total pension liability	\$ 12,496,671	\$ 7,698,305	\$ 20,194,976
Plan fiduciary net position	<u>(4,108,813)</u>	<u>(4,813,406)</u>	<u>(8,922,219)</u>
Town's Net Pension Liability	<u>\$ 8,387,858</u>	<u>\$ 2,884,899</u>	<u>\$ 11,272,757</u>
Plan fiduciary net position as a percentage of the total pension liability	32.88%	62.53%	44.18%

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**Actuarial Assumptions**

The total pension liability at June 30, 2018 was determined by an actuarial valuation as of July 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Town</u>	<u>Board of Education</u>
Inflation	2.75%	2.75%
Salary increases including inflation	3.50%	3.50%
Discount rate	5.22%	6.25%
Long-term expected rate of return	6.25%	6.25%
Bond Buyer General Obligation 20-Year Municipal Bond Index	3.58%	3.58%

Mortality tables were based on RP-2000 Combined Healthy Mortality Table, with generational projection per Scale AA.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and the best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Long Credit Bonds	97.78 %	4.42 %
U.S. Interm Bonds	0.40	2.20
U.S. Equity Market	0.29	4.86
U.S. Large Growth	0.24	5.27
U.S. Large Value	0.22	4.45
U.S. Core Bonds	0.22	2.50
U.S. Short Bonds	0.22	1.63
Global Bonds	0.16	1.11
U.S. Inflation-Indexed Bonds	0.13	1.81
U.S. Small Caps	0.09	5.81
Emerging Markets Bonds	0.09	3.91
Non-U.S. Small Cap	0.07	6.26
U.S. MidCap Growth	0.04	5.99
Commodities	0.05	3.07
	<u>100.00 %</u>	

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Discount Rate**

*Town Plan*

The discount rate used to measure the total pension liability at June 30, 2018 was 6.05% up from 5.22% reported in the prior year. The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient.

*Board of Education Plan*

The discount rate used to measure the total pension liability at June 30, 2018 was 6.25%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

**Changes in the Net Pension Liability**

	<b>Town Pension Plan</b>		
		<b>Increase (Decrease)</b>	
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of July 1, 2017	\$ 13,696,721	\$ 4,104,688	\$ 9,592,033
Changes for the year:			
Service cost	114,084		114,084
Interest on total pension liability	694,335		694,335
Differences between expected and actual experience			-
Changes in assumptions	(976,609)		(976,609)
Employer contributions		896,925	(896,925)
Member contributions		28,792	(28,792)
Net investment income		112,123	(112,123)
Benefit payments, including refund to employee contributions	(1,031,860)	(1,031,860)	-
Administrative expenses		(1,855)	1,855
Net changes	<u>(1,200,050)</u>	<u>4,125</u>	<u>(1,204,175)</u>
Balances as of June 30, 2017	\$ <u>12,496,671</u>	\$ <u>4,108,813</u>	\$ <u>8,387,858</u>

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Board of Education Pension Plan**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2016	\$ 7,516,957	\$ 4,793,693	\$ 2,723,264
Changes for the year:			
Service cost	189,081		189,081
Interest on total pension liability	467,016		467,016
Differences between expected and actual experience			-
Changes in assumptions			-
Employer contributions		336,017	(336,017)
Member contributions		27,530	(27,530)
Net investment income		133,118	(133,118)
Benefit payments, including refund to employee contributions	(474,749)	(474,749)	-
Administrative expenses		(2,203)	2,203
Net changes	181,348	19,713	161,635
Balances as of June 30, 2017	\$ 7,698,305	\$ 4,813,406	\$ 2,884,899

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

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

Town			
	1% Decrease 5.05%	Current Discount Rate 6.05%	1% Increase 7.05%
Net Pension Liability	\$ 9,580,991	\$ 8,387,858	\$ 7,366,218
Board of Education			
	1% Decrease 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
Net Pension Liability	\$ 3,730,763	\$ 2,884,899	\$ 2,163,502

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

**Deferred Outflows of Resources**

	<b>Town Pension Plan</b>	<b>Board of Education Pension Plan</b>	<b>Total</b>
Differences between expected and actual experience	\$	\$ 81,903	\$ 81,903
Changes in assumptions		122,406	122,406
Net difference between projected and actual earnings on pension plan investments	<u>289,950</u>	<u>318,033</u>	<u>607,983</u>
Total	<u>\$ 289,950</u>	<u>\$ 522,342</u>	<u>\$ 812,292</u>

**Deferred Inflows of Resources**

	<b>Town Pension Plan</b>	<b>Board of Education Pension Plan</b>	<b>Total</b>
Differences between expected and actual experience	\$	\$ 13,552	\$ 13,552
Changes in assumptions		<u>18,560</u>	<u>18,560</u>
Total	<u>\$ -</u>	<u>\$ 32,112</u>	<u>\$ 32,112</u>

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

<b><u>Year Ending June 30,</u></b>	<b>Town Pension Plan</b>	<b>Board of Education Pension Plan</b>	<b>Total</b>
2019	\$ 117,721	\$ 263,783	\$ 381,504
2020	85,764	124,568	210,332
2021	58,294	69,288	127,582
2022	<u>28,171</u>	<u>32,591</u>	<u>60,762</u>
	<u>\$ 289,950</u>	<u>\$ 490,230</u>	<u>\$ 780,180</u>

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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For the year ended June 30, 2018, the Town recognized pension expense (revenue) of \$280,178 as follows:

	<u>Pension Expense</u>
Town	\$ (330,395)
Board of Education	<u>610,573</u>
Total	<u>\$ 280,178</u>

The following schedule presents the new position held in trust for the pension benefits at June 30, 2018 and the changes in net position for the year ended.

**Schedule of Plan Net Position - June 30, 2018**

	<u>Town</u>	<u>Board of Education</u>	<u>Total</u>
Assets:			
Investments:			
Guaranteed investment contracts	\$ 3,841,345	\$ 4,648,211	\$ 8,489,556
Mutual funds	88,712	103,925	192,637
Total investments	<u>3,930,057</u>	<u>4,752,136</u>	<u>8,682,193</u>
Accounts receivable	<u>178,756</u>	<u>61,270</u>	<u>240,026</u>
Net Position:			
Restricted for Pensions	<u>\$ 4,108,813</u>	<u>\$ 4,813,406</u>	<u>\$ 8,922,219</u>

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Schedule of Changes in Plan Net Position for the Year Ended June 30, 2018**

	<u>Town</u>	<u>Board of Education</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 896,925	\$ 336,017	\$ 1,232,942
Plan members	28,792	27,530	56,322
Total contributions	<u>925,717</u>	<u>363,547</u>	<u>1,289,264</u>
Investment income:			
Net change in fair value of investments	980	1,149	2,129
Interest and dividends	150,765	176,619	327,384
Total investment income	<u>151,745</u>	<u>177,768</u>	<u>329,513</u>
Less investment expense	(39,622)	(44,650)	(84,272)
Net investment income	<u>112,123</u>	<u>133,118</u>	<u>245,241</u>
Total additions	<u>1,037,840</u>	<u>496,665</u>	<u>1,534,505</u>
Deductions:			
Benefits	1,031,860	474,749	1,506,609
Administration	1,855	2,203	4,058
Total deductions	<u>1,033,715</u>	<u>476,952</u>	<u>1,510,667</u>
Change in Net Position	4,125	19,713	23,838
Net Position at Beginning of Year	<u>4,104,688</u>	<u>4,793,693</u>	<u>8,898,381</u>
Net Position at End of Year	<u>\$ 4,108,813</u>	<u>\$ 4,813,406</u>	<u>\$ 8,922,219</u>

**Municipal Employees' Retirement System**

**A. Plan Description**

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

**B. Benefit Provisions**

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

**Normal Retirement**

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

If any member covered by social security retires before age 62, the member's benefit until the member reaches age 62, or a social security disability award is received, is computed as if the member is not under social security.

**Early Retirement**

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

**Disability Retirement - Service Connected**

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

**Disability Retirement - Non-Service Connected**

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

**Death Benefit**

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

**C. Contributions**

*Member*

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

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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*Employer*

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

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

At June 30, 2018, the Town reports a liability of \$2,117,489 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at June 30, 2016. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2018, the Town’s proportion was .85%. The increase in proportion from June 30, 2017 is .11%.

For the year ended June 30, 2018, the Town recognized pension expense of \$561,072. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
	<u>                    </u>	<u>                    </u>
Net difference between projected and actual earnings on pension plan investments	\$ 147,437	\$
Differences between expected and actual experience	153,784	
Changes in proportional share	6,909	58,192
Contributions made subsequent to measurement date	<u>521,969</u>	<u>                    </u>
 Total	 \$ <u>830,099</u>	 \$ <u>58,192</u>

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

**Year Ending June 30,**

2018	\$	86,312
2019		177,876
2020		74,950
2021		(89,200)

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**D. Actuarial Assumptions**

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

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

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2007 - June 30, 2012.

Future cost-of-living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%; the maximum is 6%.

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

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

**E. Discount Rate**

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	<b>1% Decrease (7.00%)</b>	<b>Current Discount Rate (8.00%)</b>	<b>1% Increase (9.00%)</b>
Town’s proportionate share of the net pension liability (asset) \$	<u>5,218,819</u>	<u>2,117,489</u>	<u>(493,139)</u>

**Teachers Retirement**

**A. Plan Description**

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

**B. Benefit Provisions**

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

**Normal Retirement**

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

**Early Retirement**

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

**TOWN OF PLYMOUTH, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2018**

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**Disability Retirement**

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

**C. Contributions**

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

*Employer (School Districts)*

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

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

*Employees*

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

Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

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

At June 30, 2018, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>35,923,636</u>
Total	\$	<u>35,923,636</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. At June 30, 2018, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2018, the Town recognized pension expense and revenue of \$4,155,315 in Exhibit II for on-behalf amounts for the benefits provided by the State.

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**E. Actuarial Assumptions**

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

Inflation	2.75%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increased rates (5% for females and 8% for males) over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

For teachers who were members of the Teachers' Retirement System before July 1, 2007 and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. Equities	21.0 %	5.8 %
Developed Non-U.S. Equities	18.0	6.6
Private Equity	11.0	7.6
Emerging Markets (Non-U.S.)	9.0	8.3
Alternative Investments	8.0	4.1
Real Estate	7.0	5.1
Core Fixed Income	7.0	1.3
Cash	6.0	0.4
High Yield Bonds	5.0	3.9
Emerging Market Bond	5.0	3.7
Inflation Linked Bonds	3.0	1.0
Total	<u>100.0 %</u>	

**F. Discount Rate**

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

**H. Other Information**

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

**Defined Contribution Retirement Plan**

In July 2001, the Town adopted the Town of Plymouth Retirement Savings Plan, a defined contribution plan for all employees other than police and those whose collective bargaining unit opts out of plan participation. In a defined contribution plan, the benefits depend solely on amounts contributed to the plan plus investment earnings. As of June 30, 2018, there were 76 members in the plan. After six months of employment, all employees except as noted above are eligible to participate in the plan. Failure to enroll in the plan within thirty days of eligibility precludes an employee from joining the plan during the remainder of employment with the Town. Employees who are currently members of the town's defined benefit pension plan may opt to freeze their benefit in the former plan and elect to contribute to the retirement savings plan. The plan requires employees to contribute 3% of earnings and the Town to contribute 6%. For the fiscal year ended June 30, 2018, contributions were \$86,060 and \$171,984, respectively. Town contributions along with the related earnings are fully vested after five years of continuous service. Town contribution vesting increases on 20% increasing scale from one to five years. Town contributions for, and interest forfeited by, employees who leave employment before five years of services are used to pay administrative expenses and/or utilized to reduce the Town's current contribution requirements. Pursuant to the administrative service agreement, Voya Financial Services administers the plan.

**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 OPEB plan is administered by the Town. Plan provisions are determined by union contract and may be amended by union negotiations

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.

**B. Benefit Provided**

The Town plan provides for medical benefits for all eligible Board of Education retirees. Summary of benefits provided should be provided as follows: Benefit terms, including 1) classes of employees covered, 2) types of benefits, 3) key elements of OPEB formula, 4) terms or policies with respect to automatic benefit changes, including ad hoc cost of living adjustments (COLAs), 5) legal authority.

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**C. Employees Covered by Benefit Terms**

Membership in the plan consisted of the following at July 1, 2016.

	<b>Retiree Healthcare Plan</b>
Active members	233
Retired members	67
Beneficiaries	6
Spouses of retirees	24
	<hr/>
Total	330
	<hr/> <hr/>

**D. Total OPEB Liability**

The Town’s total OPEB liability of \$18,130,527 was measured as of June 30, 2018 and was determined by an actuarial valuation as of July 1, 2016.

