

FINAL OFFICIAL STATEMENT DATED OCTOBER 10, 2018

NEW MONEY ISSUE: Book-Entry-Only

RATINGS: S&P Global Ratings: "AA" (BAM Insured)

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance with certain covenants and procedures relating to requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds may be includable in the calculation of certain taxes under the Code, including the federal alternative minimum tax imposed on certain corporations for tax years beginning before January 1, 2018. In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. See "Tax Matters" herein.



Town of Plymouth, Connecticut **\$6,950,000** **General Obligation Bonds, Issue of 2018** **(BANK-QUALIFIED)**

Dated: October 24, 2018

**Due: Serially on October 15, 2020-2038,
as detailed below:**

The Bonds will be general obligations of the Town of Plymouth, Connecticut (the "Town") and the Town will pledge its full faith and credit to pay the principal of and the interest on the Bonds when due. See "Security and Remedies" herein.

The Bonds will bear interest payable April 15, 2019 and semiannually thereafter on October 15 and April 15 in each year until maturity or earlier redemption as provided herein. The Bonds are issuable only as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only System" herein.

The Bonds are subject to redemption prior to maturity as herein provided. See "Redemption Provisions" herein.

Year	Principal	Coupon	Yield	CUSIP	Year	Principal	Coupon	Yield	CUSIP
2020	\$ 255,000	4.000%	2.200%	729467QT0	2030*	\$ 380,000	4.000%	3.200%	729467RD4
2021	300,000	4.000%	2.300%	729467QU7	2031*	380,000	4.000%	3.300%	729467RE2
2022	350,000	4.000%	2.400%	729467QV5	2032*	380,000	4.000%	3.400%	729467RF9
2023	360,000	4.000%	2.500%	729467QW3	2033*	380,000	4.000%	3.500%	729467RG7
2024	370,000	4.000%	2.650%	729467QX1	2034*	380,000	4.000%	3.600%	729467RH5
2025*	375,000	3.000%	2.800%	729467QY9	2035*	380,000	4.000%	3.700%	729467RJ1
2026*	380,000	3.000%	2.900%	729467QZ6	2036*	380,000	4.000%	3.800%	729467RK8
2027	380,000	3.000%	3.000%	729467RA0	2037*	380,000	4.000%	3.950%	729467RL6
2028	380,000	3.000%	3.100%	729467RB8	2038	380,000	4.000%	4.000%	729467RM4
2029*	380,000	4.000%	3.100%	729467RC6					

* Priced assuming redemption on October 15, 2024; however any such redemption is at the option of the Town.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA ASSURANCE COMPANY**. See "Bond Insurance" herein.



The Bonds shall be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for certain interest expense allocable to the Bonds.

The Registrar, Transfer Agent, Paying Agent and Certifying Agent for the Bonds will be U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.

The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut and certain other conditions. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC or its agent via "FAST" on or about October 24, 2018.

PiperJaffray

No dealer, broker, salesperson, or other person has been authorized by the Town to give any information or to make any representations not contained in this Official Statement or any supplement which may be issued hereto, and if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose. The information, estimates and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement.

The independent auditors for the Town are not passing upon and do not assume responsibility for the accuracy or completeness of the financial information presented in this Official Statement (other than matters expressly set forth in their opinion in Appendix A), and they make no representation that they have independently verified the same.

The Bonds have not been registered under the Securities Act of 1933, as amended, nor have the Bonds been registered under any state securities laws.

The Town deems this Official Statement to be "final" for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but it is subject to revision or amendment.

The Town currently files its official statements for primary offerings with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system. In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide or cause to be provided (i) annual financial information and operating data, (ii) a notice of the occurrence of certain events within 10 business days of the occurrence of such events, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement. The Continuing Disclosure Agreement shall be executed in substantially the form attached as Appendix C to this Official Statement.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "Bond Insurance" and "Appendix E - Specimen Municipal Bond Insurance Policy".

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Bond Issue Summary

The information in this Bond Issue Summary and on the front cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.