**E. Actuarial Assumptions and Other Inputs**

The total OPEB liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.70%
Salary increases	3.50%
Discount rate	3.87%
Healthcare cost trend rates	5.20% - 4.60% for 60 years

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index. The plan has not had a formal actuarial experience study performed.

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**F. Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance as of July 1, 2017	\$ <u>18,481,711</u>
Changes for the year:	
Service cost	518,079
Interest on total OPEB liability	664,878
Changes in assumptions	(671,022)
Benefit payments, including refund to employee contributions	<u>(863,119)</u>
Net changes	<u>(351,184)</u>
Balance as of June 30, 2018	\$ <u><u>18,130,527</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58% in 2017 to 3.87% in 2018.

**G. Sensitivity of the Total OPEB Liability to Change in the Discount Rate**

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.87%) or 1 percentage-point higher (4.87%) than the current discount rate:

	<u>1% Decrease (2.87%)</u>	<u>Current Discount Rate (3.87%)</u>	<u>1% Increase (4.87%)</u>
Total OPEB liability	\$ <u>20,561,146</u>	\$ <u>18,130,527</u>	\$ <u>16,122,326</u>

**H. Sensitivity of the Total OPEB Liability to Change in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.20% decreasing to 3.60%) or 1 percentage point higher (6.20% decreasing to 5.60%) than the current healthcare cost trend rates:

	<u>1% Decrease (4.20% - 3.60% over 60 years)</u>	<u>Healthcare Cost Trend Rates (5.20% - 4.60% over 60 years)</u>	<u>1% Increase (6.20% - 5.60% over 60 years)</u>
Total OPEB liability	\$ <u>15,605,645</u>	\$ <u>18,130,527</u>	\$ <u>21,285,713</u>

**TOWN OF PLYMOUTH, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2018**

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

For the year ended June 30, 2018, the Town recognized OPEB expense of \$1,091,036. At June 30, 2018, the Town reported deferred inflows of resources from changes in assumptions or other inputs of \$579,101.

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

<u>Year Ending June 30,</u>	<u>Town OPEB Plan</u>
2019	\$ (91,921)
2020	(91,921)
2021	(91,921)
2022	(91,921)
2023	(91,921)
Thereafter	(119,496)

**State Teachers Retirement Plan**

**A. Plan Description**

Teachers, principals, superintendents or supervisors engaged in service of public schools plus professional employees at State Schools of higher education are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost sharing multiple-employer defined benefit other post employment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at [www.ct.gov/trb](http://www.ct.gov/trb).

**B. Benefit Provisions**

There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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Any member who is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits). There are three choices for coverage under the CTRB Sponsored Medicare Supplemental Plans. The choices and 2017 calendar year premiums charged for each choice are shown in the table below:

- Medicare Supplement with Prescriptions \$ 92
- Medicare Supplement with Prescriptions and Dental \$136
- Medicare Supplement with Prescriptions, Dental, Vision & Hearing \$141

Those participants electing vision, hearing and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the plan for these benefits.

**Survivor Health Care Coverage**

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplemental Plans, as long as they do not remarry.

**C. Eligibility**

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

**Credited Service**

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, State employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

**Normal Retirement**

Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

**Early Retirement**

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

**Proratable Retirement**

Age 60 with 10 years of Credited Service.

**Disability Retirement**

No service requirement if incurred in the performance of duty, and 5 years of Credited Service in Connecticut if not incurred in the performance of duty.

**TOWN OF PLYMOUTH, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2018**

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**Termination of Employment**

Ten or more years of Credited Service.

**D. Contributions**

*State of Connecticut*

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

*Employer (School Districts)*

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

*Employees*

Each member is required to contribute 1.25% of their annual salary up to \$500,000. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

**E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2018, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>9,246,326</u>
Total	<u>\$ 9,246,326</u>

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2016. At June 30, 2018, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2018, the Town recognized OPEB expense and revenue of \$428,521 in Exhibit II for on-behalf amounts for the benefits provided by the State.

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**F. Actuarial Assumptions**

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

Inflation	2.75%
Health care costs trend rate	7.25% decreasing to 5.00% by 2022
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.56%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2018

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) over age 80. For disabled retirees, mortality rates were based on the RPH-2014 Disabled Mortality Table projected to 2017 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 74 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.04%).

**G. Discount Rate**

The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2018 and, as a result, the Municipal Bond Index Rate was used in the determination.

**H. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate**

The Town's proportionate share of the net OPEB liability is \$-0- and, therefore, the change in the health care cost trend rate or the discount rate would only impact the amount recorded by the State of Connecticut.

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**I. Other Information**

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at [www.ct.gov](http://www.ct.gov).

**13. TAX ABATEMENTS**

As of June 30, 2018, the Town provides tax abatements to multiple organizations through the following program:

<b>Program:</b>	<b>Economic Development Tax Abatement Program</b>		
	Nutmeg Spice Company	Coscina Associates	Inland Fuel
Purpose of Program:	Generate Jobs and Tax Revenues	Generate Jobs and Tax Revenues	Generate Tax Revenues
Tax being abated:	Real and Personal Property	Real and Personal Property	Real and Personal Property
Authority under which abatement agreement is entered into:	Section 15-81 of Plymouth Municipal Code derived from CT General Statutes Sec 12-65b	Section 15-81 of Plymouth Municipal Code derived from CT General Statutes Sec 12-65b	Section 15-81 of Plymouth Municipal Code derived from CT General Statutes Sec 12-65b
Criteria to be eligible to receive abatement:	Agreements between municipality and owner or lessee of real property	Agreements between municipality and owner or lessee of real property	Agreements between municipality and owner or lessee of real property
How recipients' taxes are reduced:	Through adjustments to annual tax bills	Through adjustments to annual tax bills	Through adjustments to annual tax bills
How amount of abatement is determined:	Town Council approved agreement and resolutions	Town Council approved agreement and resolutions	Town Council approved agreement and resolutions
Provisions for recapturing abated taxes:	Abatement must be limited in duration and generate more taxes eventually then original property value	Abatement must be limited in duration and generate more taxes eventually then original property value	Abatement must be limited in duration and generate more taxes eventually then original property value
Types of commitments made by the City other than to reduce taxes:	None	None	None
Gross dollar amount (accrual basis) by which the City's taxes were reduced as a result of the abatement agreement program:	\$38,312	\$3,621	\$63,035

**TOWN OF PLYMOUTH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**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.

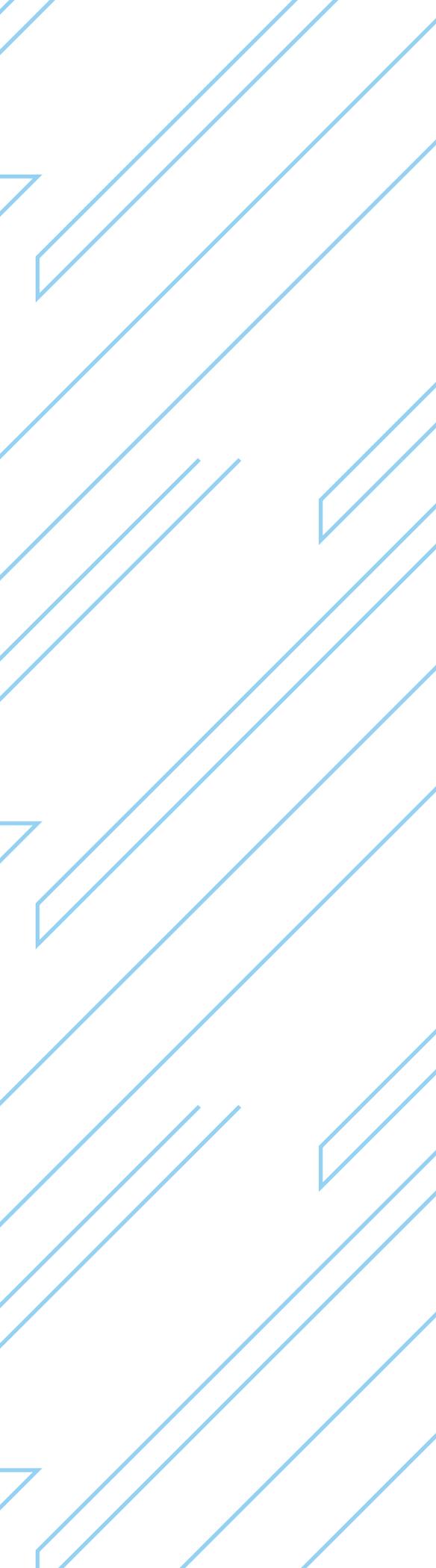
**15. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT**

The following restatements were recorded to the beginning of net position of the governmental activities as a result of implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*:

Governmental Activities:		
Net Position at June 30, 2017, as previously reported	\$	151,362,702
Adjustments:		
Eliminate net OPEB obligation reported per GASB No. 45		4,178,523
Record starting total OPEB liability per GASB No. 75		<u>(18,481,711)</u>
Net Position at July 1, 2017, as Restated	\$	<u><u>137,059,514</u></u>

**16. SUBSEQUENT EVENTS**

On October 24, 2018, the Town issued \$6,950,000 of General Obligation Bonds with a coupon rate between 3.0% and 4.0%. The proceeds of the bonds will be used to fund various general purpose projects authorized by the Town.



## **Required Supplementary Information**



# **Combining and Individual Fund Statements and Schedules**

**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, 2018**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Property taxes:				
Current taxes	\$ 28,031,851	\$ 28,031,851	\$ 27,908,726	\$ (123,125)
Supplemental motor vehicle tax	300,000	300,000	323,996	23,996
Prior year taxes	500,000	500,000	549,583	49,583
Interest and lien fees	250,000	250,000	310,926	60,926
Collection agency fees	20,000	20,000	4,171	(15,829)
PILOT - retirement community	15,000	15,000	16,244	1,244
PILOT - housing authority	15,000	15,000	5,000	(10,000)
PILOT - telephone access			38,421	38,421
Total property taxes	<u>29,131,851</u>	<u>29,131,851</u>	<u>29,157,067</u>	<u>25,216</u>
Charges for services:				
Recording fees	55,000	55,000	54,956	(44)
Conveyance tax	60,000	60,000	99,424	39,424
Hunting and fishing licenses	1,800	1,800	126	(1,674)
Vital statistics	600	600	6,615	6,015
Farm land preservation			408	408
Historical documents	1,800	1,800		(1,800)
Miscellaneous town clerk	20,500	20,500	16,070	(4,430)
Planning and zoning	2,000	2,000	5,070	3,070
Sub-division hearings	1,000	1,000	440	(560)
Public hearings	1,000	1,000	545	(455)
Zoning board of appeals	2,000	2,000	2,330	330
Land use applications			1,270	1,270
Fire marshal	2,500	2,500	435	(2,065)
Fire hawk program	250	250	190	(60)
Police permits	7,500	7,500	12,110	4,610
Insurance reports	1,000	1,000	1,713	713
Parking tickets & alarm fines	350	350	125	(225)
Hancock dam control	4,000	4,000	14,587	10,587
Public works - miscellaneous permits	2,000	2,000	4,672	2,672
Miscellaneous public works/metal reimbursement	20,500	20,500	69,980	49,480
Transfer station permits	8,000	8,000	10,287	2,287
Conservation commission	1,000	1,000	3,772	2,772
Permit application fees	3,000	3,000	7,375	4,375
Structural permits	50,000	50,000	56,768	6,768
Electrical permits	7,500	7,500	7,710	210
Demolition permits	1,000	1,000	2,770	1,770
Plumbing permits	3,000	3,000	3,245	245
Heating permits	5,000	5,000	11,340	6,340
Library petty cash	6,500	6,500	3,935	(2,565)
Recreation - programs	1,200	1,200	1,250	50
Aircraft registrations	600	600	720	120
False alarms	2,000	2,000	3,625	1,625
Total charges for services	<u>272,600</u>	<u>272,600</u>	<u>403,863</u>	<u>131,263</u>

(Continued on next page)

**TOWN OF PLYMOUTH, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Intergovernmental revenues:				
PILOT - state property	\$ 7,119	\$ 7,119	\$ 458	\$ (6,661)
Property tax relief for the elderly freeze	2,000	2,000		(2,000)
Property tax relief for the elderly - circuit breaker	100,000	100,000		(100,000)
Veteran's grant	9,300	9,300	8,515	(785)
Municipal revenue sharing	634,452	634,452		(634,452)
Municipal stabilization grant			571,063	571,063
Disability exemption	3,200	3,200	2,465	(735)
ECS grant	7,483,238	7,483,238	8,442,379	959,141
Special education grant	3,066,765	3,066,765		(3,066,765)
Out placement - excess income			699,304	699,304
Adult education	10,924	10,924	11,657	733
Dial a ride	19,287	19,287		(19,287)
Pequot PILOT	65,316	65,316	65,316	-
Federal PILOT	1,500	1,500	3,452	1,952
Miscellaneous grants			152,826	152,826
Total intergovernmental revenues	<u>11,403,101</u>	<u>11,403,101</u>	<u>9,957,435</u>	<u>(1,445,666)</u>
Income from investments	<u>10,000</u>	<u>10,000</u>	<u>10,765</u>	<u>765</u>
Other revenues:				
Foreclosure sale proceeds	10,000	10,000		(10,000)
WPCA debt service reimbursements	65,000	65,000	50,000	(15,000)
Insurance reimbursements	10,000	10,000	300	(9,700)
Judicial refunds	7,500	7,500	5,174	(2,326)
Miscellaneous	5,000	5,000	17,440	12,440
Total other revenues	<u>97,500</u>	<u>97,500</u>	<u>72,914</u>	<u>(24,586)</u>
Total Revenues	<u>40,915,052</u>	<u>40,915,052</u>	<u>39,602,044</u>	<u>(1,313,008)</u>
Other financing sources:				
Cancellation of prior year's encumbrances			153,393	153,393
Transfers in	<u>110,500</u>	<u>114,450</u>	<u>76,950</u>	<u>(37,500)</u>
Total other financing sources	<u>110,500</u>	<u>114,450</u>	<u>230,343</u>	<u>115,893</u>
Total Revenues and Other Financing Sources	<u>\$ 41,025,552</u>	<u>\$ 41,029,502</u>	<u>39,832,387</u>	<u>\$ (1,197,115)</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				
Pension Plan			4,155,315	
OPEB Plan			428,521	
Magnet school transportation grant			149,500	
Capital lease issuance is not budgeted			297,920	
Cancellation of prior year encumbrances are recognized as budgetary revenue				<u>(153,393)</u>
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Exhibit IV				<u>\$ 44,710,250</u>

**TOWN OF PLYMOUTH, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
General administration:				
Mayor	\$ 153,123	\$ 153,123	\$ 147,725	\$ 5,398
Town Council	5,575	5,575	5,315	260
Human Resource	38,000	42,800	42,635	165
Comptroller	269,623	284,123	284,025	98
Central Office	113,591	148,291	145,708	2,583
Treasurer	3,600	3,600	3,600	-
Registrar	58,100	58,100	42,801	15,299
Clerical Office Staff	114,256	114,256	112,408	1,848
Board of Finance	229,900	229,900	131,817	98,083
Assessors	98,363	98,363	83,055	15,308
Board of Assessment Appeals	800	800	430	370
Tax Collector	97,882	97,882	76,429	21,453
Legal Services	122,750	92,750	76,589	16,161
Insurance	1,002,627	978,627	962,969	15,658
Employee Benefits	3,253,200	3,154,700	3,035,639	119,061
Heart and Hypertension	21,000	21,000	1,078	19,922
Town Clerk	126,650	126,650	108,467	18,183
Probate Court	5,140	5,140	5,140	-
Special Services	18,925	18,925	4,424	14,501
Total general administration	<u>5,733,105</u>	<u>5,634,605</u>	<u>5,270,254</u>	<u>364,351</u>
Public safety:				
Fire Marshal	69,800	69,800	66,550	3,250
Police Department	2,374,362	2,326,862	2,230,754	96,108
Emergency Management	30,100	30,100	25,471	4,629
Dog Warden	10,950	18,450	4,833	13,617
Communications	473,677	499,777	490,670	9,107
Fire Department HQ	238,805	241,305	241,023	282
Terryville Station	22,550	20,550	20,310	240
Plymouth Station	14,100	30,950	30,700	250
Fall Mountain Station	12,700	13,200	13,041	159
Total public safety	<u>3,247,044</u>	<u>3,250,994</u>	<u>3,123,352</u>	<u>127,642</u>
Public works:				
Facilities	59,000	64,000	63,461	539
Snow Removal	387,350	387,350	366,124	21,226
Highway Department	835,248	779,248	646,220	133,028
Transfer Station	566,797	616,797	616,154	643
Public Works Director	141,467	141,467	79,911	61,556
Maintenance Garage	423,096	423,096	412,900	10,196
Utilities - Hydrants and Streetlights	583,000	583,000	569,731	13,269
Other Public Buildings	297,545	297,545	210,427	87,118
Building Inspector	77,733	78,733	78,486	247
Total public works	<u>3,371,236</u>	<u>3,371,236</u>	<u>3,043,414</u>	<u>327,822</u>
Health and welfare:				
Human Services Commission	2,200	2,350	2,319	31
Public Health	61,375	60,125	45,996	14,129
Medical Director	65,735	66,835	66,770	65
Ambulance Corps	42,265	42,265	41,217	1,048
Public Health - other	860	860	857	3
Public Health - Dial a Ride	47,500	47,500	31,403	16,097
Total health and welfare	<u>219,935</u>	<u>219,935</u>	<u>188,562</u>	<u>31,373</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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Library services:				
Terryville Library	\$ 473,268	\$ 473,268	\$ 359,556	\$ 113,712
Plymouth Library	22,000	22,000	10,000	12,000
Total library services	<u>495,268</u>	<u>495,268</u>	<u>369,556</u>	<u>125,712</u>
Parks and recreation	202,034	202,034	200,400	1,634
Education	<u>24,172,878</u> *	<u>24,172,878</u> *	<u>23,112,707</u>	<u>1,060,171</u>
Land use:				
Planning and Zoning	140,094	140,094	126,816	13,278
Zoning Board of Appeals	3,750	3,750	2,162	1,588
Conservation Commission	5,100	5,100	2,416	2,684
Economic Development	29,800	29,800	17,592	12,208
Historic Properties	3,000	3,000	773	2,227
Total land use	<u>181,744</u>	<u>181,744</u>	<u>149,759</u>	<u>31,985</u>
Debt service	<u>2,890,147</u>	<u>2,941,147</u>	<u>2,940,060</u>	<u>1,087</u>
Total expenditures	<u>40,513,391</u>	<u>40,469,841</u>	<u>38,398,064</u>	<u>2,071,777</u>
Other financing uses:				
Transfers out:				
Capital and nonrecurring	458,749	506,249	506,249	-
Hillside cemetery	2,000	2,000	2,000	-
Plymouth cemetery (West)	2,000	2,000	2,000	-
St. Matthew's Cemetery	2,000	2,000	2,000	-
BOE Sinking Fund	39,912 *	39,912 *	39,912	-
Dog Fund	7,500	7,500	7,500	-
Total other financing uses	<u>512,161</u>	<u>559,661</u>	<u>559,661</u>	<u>-</u>
Total Expenditures and Other Financing Uses	\$ <u>41,025,552</u>	\$ <u>41,029,502</u>	38,957,725	\$ <u>2,071,777</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

    Pension

4,155,315

    OPEB

428,521

Magnet school transportation grant

149,500

Capital leases not budgeted

297,920

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

(41,809)

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

\$ 43,947,172

\* The sum of these two line items is equal to the total the amount approved for the BOE Budget in FY18

**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, 2018**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Use charges collected:				
Current year	\$ 1,214,385	\$ 1,214,385	\$ 1,179,422	\$ (34,963)
Prior year	75,000	75,000	81,353	6,353
Interest and lien	55,000	55,000	60,570	5,570
Sewer connection - lateral fees	3,000	3,000	43,730	40,730
Intergovernmental	3,345	3,345	3,329	(16)
Investment income			1,189	1,189
Permit fees	1,000	1,000	1,700	700
Miscellaneous			58,375	58,375
Total revenues	<u>1,351,730</u>	<u>1,351,730</u>	<u>1,429,668</u>	<u>77,938</u>
Expenditures:				
Wages and benefits:				
Wages	357,258	357,258	352,991	4,267
Wages - tax collector	3,805	3,805	3,805	-
Wages - overtime	40,000	40,000	36,847	3,153
Wages/benefits adjustment	5,000	5,000		5,000
Medical health insurance	93,000	93,000	60,171	32,829
Social Security	27,341	27,341	29,279	(1,938)
Worker's compensation	35,220	35,220	17,137	18,083
Seniority pay	1,100	1,100	1,125	(25)
Retirement	101,748	101,748	107,773	(6,025)
Audit	4,500	4,500	4,500	-
Accidental health and insurance	2,000	2,000	3,709	(1,709)
Conferences/memberships	300	300	350	(50)
Education	5,000	5,000	1,654	3,346
Unused vacation	2,000	2,000	650	1,350
Total wages and benefits	<u>678,272</u>	<u>678,272</u>	<u>619,991</u>	<u>58,281</u>
Plant Expenditures:				
Physical Plant:				
Maintenance/service contracts	20,000	20,000	29,156	(9,156)
Repair and maintenance	25,000	25,000	43,949	(18,949)
Vehicle repairs	2,500	2,500	3,949	(1,449)
Safety	5,000	5,000	2,018	2,982
Insurance	50,000	50,000	50,000	-
Supplies:				
Plant & System Supplies	5,000	5,000	3,798	1,202
Chemicals	11,000	11,000	2,540	8,460
Lab supply/equipment	30,000	30,000	31,982	(1,982)
Clothing allowance	4,000	4,000	3,817	183
Utilities:				
Electric	100,000	100,000	118,848	(18,848)
Diesel fuel	1,660	1,660	1,279	381
Natural gas	14,000	14,000	18,150	(4,150)
Water	3,825	3,825	3,564	261
Telephone	1,600	1,600	2,069	(469)
Sludge disposal	115,700	115,700	139,390	(23,690)
Grit/screening removal	10,000	10,000	7,700	2,300
Total plant expenditures	<u>399,285</u>	<u>399,285</u>	<u>462,209</u>	<u>(62,924)</u>

(Continued on next page)

**TOWN OF PLYMOUTH, CONNECTICUT  
SEWER OPERATING FUND  
SCHEDULE OF REVENUES, OTHER FINANCING SOURCES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Collection System Expenditures:				
Utilities:				
Electric	\$ 3,000	\$ 3,000	\$ 33,134	\$ (30,134)
Telephone	30,000	30,000	1,499	28,501
Maintenance: manhole rehabilitation	1,800	1,800	31,532	(29,732)
System/Pump Station Repair	25,000	25,000	40,823	(15,823)
Generator maintenance	30,000	30,000	3,049	26,951
Total collection system expenditures	<u>89,800</u>	<u>89,800</u>	<u>110,037</u>	<u>(20,237)</u>
Administrative Expenditures:				
Office supplies	7,000	7,000	6,819	181
Advertising/printing	3,000	3,000	2,149	851
Postage	3,300	3,300	2,586	714
Legal/Bank fees	10,000	10,000	643	9,357
NPDES permit fee	2,417	2,417	2,638	(221)
System Equipment	1,000	1,000	237	763
Computer/software	5,500	5,500	4,908	592
Total administrative expenditures	<u>32,217</u>	<u>32,217</u>	<u>19,980</u>	<u>12,237</u>
Capital Projects:				
Capital outlay	60,000	60,000	75,797	(15,797)
New vehicles	7,000	7,000		7,000
Engineer services	15,000	15,000	120,300	(105,300)
Debt service	129,368	129,368	129,187	181
Total capital projects	<u>211,368</u>	<u>211,368</u>	<u>325,284</u>	<u>(113,916)</u>
Total expenditures	<u>1,410,942</u>	<u>1,410,942</u>	<u>1,537,501</u>	<u>(126,559)</u>
Excess (Deficiency) of Revenues over Expenditures	(59,212)	(59,212)	(107,833)	(48,621)
Other Financing Sources:				
Appropriation of fund balance	<u>(59,212)</u>	<u>(59,212)</u>		<u>59,212</u>
Excess of Revenues and Other Financing Sources over Expenditures	\$ <u>-</u>	\$ <u>-</u>	(107,833)	\$ <u>(107,833)</u>
Budgetary excess of revenues over expenditures is different than GAAP net change in fund balance because of the following reconciling items:				
Cancelled encumbrances			(58,075)	
Encumbrances outstanding at June 30, 2018 charged to budgetary expenditures			<u>14,025</u>	
Total Net Change in Fund Balance - GAAP Basis as Reported on Exhibit IV			\$ <u>(151,883)</u>	

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:					
Service cost	\$ 114,084	\$ 98,404	\$ 115,976	\$ 98,673	\$ 119,042
Interest	694,335	723,989	732,516	767,685	747,524
Differences between expected and actual experience		(494,442)		628,618	
Changes of assumptions	(976,609)	(242,319)	682,826	84,414	286,593
Benefit payments, including refunds of member contributions	<u>(1,031,860)</u>	<u>(1,015,886)</u>	<u>(981,480)</u>	<u>(982,385)</u>	<u>(960,342)</u>
Net change in total pension liability	(1,200,050)	(930,254)	549,838	597,005	192,817
Total pension liability - beginning	<u>13,696,721</u>	<u>14,626,975</u>	<u>14,077,137</u>	<u>13,480,132</u>	<u>13,287,315</u>
Total pension liability - ending	<u>12,496,671</u>	<u>13,696,721</u>	<u>14,626,975</u>	<u>14,077,137</u>	<u>13,480,132</u>
Plan fiduciary net position:					
Contributions - employer	896,925	535,642	506,258	427,558	255,055
Contributions - member	28,792	33,819	36,739	38,924	45,385
Net investment income	112,123	113,085	145,026	143,751	198,906
Benefit payments, including refunds of member contributions	(1,031,860)	(1,015,886)	(981,480)	(982,385)	(960,342)
Administrative expense	<u>(1,855)</u>	<u>(1,782)</u>	<u>(2,036)</u>	<u>(2,850)</u>	<u>(3,109)</u>
Net change in plan fiduciary net position	4,125	(335,122)	(295,493)	(375,002)	(464,105)
Plan fiduciary net position - beginning	<u>4,104,688</u>	<u>4,439,810</u>	<u>4,735,303</u>	<u>5,110,305</u>	<u>5,574,410</u>
Plan fiduciary net position - ending	<u>4,108,813</u>	<u>4,104,688</u>	<u>4,439,810</u>	<u>4,735,303</u>	<u>5,110,305</u>
Net Pension Liability - Ending	<u>\$ 8,387,858</u>	<u>\$ 9,592,033</u>	<u>\$ 10,187,165</u>	<u>\$ 9,341,834</u>	<u>\$ 8,369,827</u>
Plan fiduciary net position as a percentage of the total pension liability	32.88%	29.97%	30.35%	33.64%	37.91%
Covered payroll	\$ 698,640	\$ 698,640	\$ 822,601	\$ 822,601	\$ 1,013,728
Net pension liability as a percentage of covered payroll	1200.60%	1372.96%	1238.41%	1135.65%	825.65%

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

**Notes to Schedule:**

Benefit changes: None

Assumption changes:

**2015:**

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

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:					
Service cost	\$ 189,081	\$ 164,406	\$ 188,475	\$ 177,388	\$ 176,387
Interest	467,016	447,670	435,979	422,826	429,660
Differences between expected and actual experience		159,905		(73,776)	
Changes of assumptions		(36,238)		666,442	
Benefit payments, including refunds of member contributions	<u>(474,749)</u>	<u>(427,733)</u>	<u>(399,341)</u>	<u>(402,323)</u>	<u>(319,860)</u>
Net change in total pension liability	181,348	308,010	225,113	790,557	286,187
Total pension liability - beginning	<u>7,516,957</u>	<u>7,208,947</u>	<u>6,983,834</u>	<u>6,193,277</u>	<u>5,907,090</u>
Total pension liability - ending	<u>7,698,305</u>	<u>7,516,957</u>	<u>7,208,947</u>	<u>6,983,834</u>	<u>6,193,277</u>
Plan fiduciary net position:					
Contributions - employer	336,017	343,169	308,169	193,702	210,664
Contributions - member	27,530	29,976	30,817	31,568	36,820
Net investment income	133,118	125,188	147,602	135,703	190,954
Benefit payments, including refunds of member contributions	<u>(474,749)</u>	<u>(427,733)</u>	<u>(399,341)</u>	<u>(402,323)</u>	<u>(319,860)</u>
Administrative expense	<u>(2,203)</u>	<u>(1,972)</u>	<u>(2,072)</u>	<u>(1,167)</u>	<u>(2,985)</u>
Net change in plan fiduciary net position	19,713	68,628	85,175	(42,517)	115,593
Plan fiduciary net position - beginning	<u>4,793,693</u>	<u>4,725,065</u>	<u>4,639,890</u>	<u>4,682,407</u>	<u>4,566,814</u>
Plan fiduciary net position - ending	<u>4,813,406</u>	<u>4,793,693</u>	<u>4,725,065</u>	<u>4,639,890</u>	<u>4,682,407</u>
Net Pension Liability - Ending	<u>\$ 2,884,899</u>	<u>\$ 2,723,264</u>	<u>\$ 2,483,882</u>	<u>\$ 2,343,944</u>	<u>\$ 1,510,870</u>
Plan fiduciary net position as a percentage of the total pension liability	62.53%	63.77%	65.54%	66.44%	75.60%
Covered payroll	\$ 1,248,150	\$ 1,248,150	\$ 1,310,909	\$ 1,310,909	\$ 1,597,580
Net pension liability as a percentage of covered payroll	231.13%	218.18%	189.48%	178.80%	94.57%

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

**Notes to Schedule:**

Benefit changes: None

Assumption changes

**2017:**

Retirement age Age based rates (from 55 to age 70); previously, all active members are assumed to retire at the later of age 62 with 10 years of service or their normal retirement age.

**2015:**

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined contribution	\$ 697,839	\$ 655,422	\$ 655,422	\$ 489,090	\$ 489,090	\$ 354,912	\$ 354,912	\$ 282,921	\$ 158,836	\$ 183,749
Contributions in relation to the actuarially determined contribution	<u>896,925</u>	<u>535,642</u>	<u>427,558</u>	<u>427,558</u>	<u>255,055</u>	<u>269,350</u>	<u>299,612</u>	<u>212,022</u>	<u>158,836</u>	<u>183,749</u>
Contribution Deficiency (Excess)	\$ <u>(199,086)</u>	\$ <u>119,780</u>	\$ <u>227,864</u>	\$ <u>61,532</u>	\$ <u>234,035</u>	\$ <u>85,562</u>	\$ <u>55,300</u>	\$ <u>70,899</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 698,640	\$ 698,640	\$ 822,601	\$ 822,601	\$ 1,013,728	\$ 1,261,567	\$ 1,261,567	\$ 1,739,452	\$ 1,739,452	\$ 1,830,723
Contributions as a percentage of covered payroll	128.38%	76.67%	51.98%	51.98%	25.16%	21.35%	23.75%	12.19%	9.13%	10.04%

**Notes to Schedule**

Valuation date: July 1, 2016  
 Measurement date: June 30, 2018  
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll, closed
Remaining amortization period	16 years
Inflation	2.75%
Salary increases	3.5%, average, including inflation
Investment rate of return	6.25%
Retirement age	Age-based rates (from age 55 to age 70).
Mortality	RP-2000 Combined Healthy Mortality Table, with generational projection per Scale AA, previously RP-2000 Combined Healthy Mortality Table, with projection per scale AA to year of valuation plus 10 years.

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 336,017	\$ 293,169	\$ 245,080	\$ 245,080	\$ 218,012	\$ 218,012	\$ 222,436	\$ 222,436	\$ 256,775	\$ 241,517
Contributions in relation to the actuarially determined contribution	336,017	343,169	193,702	210,664	193,850	217,718	232,281	218,589	256,775	241,517
Contribution Deficiency (Excess)	\$ -	\$ (50,000)	\$ 51,378	\$ 34,416	\$ 24,162	\$ 294	\$ (9,845)	\$ 3,847	\$ -	\$ -
Covered payroll	\$ 1,248,150	\$ 1,310,909	\$ 1,310,909	\$ 1,597,580	\$ 1,682,735	\$ 1,682,735	\$ 1,642,217	\$ 1,642,217	\$ 1,562,455	\$ 1,562,455
Contributions as a percentage of covered payroll	26.92%	26.18%	14.78%	13.19%	11.52%	12.94%	14.14%	13.31%	16.43%	15.46%

**Notes to Schedule**

Valuation date: July 1, 2016  
Measurement date: June 30, 2018  
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Level percentage of payroll, closed, previously open
Remaining amortization period	11 years, previously 18 years
Inflation	2.75%
Salary increases	3.5%, previously 4%
Investment rate of return	6.25%, previously 7.25%
Retirement age	Age based rates (from 55 to age 70); previously, all active members are assumed to retire at the later of age 62 with 10 years of service or their normal retirement age.
Mortality	RP-2000 Combined Healthy Mortality Table, with generational projection per Scale AA, Previously RP-2000 Combined Healthy Mortality Table, with projection per scale AA to year of valuation plus 10 years.

**TOWN OF PLYMOUTH, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS - PENSION PLAN  
LAST FIVE FISCAL YEARS\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense					
Town	2.83%	2.70%	3.24%	2.98%	4.04%
Board of Education	2.83%	2.70%	3.24%	2.98%	4.04%

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>35,923,636</u>	<u>37,899,711</u>	<u>31,111,382</u>	<u>28,756,238</u>
Total	<u>\$ 35,923,636</u>	<u>\$ 37,899,711</u>	<u>\$ 31,111,382</u>	<u>\$ 28,756,238</u>
Town's covered payroll	\$ 10,219,392	\$ 10,367,890	\$ 10,781,038	\$ 9,810,595
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	55.93%	52.26%	59.50%	61.51%

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

**Notes to Schedule**

Changes in benefit terms Changes of assumptions          Actuarial cost method Amortization method Remaining amortization period Asset valuation method Investment rate of return	None During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.  During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.     Entry age Level percent of salary, closed 20.4 years 4-year smoothed market 8.00%, net of investment related expense
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**TOWN OF PLYMOUTH, CONNECTICUT  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
MUNICIPAL EMPLOYEES RETIREMENT FUND  
LAST FOUR FISCAL YEARS\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.85%	0.74%	0.90%	1.30%
Town's proportionate share of the net pension liability	\$ 2,117,489	\$ 2,475,886	\$ 1,726,911	\$ 1,276,975
Town's covered payroll	2,376,745	2,504,545	2,153,852	2,168,515
Town's proportionate share of the net pension liability as a percentage of its covered payroll	89.09%	98.86%	80.18%	58.89%
Plan fiduciary net position as a percentage of the total pension liability	91.68%	88.29%	92.72%	90.48%

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

**Notes to Schedule**

Changes in benefit terms	None
Changes of assumptions	During 2013, rates of mortality, withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2012.
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	24 years
Asset valuation method	5-year smoothed market (20% write up)

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined contribution	\$ 521,967	\$ 459,067	\$ 332,951	\$ 443,277	\$ 465,719	\$ 463,200	\$ 516,330	\$ 351,860	\$ 191,563	\$ 139,218
Contributions in relation to the actuarially determined contribution	521,967	459,067	332,951	443,277	465,719	463,200	516,330	351,860	191,563	139,218
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,436,144	\$ 2,376,745	\$ 2,504,545	\$ 2,153,852	\$ 2,168,515	\$ 1,798,581	\$ 1,696,598	\$ 1,911,946	\$ 1,648,998	\$ 1,611,282
Contributions as a percentage of covered payroll	21.43%	19.31%	13.29%	20.58%	21.48%	25.75%	30.43%	18.40%	11.62%	8.64%

**Notes to Schedule**

Valuation date: June 30, 2016  
 Measurement date: June 30, 2017  
 Actuarially determined contribution rates are calculated as of June 30, each biennium for the fiscal years ending two and three years after the valuation date.

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry Age  
 Amortization method: Level dollar, closed  
 Single equivalent amortization period: 24 years  
 Asset valuation method: 5 years smoothed market (20% write up)  
 Inflation: 3.25%  
 Salary increases: 4.25% - 11%, including inflation  
 Investment rate of return: 8%, net of investment related expense  
 Changes in assumptions: In 2013, rates of mortality, withdrawal, retirement and assumed rates of salary increases were adjusted to more closely reflect actual and anticipated experience.

**TOWN OF PLYMOUTH, CONNECTICUT  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST FISCAL YEAR\***

	<u>2018</u>
Total OPEB liability:	
Service cost	\$ 518,079
Interest	664,878
Changes of assumptions and other inputs	(671,022)
Benefit payments	<u>(863,119)</u>
Net change in total OPEB liability	(351,184)
Total OPEB liability - beginning	<u>18,481,711</u>
Total OPEB Liability - Ending	<u>\$ 18,130,527</u>
Covered-employee payroll	\$ 14,782,465
Total OPEB liability as a percentage of covered-employee payroll	122.65%

\* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**Notes to Schedule:**

Benefit changes: None  
Assumption changes

**2017:**

Retirement age Age based rates (from 55 to age 70); previously, all active members are assumed to retire at the later of age 62 with 10 years of service or their normal retirement age.

**2015:**

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

**TOWN OF PLYMOUTH, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**TEACHERS RETIREMENT PLAN**  
**LAST FISCAL YEAR\***

	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%
Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>9,246,326</u>
Total	<u>\$ 9,246,326</u>
Town's covered payroll	\$ 10,219,392
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%

**Notes to Schedule**

Changes in benefit terms	None
Changes of assumptions	The discount rate was increased from 3.01% to 3.56% to reflect the change in the Municipal Bond Index Rate. Changes were made to the assumed initial per capita health care costs, rates of health care inflation used to project the per capita costs, and the rates of Plan participation based upon recent experience and current expectations.  As a result of the experience study for the five-year period ended June 30, 2015, the payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase. Last, the salary growth assumption, the payroll growth rate, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment related expense including price inflation

\* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.



# General Fund

## **GENERAL FUND**

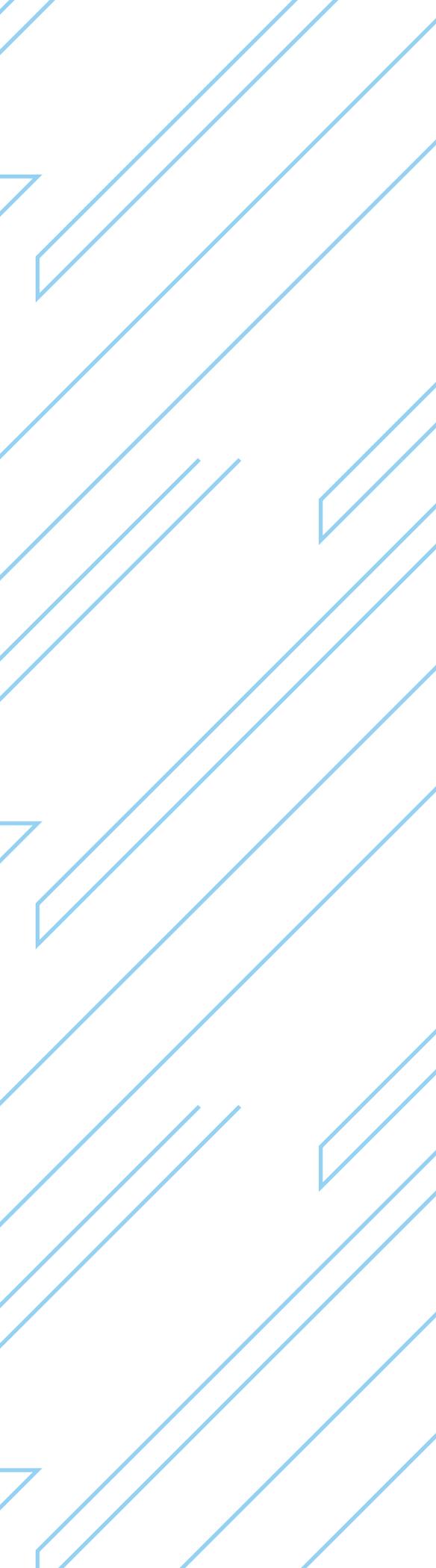
The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund budget is legally adopted at the budget referendum. The General Fund utilizes the modified accrual basis of accounting.

**TOWN OF PLYMOUTH, CONNECTICUT  
GENERAL FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 698,573	\$ 1,378,162
Receivables:		
Property taxes receivable, net of allowance for uncollectible of \$200,000 in 2018 and 2017	674,875	789,628
Interest tax receivable	179,190	258,044
Intergovernmental	20,995	19,287
Other	50,844	113,485
Due from other funds	<u>4,370,222</u>	<u>3,808,222</u>
Total Assets	<u>\$ 5,994,699</u>	<u>\$ 6,366,828</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities:		
Accounts and other payables	\$ 785,080	\$ 860,680
Due to other funds	<u>2,188,466</u>	<u>3,053,535</u>
Total liabilities	<u>2,973,546</u>	<u>3,914,215</u>
Deferred inflows of resources:		
Unavailable revenue - property taxes	649,667	834,579
Advance property tax collections	<u>9,626</u>	<u>9,626</u>
Total deferred inflows of resources	<u>649,667</u>	<u>844,205</u>
Fund Balance:		
Committed	100,000	100,000
Assigned:		
Encumbrances	588,034	699,618
Unassigned	<u>1,683,452</u>	<u>808,790</u>
Total fund balance	<u>2,371,486</u>	<u>1,608,408</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,994,699</u>	<u>\$ 6,366,828</u>

**TOWN OF PLYMOUTH, CONNECTICUT  
GENERAL FUND  
REPORT OF TAX COLLECTOR  
FOR THE YEAR ENDED JUNE 30, 2018**

Grand List as of October 1,	Uncollected Taxes July 1, 2017	Lawful Corrections		Transfers to Suspense	Net Amount Collectible	Collections			Uncollected Taxes June 30, 2018	
		Additions	Deductions			Taxes	Interest and Lien Fees	Suspense Collection		Total
2002	\$ 3,266	\$	\$ 2,759	\$ (128)	\$ 379	\$	\$	\$ 330	\$ 330	\$ 379
2003	3,780		3,029	(333)	418			1,025	1,025	418
2004	4,762		3,145	(1,130)	487			546	546	487
2005	4,121		3,192	(380)	549			1,753	1,753	549
2006	5,300		2,717	(1,774)	809			1,447	1,447	809
2007	4,409		2,717	(883)	809			1,773	1,773	809
2008	9,455		7,573	(1,066)	816		2,416	5,207	7,623	816
2009	9,997		7,345	(385)	2,267			6,063	6,063	2,267
2010	10,837		7,925	(1,022)	1,890			6,199	6,199	1,890
2011	12,952		8,321		4,631	2,584	210	6,660	9,454	2,047
2012	25,146		7,452	(563)	17,131	6,726	6,245	10,660	23,631	10,405
2013	61,362		7,093	(4,995)	49,274	10,543	4,161	11,416	26,120	38,731
2014	188,790		14,227	(81,983)	92,580	69,297	25,577		94,874	23,283
2015	645,376		20,384		624,992	433,840	94,564		528,404	191,152
Total prior years	989,553	-	97,879	(94,642)	797,032	522,990	133,173	53,079	709,242	274,042
2016	28,954,993		144,371		28,810,622	28,209,789	151,266		28,361,055	600,833
Total	\$ 29,944,546	\$ -	\$ 242,250	\$ (94,642)	\$ 29,607,654	\$ 28,732,779	\$ 284,439	\$ 53,079	\$ 29,070,297	\$ 874,875



# **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.

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

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

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

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

<b>Fund</b>	<b>Funding Source</b>	<b>Function</b>
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, 2018

	Special Revenue									
	Sewer Assessment	Water Assessment	Dog Fund	Miscellaneous Contributions	ATM Fund	CDBG Loan Fund	Small Cities	Open Space	Hospice	Economic Development
<b>ASSETS</b>										
Cash and cash equivalents	\$ 20,795	\$ 643,328	\$ 155,396	\$ 75,041	\$ 36,126	\$	\$ 241,794	\$	\$	\$ 65,707
Investments					5,917					
Restricted investments						142,930				
Receivables:										
Assessments/use charges		129,696								
Intergovernmental										
Loans							974,031			
Other										
Due from other funds	2,343	100,000					20,000	269,850		
<b>Total Assets</b>	<b>\$ 23,138</b>	<b>\$ 873,024</b>	<b>\$ 155,396</b>	<b>\$ 75,041</b>	<b>\$ 42,043</b>	<b>\$ 142,930</b>	<b>\$ 1,235,825</b>	<b>\$ 269,850</b>	<b>\$ -</b>	<b>\$ 65,707</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>										
Liabilities:										
Accounts payable	\$	\$	\$ 337	\$ 778	\$	\$	\$	\$	\$	\$
Due to other funds		148,970	15,852			38,842	79,298			284,267
Unearned revenue										2,996
Total liabilities	-	148,970	16,189	778	-	38,842	79,298	-	-	287,263
Deferred inflows of resources:										
Unavailable revenue - special assessments		129,696								
Unavailable revenue - loans receivable							974,031			
Total deferred inflows of resources	-	129,696	-	-	-	-	974,031	-	-	-
Fund balances:										
Nonspendable										
Restricted					42,043	104,088	182,496	269,850		
Committed	23,138	594,358	139,207	74,263						
Unassigned										(221,556)
Total fund balances	23,138	594,358	139,207	74,263	42,043	104,088	182,496	269,850	-	(221,556)
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 23,138</b>	<b>\$ 873,024</b>	<b>\$ 155,396</b>	<b>\$ 75,041</b>	<b>\$ 42,043</b>	<b>\$ 142,930</b>	<b>\$ 1,235,825</b>	<b>\$ 269,850</b>	<b>\$ -</b>	<b>\$ 65,707</b>

(Continued on next page)

TOWN OF PLYMOUTH, CONNECTICUT  
 NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING BALANCE SHEET (CONTINUED)  
 JUNE 30, 2018

	Special Revenue						Capital Project	Debt Service	
	Police Extra Duty	Recreational Revolving	Historical Preservation	Education Grants	School Cafeteria	Blight Fund	Total	Education Sinking Fund	Debt Service Fund
<b>ASSETS</b>									
Cash and cash equivalents	\$	\$	\$	\$ 429,521	\$ 48,809	\$	\$ 1,716,517	\$	\$
Investments							5,917		
Restricted investments							142,930		
Receivables:									
Assessments/use charges							129,696		
Intergovernmental				775	54,059		54,834		
Loans							974,031		
Other	75,487				899		76,386		
Due from other funds	223,115	84,411	48,044			53,402	801,165	227,137	205,536
Total Assets	\$ 298,602	\$ 84,411	\$ 48,044	\$ 430,296	\$ 103,767	\$ 53,402	\$ 3,901,476	\$ 227,137	\$ 205,536
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable	\$	\$	\$	\$ 8,319	\$	\$	\$ 9,434	\$	\$
Due to other funds				164,906			732,135		
Unearned revenue				79,612			82,608		
Total liabilities	-	-	-	252,837	-	-	824,177	-	-
Deferred inflows of resources:									
Unavailable revenue - special assessments							129,696		
Unavailable revenue - loans receivable							974,031		
Total deferred inflows of resources	-	-	-	-	-	-	1,103,727	-	-
Fund balances:									
Nonspendable							-		
Restricted				177,459	103,767	53,402	933,105		205,536
Committed	298,602	84,411	48,044				1,262,023	227,137	
Unassigned							(221,556)		
Total fund balances	298,602	84,411	48,044	177,459	103,767	53,402	1,973,572	227,137	205,536
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 298,602	\$ 84,411	\$ 48,044	\$ 430,296	\$ 103,767	\$ 53,402	\$ 3,901,476	\$ 227,137	\$ 205,536

TOWN OF PLYMOUTH, CONNECTICUT  
 NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING BALANCE SHEET (CONTINUED)  
 JUNE 30, 2018

	Permanent					Total	Eliminations	Total Nonmajor Governmental Funds
	Hillside Cemetery Trust	Plymouth Cemetery Trust	Terryville Public Library Trust	Mercy J. Cone Trust	St. Matthews Trust			
<b>ASSETS</b>								
Cash and cash equivalents	\$ 58,652	\$ 282,406	\$ 6,998	\$ 4,550	\$	\$ 352,606	\$	\$ 2,069,123
Investments	27,599					27,599		33,516
Restricted investments	475,733		374,061	203,220		1,053,014		1,195,944
Receivables:								
Assessments/use charges						-		129,696
Intergovernmental						-		54,834
Loans						-		974,031
Other						-		76,386
Due from other funds			22,151		8,393	30,544	(2,343)	1,262,039
<b>Total Assets</b>	<b>\$ 561,984</b>	<b>\$ 282,406</b>	<b>\$ 403,210</b>	<b>\$ 207,770</b>	<b>\$ 8,393</b>	<b>\$ 1,463,763</b>	<b>\$ (2,343)</b>	<b>\$ 5,795,569</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 422					\$ -	\$	\$ 9,434
Due to other funds						422	(2,343)	730,214
Unearned revenue						-		82,608
Total liabilities	422	-	-	-	-	422	(2,343)	822,256
Deferred inflows of resources:								
Unavailable revenue - special assessments						-		129,696
Unavailable revenue - loans receivable						-		974,031
Total deferred inflows of resources	-	-	-	-	-	-	-	1,103,727
Fund balances:								
Nonspendable	475,733		374,061	203,220		1,053,014		1,053,014
Restricted	85,829	282,406	29,149	4,550	8,393	410,327		1,548,968
Committed						-		1,489,160
Unassigned						-		(221,556)
Total fund balances	561,562	282,406	403,210	207,770	8,393	1,463,341	-	3,869,586
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 561,984</b>	<b>\$ 282,406</b>	<b>\$ 403,210</b>	<b>\$ 207,770</b>	<b>\$ 8,393</b>	<b>\$ 1,463,763</b>	<b>\$ (2,343)</b>	<b>\$ 5,795,569</b>

TOWN OF PLYMOUTH, CONNECTICUT  
 NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue									
	Sewer Assessment	Water Assessment	Dog Fund	Miscellaneous Contributions	ATM Fund	CDBG Loan Fund	Small Cities	Open Space	Hospice	Economic Development
Revenues:										
Charges for services	\$	\$ 67,088	\$ 11,567	\$	\$	\$	\$	\$ 3,945	\$	\$
Intergovernmental					17,159					
Income from investments	203	6,078		113	299	1,093	77	87	192	695
Net change in fair value of investments								3,018	11	
Contributions										
Other				21,696	24,548		12,050			-
Total revenues	<u>203</u>	<u>73,166</u>	<u>11,567</u>	<u>21,809</u>	<u>42,006</u>	<u>1,093</u>	<u>12,127</u>	<u>7,050</u>	<u>203</u>	<u>695</u>
Expenditures:										
Current:										
General administration					27,602					5,449
Public safety			9,072							
Public works		39								
Health and welfare				18,615						
Library										
Recreation										
Education										
Total expenditures	<u>-</u>	<u>39</u>	<u>9,072</u>	<u>18,615</u>	<u>27,602</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,449</u>
Excess (Deficiency) of Revenues over Expenditures	203	73,127	2,495	3,194	14,404	1,093	12,127	7,050	203	(4,754)
Other Financing Sources:										
Transfers in			7,500	19,880			60,570			
Transfers out						(60,570)			(19,880)	
Net other financing sources	<u>-</u>	<u>-</u>	<u>7,500</u>	<u>19,880</u>	<u>-</u>	<u>(60,570)</u>	<u>60,570</u>	<u>-</u>	<u>(19,880)</u>	<u>-</u>
Net Change in Fund Balances	203	73,127	9,995	23,074	14,404	(59,477)	72,697	7,050	(19,677)	(4,754)
Fund Balances at Beginning of Year	<u>22,935</u>	<u>521,231</u>	<u>129,212</u>	<u>51,189</u>	<u>27,639</u>	<u>163,565</u>	<u>109,799</u>	<u>262,800</u>	<u>19,677</u>	<u>(216,802)</u>
Fund Balances at End of Year	<u>\$ 23,138</u>	<u>\$ 594,358</u>	<u>\$ 139,207</u>	<u>\$ 74,263</u>	<u>\$ 42,043</u>	<u>\$ 104,088</u>	<u>\$ 182,496</u>	<u>\$ 269,850</u>	<u>\$ -</u>	<u>\$ (221,556)</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, 2018**

	Special Revenue						Capital Projects	Debt Service	
	Police Extra Duty	Recreational Revolving	Historical Preservation	Education Grants	School Cafeteria	Blight Fund	Total	Education Sinking Fund	Debt Service Fund
Revenues:									
Charges for services	\$ 671,977	\$ 93,430	\$ 1,971	\$	\$ 299,062	\$	\$ 1,149,040	\$	\$
Intergovernmental				1,017,477	299,703		1,334,339		
Income from investments							8,837		
Net change in fair value of investments							-		
Contributions				39,107			42,136		
Other		5,071		9,569			72,934		
Total revenues	<u>671,977</u>	<u>98,501</u>	<u>1,971</u>	<u>1,066,153</u>	<u>598,765</u>	<u>-</u>	<u>2,607,286</u>	<u>-</u>	<u>-</u>
Expenditures:									
Current:									
General administration			2,002			49,998	85,051		
Public safety	577,230						586,302		
Public works							39		
Health and welfare							18,615		
Library							-		
Recreation		74,372					74,372		
Education				1,139,649	541,003		1,680,652	48,303	
Total expenditures	<u>577,230</u>	<u>74,372</u>	<u>2,002</u>	<u>1,139,649</u>	<u>541,003</u>	<u>49,998</u>	<u>2,445,031</u>	<u>48,303</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	94,747	24,129	(31)	(73,496)	57,762	(49,998)	162,255	(48,303)	
Other Financing Sources:									
Transfers in							87,950	39,912	
Transfers out	(76,950)			-			(157,400)		
Net other financing sources	<u>(76,950)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(69,450)</u>	<u>39,912</u>	<u>-</u>
Net Change in Fund Balances	17,797	24,129	(31)	(73,496)	57,762	(49,998)	92,805	(8,391)	-
Fund Balances at Beginning of Year	<u>280,805</u>	<u>60,282</u>	<u>48,075</u>	<u>250,955</u>	<u>46,005</u>	<u>103,400</u>	<u>1,880,767</u>	<u>235,528</u>	<u>205,536</u>
Fund Balances at End of Year	<u>\$ 298,602</u>	<u>\$ 84,411</u>	<u>\$ 48,044</u>	<u>\$ 177,459</u>	<u>\$ 103,767</u>	<u>\$ 53,402</u>	<u>\$ 1,973,572</u>	<u>\$ 227,137</u>	<u>\$ 205,536</u>

(Continued on next page)

**TOWN OF PLYMOUTH, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	Permanent					Total	Eliminations	Total Nonmajor Governmental Funds
	Hillside Cemetery Trust	Plymouth Cemetery Trust	Terryville Public Library Trust	Mercy J. Cone Trust	St. Matthews Trust			
Revenues:								
Charges for services	\$ 13,617	\$ 6,618	\$ 6,864	\$	\$	\$ 27,099	\$	\$ 1,176,139
Intergovernmental			412			412		1,334,751
Income from investments	11,356	6,101	7	3,764		21,228		30,065
Net change in fair value of investments	20,319	8,560	40,308	13,894		83,081		83,081
Contributions			2,255		700	2,955		45,091
Other						-		72,934
Total revenues	<u>45,292</u>	<u>21,279</u>	<u>49,846</u>	<u>17,658</u>	<u>700</u>	<u>134,775</u>	<u>-</u>	<u>2,742,061</u>
Expenditures:								
Current:								
General administration						-		85,051
Public safety						-		586,302
Public works						-		39
Health and welfare	42,009	14,034			2,738	58,781		77,396
Library			14,032	10,239		24,271		24,271
Recreation						-		74,372
Education						-		1,728,955
Total expenditures	<u>42,009</u>	<u>14,034</u>	<u>14,032</u>	<u>10,239</u>	<u>2,738</u>	<u>83,052</u>	<u>-</u>	<u>2,576,386</u>
Excess (Deficiency) of Revenues over Expenditures	3,283	7,245	35,814	7,419	(2,038)	51,723	-	165,675
Other Financing Sources:								
Transfers in	4,000	2,000				6,000	(80,450)	53,412
Transfers out						-	80,450	(76,950)
Net other financing sources	<u>4,000</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>(23,538)</u>
Net Change in Fund Balances	7,283	9,245	35,814	7,419	(2,038)	57,723	-	142,137
Fund Balances at Beginning of Year	<u>554,279</u>	<u>273,161</u>	<u>367,396</u>	<u>200,351</u>	<u>10,431</u>	<u>1,405,618</u>		<u>3,727,449</u>
Fund Balances at End of Year	<u>\$ 561,562</u>	<u>\$ 282,406</u>	<u>\$ 403,210</u>	<u>\$ 207,770</u>	<u>\$ 8,393</u>	<u>\$ 1,463,341</u>	<u>\$ -</u>	<u>\$ 3,869,586</u>

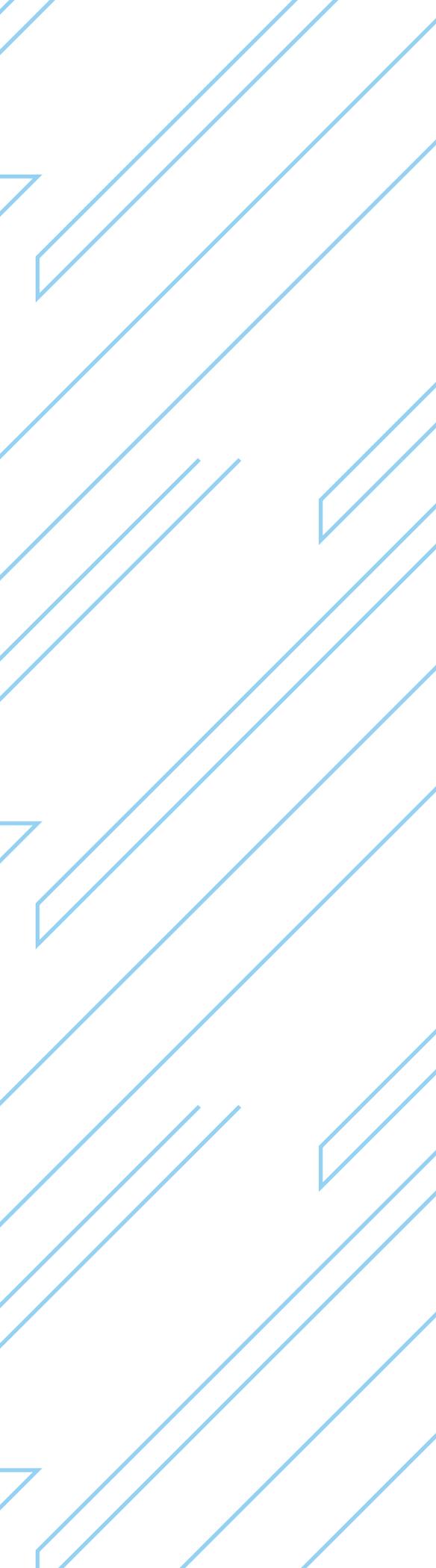
**TOWN OF PLYMOUTH, CONNECTICUT  
WATER ASSESSMENT FUND  
SCHEDULE OF WATER ASSESSMENT RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2018**

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<u>Due Date</u>	<u>Uncollected Balance July 1, 2017</u>	<u>Current Year Adjustments</u>	<u>Collections</u>	<u>Uncollected Balance June 30, 2018</u>
Water Line Assessment	\$ <u>185,146</u>	\$ <u>(460)</u>	\$ <u>54,990</u>	\$ <u>129,696</u>

**TOWN OF PLYMOUTH, CONNECTICUT  
SEWER OPERATING FUND  
SCHEDULE OF SEWER USE CHARGES RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Due Date</u>	<u>Uncollected Balance July 1, 2017</u>	<u>Current Year Use Charges and Adjustments</u>	<u>Collections</u>	<u>Uncollected Balance June 30, 2018</u>
October 1, 2017	\$	\$ 1,320,792	\$ 1,179,422	\$ 141,370
October 1, 2016	118,027	(5,266)	44,706	68,055
October 1, 2015	59,730	(550)	21,055	38,125
October 1, 2014	25,007	(484)	7,696	16,827
October 1, 2013	13,092	(499)	4,328	8,265
October 1, 2012	3,323	(252)	769	2,302
October 1, 2011	2,160	(240)	960	960
October 1, 2010	1,645	(235)	705	705
October 1, 2009	1,477	(230)	677	570
October 1, 2008	920	(230)	230	460
October 1, 2007	681	(227)	227	227
October 1, 2006	440	(220)		220
October 1, 2005	410	(205)		205
October 1, 2004	188	(188)		-
October 1, 2003	178	(178)		-
Total	\$ <u>227,278</u>	\$ <u>1,311,788</u>	1,260,775	\$ <u>278,291</u>
Interest and lien fees			<u>60,570</u>	
Total Collections			\$ <u>1,321,345</u>	



# Fiduciary Funds

## **AGENCY FUNDS**

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

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

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

**TOWN OF PLYMOUTH, CONNECTICUT  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
<b>Student Activity</b>				
Assets:				
Cash and cash equivalents	\$ 217,319	\$ 241,571	\$ 266,111	\$ 192,779
Liabilities:				
Due to student groups	\$ 217,319	\$ 241,571	\$ 266,111	\$ 192,779
<b>Performance Bonds</b>				
Assets:				
Cash and cash equivalents	\$ 46,624	\$	\$	\$ 46,624
Due from other funds	129,605	2,500	8,800	123,305
Total Assets	\$ 176,229	\$ 2,500	\$ 8,800	\$ 169,929
Liabilities:				
Due to contractors	\$ 176,229	\$ 2,500	\$ 8,800	\$ 169,929
<b>Total All Funds</b>				
Assets:				
Cash and cash equivalents	\$ 263,943	\$ 241,571	\$ 266,111	\$ 239,403
Due from other funds	129,605	2,500	8,800	123,305
Total Assets	\$ 393,548	\$ 244,071	\$ 274,911	\$ 362,708
Liabilities:				
Deposits and amounts due to student groups and participants	\$ 393,548	\$ 244,071	\$ 274,911	\$ 362,708
Total Liabilities	\$ 393,548	\$ 244,071	\$ 274,911	\$ 362,708



# Statistical Section

## Statistical Section Information

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

Statistical section information is presented in the following categories:

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

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

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

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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities:										
Net investment in capital assets	\$ 159,206,125	\$ 154,601,111	\$ 157,247,133	\$ 157,324,466	\$ 153,245,507	\$ 157,424,652	\$ 163,863,638	\$ 161,399,980	\$ 159,710,588	\$ 158,322,383
Restricted for:										
Perpetual care:										
Nonexpendable	368,235	463,919	478,004	112,351	84,488	84,491	86,850	71,900	343,179	343,163
Expendable	475,733	363,521	325,588	704,615	817,664	738,943	687,550	706,984	346,314	260,355
Libraries:										
Nonexpendable	42,092	48,786	53,575	44,681	42,999	40,553	38,234	24,092	144,744	144,744
Expendable	577,281	529,392	436,080	321,342	332,574	291,308	270,073	289,782	125,963	110,740
Debt service	205,536	205,536	205,536	205,536	205,533	205,530	19,860	19,860	719,162	1,692,280
Unrestricted	<u>(21,826,316)</u>	<u>(4,849,563)</u>	<u>(7,425,872)</u>	<u>(5,081,858)</u>	<u>13,732,522</u>	<u>16,853,737</u>	<u>9,325,937</u>	<u>10,967,676</u>	<u>11,279,775</u>	<u>12,244,581</u>
Total Net Position	<u>\$ 139,048,686</u>	<u>\$ 151,362,702</u>	<u>\$ 151,320,044</u>	<u>\$ 153,631,133</u>	<u>\$ 168,461,287</u>	<u>\$ 175,639,214</u>	<u>\$ 174,292,142</u>	<u>\$ 173,480,274</u>	<u>\$ 172,669,725</u>	<u>\$ 173,118,246</u>

## Notes:

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

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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses:										
Governmental activities:										
General government	\$ 4,321,900	\$ 4,888,571	\$ 6,819,627	\$ 6,661,824	\$ 5,412,485	\$ 4,951,895	\$ 5,344,207	\$ 4,721,379	\$ 4,444,531	\$ 4,401,717
Public safety	4,067,794	3,644,971	3,712,614	3,327,013	3,545,286	3,173,319	2,731,321	2,839,161	2,330,658	2,522,628
Public works	6,748,667	6,996,417	6,546,134	7,237,335	6,907,749	8,207,132	7,142,486	8,584,108	7,130,940	7,538,637
Health and welfare	283,431	274,696	296,369	361,225	414,831	480,436	470,324	257,151	298,839	492,510
Library	395,690	506,880	502,572	500,388	449,205	486,295	500,323	494,022	432,404	474,125
Recreation	291,532	290,241	290,445	292,027	285,825	268,241	279,488	207,751	234,430	247,200
Education	31,823,765	32,257,631	29,534,659	29,387,177	30,678,545	27,636,311	28,268,369	26,865,049	26,346,342	25,525,049
Land use	179,437	192,175	225,389	261,447	257,262	227,292	239,813	312,442	183,452	249,020
Interest expense	623,282	583,283	581,762	600,292	917,518	711,595	707,960	301,942	1,788,989	955,582
Total Expenses	48,735,498	49,634,865	48,509,571	48,628,728	48,868,706	46,142,516	45,684,291	44,583,005	43,190,585	42,406,468
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	281,392	221,711	210,543	387,065	251,954	227,517	312,065	145,910	218,357	214,973
Public safety	721,528	583,014	801,636	642,647	748,413	330,358	185,007	207,184	115,744	85,246
Public works	1,676,149	1,565,551	1,559,204	1,584,771	1,699,786	1,598,798	1,745,884	1,566,852	1,590,834	1,858,654
Health and welfare	25,462	44,459	63,164	36,806	436,271	235,963	70,027	48,400	48,611	233,366
Library	10,799	4,818	12,484	12,297	17,047	16,391	12,709	13,092	16,659	9,921
Recreation	94,680	85,679	83,020	80,379	65,812	56,174	87,811		31,222	8,161
Education	457,088	457,456	455,078	502,010	539,031	491,591	206,700	268,000	675,010	539,234
Land use	17,780	18,815	10,078	26,639	20,111	8,561	11,638	14,916	41,344	42,830
Operating grants and contributions	15,307,874	15,913,718	14,776,852	13,842,949	14,679,246	15,160,952	15,336,169	14,329,706	13,636,979	13,350,706
Capital grants and contributions	2,201,169	2,463,497	919,464	1,065,411	479,819	2,176,497	1,705,314	2,360,889	954,848	3,925,125
Total Program Revenues	20,793,921	21,358,718	18,891,523	18,180,974	18,937,490	20,302,802	19,673,324	18,954,949	17,329,608	20,268,216
Net Expenses:										
Governmental activities	(27,941,577)	(28,276,147)	(29,618,048)	(30,447,754)	(29,931,216)	(25,839,714)	(26,010,967)	(25,628,056)	(25,860,977)	(22,138,252)
General Revenues and Other Changes in Net Assets:										
Governmental activities:										
Property taxes	28,912,490	27,700,908	26,871,040	25,507,258	27,340,437	26,512,181	26,206,360	25,752,017	24,870,975	24,997,252
Grants and contributions not restricted to specific programs	875,042	471,148	272,821	307,281	412,420	484,554	525,354	439,693	373,942	514,338
Investment income (loss)	132,842	128,558	(2,090)	9,017	206,947	143,188	39,059	192,386	126,921	(77,663)
Miscellaneous	10,375	18,191	165,188	296,966	5,000	46,863	52,062	54,509	40,618	27,969
Special Item - Loss of Assets				268,349	(278,349)					
Total Governmental Activities	29,930,749	28,318,805	27,306,959	26,388,871	27,686,455	27,186,786	26,822,835	26,438,605	25,412,456	25,461,896
Changes in Net Position	\$ 1,989,172	\$ 42,658	\$ (2,311,089)	\$ (4,058,883)	\$ (2,244,761)	\$ 1,347,072	\$ 811,868	\$ 810,549	\$ (448,521)	\$ 3,323,644

## Notes:

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

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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$ 719,569	\$ 549,187
Unreserved									2,334,881	2,291,700
Committed	100,000	100,000	100,000	100,000	100,000					
Assigned	588,034	699,618	1,092,917	529,681	992,663	1,423,169	1,538,968	1,573,970		
Unassigned	<u>1,683,452</u>	<u>808,790</u>	<u>380,632</u>	<u>1,643,638</u>	<u>1,787,337</u>	<u>2,163,609</u>	<u>1,853,353</u>	<u>1,655,273</u>		
Total General Fund	<u>\$ 2,371,486</u>	<u>\$ 1,608,408</u>	<u>\$ 1,573,549</u>	<u>\$ 2,273,319</u>	<u>\$ 2,880,000</u>	<u>\$ 3,586,778</u>	<u>\$ 3,392,321</u>	<u>\$ 3,229,243</u>	<u>\$ 3,054,450</u>	<u>\$ 2,840,887</u>
All other governmental funds:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$ 1,227,587	\$ 2,180,187
Unreserved, reported in:										
Special revenue funds									1,449,744	1,494,852
Capital projects funds									(3,941,295)	(3,216,613)
Permanent funds									472,277	371,095
Nonspendable	1,053,014	892,913	761,668	1,025,957	1,150,238	1,030,251	957,623	996,766		
Restricted	1,548,968	1,682,404	1,793,260	1,273,106	1,125,932	1,170,858	714,644	611,598		
Committed	2,910,265	2,941,080	4,013,535	2,761,606	6,119,718	7,054,130	1,223,419	675,281		
Unassigned	<u>(6,615,572)</u>	<u>(1,355,144)</u>	<u>(833,312)</u>	<u>(532,996)</u>	<u>(257,087)</u>	<u>(314,363)</u>	<u>(5,937,009)</u>	<u>(4,117,933)</u>		
Total all Other Governmental Funds	<u>\$ (1,103,325)</u>	<u>\$ 4,161,253</u>	<u>\$ 5,735,151</u>	<u>\$ 4,527,673</u>	<u>\$ 8,138,801</u>	<u>\$ 8,940,876</u>	<u>\$ (3,041,323)</u>	<u>\$ (1,834,288)</u>	<u>\$ (791,687)</u>	<u>\$ 829,521</u>

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

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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Revenues:</b>										
Property taxes	\$ 29,097,402	\$ 27,981,899	\$ 27,131,451	\$ 27,022,201	\$ 28,144,326	\$ 26,663,027	\$ 25,774,406	\$ 24,976,767	\$ 24,634,459	\$ 24,683,591
Charges for services	2,946,777	5,405,065	4,130,283	3,862,075	3,638,031	3,701,765	4,201,083	2,335,496	2,291,113	2,459,462
Intergovernmental	18,406,227	16,308,914	14,970,413	14,780,217	15,055,668	16,680,953	15,871,373	17,235,099	15,531,786	18,133,510
Income on investments	130,696	125,886	(4,029)	7,698	205,582	141,246	36,949	186,848	117,381	(93,849)
Other revenues	328,028	319,600	519,683	755,419	349,582	322,587	637,964	311,708	448,619	410,813
Total revenues	<u>50,909,130</u>	<u>50,141,364</u>	<u>46,747,801</u>	<u>46,427,610</u>	<u>47,393,189</u>	<u>47,509,578</u>	<u>46,521,775</u>	<u>45,045,918</u>	<u>43,023,358</u>	<u>45,593,527</u>
<b>Expenditures:</b>										
General government	5,326,318	5,251,144	5,602,713	5,644,423	4,924,547	4,670,723	4,586,050	4,423,085	4,206,184	4,119,628
Public safety	3,680,398	3,376,115	3,377,382	3,272,085	3,262,566	2,835,741	2,527,326	2,579,324	2,387,842	2,304,344
Public works	4,359,616	4,331,371	4,446,052	6,298,937	4,829,757	4,600,298	4,630,873	5,183,968	4,648,712	4,960,877
Health and welfare	261,531	252,796	274,469	337,718	389,718	454,608	445,631	421,158	275,525	505,434
Library	399,400	488,457	499,400	481,312	471,414	480,379	477,896	466,395	461,358	457,503
Recreation	265,548	254,493	251,097	247,922	245,364	227,885	242,163	216,220	200,505	208,679
Board of Education	29,694,443	29,741,021	27,422,633	27,110,023	28,372,356	27,070,240	27,287,693	25,934,148	25,655,632	25,118,856
Land use	132,952	145,690	178,905	214,962	210,774	180,807	205,759	208,762	205,481	274,693
Capital outlay	8,519,097	5,207,975	2,403,027	4,293,021	6,021,445	3,062,731	4,015,792	3,249,573	3,510,302	2,896,935
<b>Debt service:</b>										
Principal	2,185,169	2,169,176	2,313,092	2,300,000	1,912,162	1,059,263	2,420,635	2,692,212	3,383,227	7,157,796
Interest	884,078	820,854	671,822	713,365	1,018,403	725,914	725,914	538,881	659,683	
Total expenditures	<u>55,708,550</u>	<u>52,039,092</u>	<u>47,440,592</u>	<u>50,913,768</u>	<u>51,658,506</u>	<u>45,368,589</u>	<u>47,565,732</u>	<u>45,913,726</u>	<u>45,594,451</u>	<u>48,004,745</u>
Excess of revenue over (under) expenditures	<u>(4,799,420)</u>	<u>(1,897,728)</u>	<u>(692,791)</u>	<u>(4,486,158)</u>	<u>(4,265,317)</u>	<u>2,140,989</u>	<u>(1,043,957)</u>	<u>(867,808)</u>	<u>(2,571,093)</u>	<u>(2,411,218)</u>
<b>Other financing sources (uses):</b>										
Transfers in	636,611	789,965	840,713	843,225	978,380	2,288,414	1,167,315	1,488,000	1,268,279	1,396,607
Transfers out	(636,611)	(789,965)	(840,713)	(843,225)	(978,380)	(2,288,414)	(1,167,315)	(1,488,000)	(1,268,279)	(1,396,607)
Capital lease issuance	297,920	358,689								
Premium on debt issue					54,709	535,667		248,678		27,969
Issuance of bonds and loans			1,200,499		3,500,000	9,500,000			1,067,000	
Issuance of refunding bonds					3,665,000		9,820,000	7,105,000		
Premium on refunding bonds					201,466					
Payment to escrow bond agent					(3,777,838)			(10,068,678)	(7,008,552)	
Total other financing sources	<u>297,920</u>	<u>358,689</u>	<u>1,200,499</u>	<u>-</u>	<u>3,643,337</u>	<u>10,035,667</u>	<u>-</u>	<u>-</u>	<u>1,163,448</u>	<u>27,969</u>
Special Item - Loss of Assets				268,349	(278,349)					
Net Change in Fund Balances	<u>\$ (4,501,500)</u>	<u>\$ (1,539,039)</u>	<u>\$ 507,708</u>	<u>\$ (4,217,809)</u>	<u>\$ (900,329)</u>	<u>\$ 12,176,656</u>	<u>\$ (1,043,957)</u>	<u>\$ (867,808)</u>	<u>\$ (1,407,645)</u>	<u>\$ (2,383,249)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>6.5%</u>	<u>6.4%</u>	<u>6.6%</u>	<u>6.6%</u>	<u>6.4%</u>	<u>4.1%</u>	<u>7.1%</u>	<u>7.3%</u>	<u>10.3%</u>	<u>17.2%</u>

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

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

Fiscal Year	Real Property			Personal Property	Motor Vehicle	Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value As a Percentage of Actual Taxable Value (1)
	Residential	Commercial	Industrial							
2018 (2)	\$ 570,051	\$ 32,740	\$ 27,768	\$ 38,125	\$ 87,682	\$ 15,221	741,145	39.69	\$ 1,058,779	70%
2017	558,809	32,913	21,297	31,244	85,220	7,553	721,930	36.02	1,031,329	70%
2016	596,243	36,358	22,241	29,738	84,369	7,761	761,189	35.43	1,087,413	70%
2015	605,200	27,590	24,256	27,465	81,779	8,708	757,582	34.85	1,082,260	70%
2014	600,516	32,588	23,494	27,360	81,932	8,023	757,867	35.45	1,082,667	70%
2013 (3)	598,806	32,950	25,288	27,465	81,779	8,706	757,582	34.90	1,082,260	70%
2012	667,547	32,862	27,489	27,672	76,918	8,459	824,029	31.50	1,177,184	70%
2011	667,412	34,512	26,913	27,458	75,611	9,715	822,191	30.75	1,174,559	70%
2010 (4)	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%

Note: 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.

- (1) 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.
- (2) Real Property revalued as of October 1, 2016
- (3) Real Property revalued as of October 1, 2011
- (4) Real Property revalued as of October 1, 2008

TABLE 6

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

Taxpayer	October 1, 2016			October 1, 2007		
	Taxable Assessed Value	Rank	Percentage Of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Of Total Taxable Assessed Value
Connecticut Light & Power	\$ 10,416,430	1	1.4%	\$ 4,506,140	2	0.6%
Connecticut Water Company	5,395,500	2	0.7%	5,732,240	1	0.7%
Roth Collection Inc.	3,125,290	4	0.4%	3,602,410	3	0.4%
City of Bristol Water Company	2,604,210	5	0.4%	2,604,210	5	0.3%
Senior Housing at Quail Hollow Inc.	2,551,930	7	0.3%	1,968,820	8	0.2%
Yankeegas	2,378,350	3	0.3%			
Cook Willow Realty Partnership	1,832,530	6	0.2%	2,274,790	6	0.3%
Inland Intermodal, LLC	1,811,530	8	0.2%			
Dimeo Terryville LLC	1,739,930	9	0.2%			
Rubicon Realty LLC	1,633,170	10	0.2%			
Total	<u>\$ 33,488,870</u>		<u>4.52%</u>	<u>\$ 20,688,610</u>		<u>2.53%</u>

Source: Town of Plymouth Assessor

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

Fiscal Year Ended June 30,	Tax Rate In Mills	Taxes Levied For The Fiscal year	Collected Within the Fiscal Year of the Levy		Collection In Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2018	39.69	\$ 28,810,622	\$ 28,244,598	98.04	\$ N/A	\$ 28,244,598	98.04
2017	36.02	27,781,374	27,159,212	97.76	433,840	27,593,052	99.32
2016	35.43	27,003,100	26,429,209	97.87	429,911	26,859,120	99.47
2015	34.85	26,416,625	25,911,185	98.09	391,693	26,302,878	99.57
2014	35.45	26,796,701	26,084,373	97.34	498,512	26,582,885	99.20
2013	34.90	26,362,764	25,390,107	96.31	756,763	26,146,870	99.18
2012	31.50	25,865,788	24,797,984	95.87	805,518	25,603,502	98.99
2011	30.75	25,267,568	24,229,603	95.89	780,792	25,010,395	98.98
2010	30.10	24,420,880	23,684,247	96.98	573,729	24,257,976	99.33
2009	30.10	24,510,715	23,637,046	96.44	707,993	24,345,039	99.32

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

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

Fiscal Year	Governmental Activities			Total Primary Government	Ratio of Debt to Estimated Taxable Assessed Value	Debt Per Capita
	General Obligation Bonds	Notes Payable	Capital Leases			
2018	\$ 17,558,062	\$ 6,950,000	\$ 357,517	\$ 24,865,579	3.36%	\$ 2,122
2017	19,743,231	5,000,000	227,182	24,970,413	3.46%	2,131
2016	21,912,407			21,912,407	2.88%	1,865
2015	23,025,000			23,025,000	3.04%	1,949
2014	25,325,000	1,500,000		26,825,000	3.54%	2,252
2013	24,492,349	1,500,000		25,992,349	3.43%	2,150
2012	15,647,962	5,285,000		20,932,962	2.54%	1,711
2011	17,255,000	5,730,635		22,985,635	2.80%	1,874
2010	18,963,650	6,288,513		25,252,163	3.09%	2,101
2009	17,880,000	10,125,666		28,005,666	3.46%	2,328

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



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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt limitation	\$ 195,400,576	\$ 195,400,576	\$ 189,236,432	\$ 189,563,086	\$ 197,383,618	\$ 186,229,050	\$ 179,771,326	\$ 174,183,331	\$ 172,864,755	\$ 172,224,416
Total net debt applicable to limit	<u>17,558,062</u>	<u>19,743,231</u>	<u>21,912,407</u>	<u>21,457,000</u>	<u>24,537,000</u>	<u>29,149,420</u>	<u>21,502,409</u>	<u>25,218,479</u>	<u>24,953,791</u>	<u>29,648,595</u>
Legal Debt Margin	<u>\$ 177,842,514</u>	<u>\$ 175,657,345</u>	<u>\$ 167,324,025</u>	<u>\$ 168,106,086</u>	<u>\$ 172,846,618</u>	<u>\$ 157,079,630</u>	<u>\$ 158,268,917</u>	<u>\$ 148,964,852</u>	<u>\$ 147,910,964</u>	<u>\$ 142,575,821</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>8.99%</u>	<u>10.10%</u>	<u>11.58%</u>	<u>11.32%</u>	<u>12.43%</u>	<u>15.65%</u>	<u>11.96%</u>	<u>14.48%</u>	<u>14.44%</u>	<u>17.22%</u>

Source: Annual financial reports - Schedule of Debt Limitation

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

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

<b>Calendar Year</b>	<b>Population (1)</b>	<b>Per Capita Income (1)</b>	<b>Median Age (1)</b>	<b>School Enrollment (2)</b>	<b>Unemployment Rate (3)</b>
2018	11,718	\$ 33,602	41.9	1,475	5.0%
2017	11,718	32,522	41.9	1,500	5.6%
2016	11,749	32,522	41.9	1,519	6.5%
2015	11,813	31,511	41.9	1,578	6.7%
2014	11,914	28,564	41.2	1,583	6.7%
2013	12,089	28,564	41.2	1,610	8.7%
2012	12,235	28,564	41.2	1,648	10.5%
2011	12,235	28,564	41.2	1,812	10.5%
2010	12,014	23,244	40.0	1,842	11.5%
2009	12,031	23,244	40.0	1,851	9.9%

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

(2) Source: Plymouth Board of Education

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

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

<b>2018</b>				
<b>Employer</b>	<b>Nature of Business</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Town Employment</b>
Town of Plymouth	Government	411	1	18.27%
Cook Willow Convalescent Home	Convalescent facility	112	2	4.98%
Richard's Corporation	Construction	80	3	3.56%
Nutmeg Spice Co	Spices-Wholesale	70	4	3.11%
Terryville Chevrolet	Car Dealership	51	5	2.27%
Wollenberg's Inc/TLC Limousine	Transportation	50	6	2.22%
Laurentano, Inc.	Manufacturing	49	7	2.18%
Triem Industries	Manufacturer	45	8	2.00%
IGA Supermarket	Grocers-Retail	45	9	2.00%
Phoenix Products	Pool Equipment Retailer	35	10	1.56%
Total		<u>2,249</u>		<u>42.15%</u>

Source: Connecticut Economic Resource Center

Source: Town of Plymouth

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

Function/Program	Full-Time Equivalent Employees as of June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Mayor's Office	2	2	2	2	2	3	3	3	3	3
Public Safety	29	30	31	32	29	30	30	29	29	29
Public Health		1	1	1	1	1	1	1	1	1
Planning & Zoning	1	1	3	3	3	3	3	3	3	3
Finance and Accounting	3	3	3	3	3	3	3	3	3	3
Town Clerk	1	2	2	2	2	2	2	2	2	3
Town Assessor	1	1	1	2	1	1	1	1	1	2
Tax Collector	1	2	2	2	2	2	2	2	2	2
Recreation	3	3	3	3	3	3	3	3	3	3
Library	4	5	5	5	5	5	5	5	5	5
Public Works	12	15	15	17	16	16	18	18	18	17
Clerical	3									
Education	250	211	209	211	219	248	247	245	250	241
Water Pollution Control	6	6	6	6	6	6	6	6	6	6
<b>Total</b>	<b>316</b>	<b>282</b>	<b>283</b>	<b>289</b>	<b>292</b>	<b>323</b>	<b>324</b>	<b>321</b>	<b>326</b>	<b>318</b>

Source: Town of Plymouth Human Resources

TABLE 14

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

Function/Program	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government:										
Building permits issued	626	634	655	500	507	664	629	305	310	282
Birth Certificates Issued	97	92	115	115	113	135	105	104	96	85
Marriage Certificates	72	68	70	80	82	45	41	50	35	26
Police:										
Calls for Service	13,390	14,212	15,585	13,953	13,160	22,512	23,512	21,010	19,451	18,741
Criminal Arrests	344	276	282	259	259	331	278	240	230	228
Accidents	345	318	299	293	339	145	152	145	125	118
Fire:										
Emergency responses	405	386	350	331	364	401	391	385	336	305
Investigations/Inspections	343	354	328	612	317	185	194	184	165	143
Refuse collection:										
Guaranteed Tonnage	4,924	4,790	4,790	4,790	6,325	6,005	6,005	6,100	6,950	7,100
Parks and recreation:										
Number of Programs Offered	125	103	87	88	29	39	46	48	80	85
Library:										
Total Programs	296	390	422	417	437	341	344	323	375	373
Active Cardholders	2,938	3,249	3,438	3,552	3,770	4,930	5,098	6,000	5,920	5,830
Reference Questions	3,062	6,549	6,000	5,670	6,105	5,740	6,517	6,100	4,290	4,285
Volumes in Collection	41,751	62,511	62,252	61,149	61,597	63,216	64,000	60,154	59,941	59,512
Use of Public Computers	6,156	8,456	9,129	9,162	10,800	12,010	12,094	11,179	11,250	9,283
Public Works										
Street Resurfacing (miles)	3.66	4.86	16.53	6.70	8.80	4.50	1.20	1.00	0.90	1.50
Education										
School Enrollment	1,475	1,500	1,519	1,578	1,583	1,610	1,648	1,812	1,842	1,851
Wastewater:										
Average daily sewage treatment (millions of gallons daily)	0.90	0.66	0.64	0.77	0.77	0.99	0.99	0.99	0.99	0.99

Source: Various Town Departments

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

Function/Program	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
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	16	15	14	13	13	11	11	11	11	11
Fire stations:										
Stations	3	3	3	3	3	3	3	3	3	3
Fire Trucks	11	11	11	11	11	11	11	11	11	11
Rescue Boats	3	3	3							
Fire Vehicles	2	2	2							
Public Works:										
Streets (miles)	82.42	82.42	82.42	82.42	82.83	82.83	82.83	82.83	82.83	82.83
State Highways	12.42	12.42	12.42	12.42	12.42	12.42	12.42	12.42	12.42	12.42
Streetlights	1,428	1,428	1,428	1,428	1,186	1,186	1,186	1,188	1,186	1,184
Fire hydrants	308	308	308	308	241	241	238	236	234	232
Parks and recreation:										
Acres of Park Land (including water)	260	260	260	260	217	25	25	25	25	25
Acres of Water	55	55	55	55						
Basketball Courts	3	3	3	3	3	3	3	3	3	3
Playgrounds	4	4	4	4	6	6	6	6	6	6
Baseball/softball diamonds	2	2	2	2	5	5	5	5	5	5
Tennis Courts	2	2	2	2	4	4	4	4	4	4
Multiple Use Fields	5	5	5	6	6	6	6	6	6	6
Library:										
Public Library Locations	1	1	1	1	1	1	1	1	1	1
Private Library Locations	1	1	1	1	1	1	1	1	1	1
Education:										
Number of High Schools	1	1	1	1	1	1	1	1	1	1
Number of Middle School	1	1	1	1	1	1	1	1	1	1
Number of Elementary Schools	2	2	2	2	2	2	2	2	2	2
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