Date of Sale:	Wednesday, October 10, 2018 at 11:30 A.M. (Eastern Time).
Location of Sale:	Offices of Robinson & Cole LLP, Robinson Room, 280 Trumbull Street, Hartford, Connecticut 06103.
Issuer:	Town of Plymouth, Connecticut (the "Town").
Issue:	\$6,950,000 General Obligation Bonds, Issue of 2018 (the "Bonds").
Dated Date:	October 24, 2018
Interest Due:	April 15, 2019 and semiannually thereafter on October 15 and April 15 in each year until maturity or earlier redemption.
Principal Due:	October 15 in each of the years 2020 through 2038, both inclusive, as detailed in this Official Statement.
Authorization and Purpose:	The proceeds of the Bonds will be used to fund various general purpose and school construction projects authorized by the Town.
Redemption:	The Bonds are subject to redemption prior to maturity.
Security and Remedies:	The Bonds will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	The Town received a rating of "A+" on the Bonds from S&P Global Ratings. S&P is expected to assign the Bonds an insured rating of "AA" based upon the issuance of the insurance policy by Build America Assurance Company ("BAM") at the time of delivery of the Bonds.
Basis of Award:	Lowest True Interest Cost (TIC), as of the dated date.
Bond Insurance:	Build America Assurance Company ("BAM") has made a commitment to issue a financial guaranty insurance policy concurrently with the delivery of the Bonds. (See Appendix E – "Specimen Municipal Bond Insurance Policy").
Tax Exemption:	See "Tax Matters" herein.
Bank Qualification:	The Bonds <u>shall be</u> designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for certain interest expense allocable to the Bonds.
Continuing Disclosure:	See Appendix C "Form of Continuing Disclosure Agreement" hereto.
Registrar, Transfer Agent, Certifying Agent & Paying Agent:	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.
Legal Opinion:	Robinson & Cole LLP, of Hartford, Connecticut will act as Bond Counsel.
Municipal Advisor:	Phoenix Advisors, LLC, of Milford, Connecticut. Telephone (203) 878-4945.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about October 24, 2018 against payment in Federal Funds.
Issuer Official:	Questions concerning this Official Statement should be directed to Ms. Ann Marie Rheault, Director of Finance, Town Hall, 80 Main Street, Terryville, Connecticut 06786, Telephone: (860) 585-4091 or Mr. Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut, Telephone: (203) 878-4945.

I. Bond Information

Introduction

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Plymouth, Connecticut (the "Town"), in connection with the original issuance and sale of \$6,950,000 General Obligation Bonds, Issue of 2018 (the "Bonds") of the Town.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstance, create any implication that there has been no change in the affairs of the Town since the date hereof. Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representation of fact. No representation is made that any of such statements will be realized. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained in this Official Statement do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof.

U.S. Bank National Association, 225 Asylum Street, Goodwin Square, Hartford, Connecticut 06103 will act as Registrar, Transfer Agent, Paying Agent, and Certifying Agent for the Bonds.

Bond Counsel are not passing upon and do not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as their opinion attached hereto as Appendix B) and they make no representation that they have independently verified the same.

The Town deems this Official Statement to be "final" for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but it is subject to revision or amendment.

Municipal Advisor

Phoenix Advisors, LLC, of Milford, Connecticut the ("Municipal Advisor") has served as Municipal Advisor to the Town with respect to the issuance of the Bonds and has assisted the Town in preparing this Official Statement. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto.

The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

Description of the Bonds

The Bonds will be dated the date of delivery and will mature in the years and in such amounts and shall bear interest at such rates as set forth on the cover page of this Official Statement, payable on April 15, 2019 and semiannually thereafter on October 15 and April 15 in each year until maturity or earlier redemption. Interest will be calculated on the basis of a 360-day year consisting of twelve thirty-day months. Interest is payable to the registered owner as of the close of business on the last business day of March and September in each year, by check mailed to the registered owner; or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, and the Town shall agree. The Bonds are subject to redemption prior to maturity. See "Optional Redemption" herein.

Optional Redemption

The Bonds maturing on or before October 15, 2024 are not subject to redemption prior to maturity. The Bonds maturing on October 15, 2025 and thereafter, are subject to redemption prior to maturity, at the election of the Town, on and after October 15, 2024 at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the respective price (expressed as a percentage of the principal amount of Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<i>Period During Which Redeemed</i>	<i>Redemption Price</i>
October 15, 2024 and thereafter	100%

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail at least thirty (30) days prior to the date fixed for redemption to the registered owner of the Bonds at the address of such registered owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The Town, so long as a book-entry-only system is used for the Bonds, will send any notice of redemption only to DTC (or successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of portions of the Bonds of any maturity by the Town will reduce the outstanding principal amounts of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry-only system, among the interest held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemption in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocations of reductions of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, the Registrar or Paying Agent.

Authorization and Purpose

The Town of Plymouth has the power to incur indebtedness as provided by the Connecticut General Statutes and the Town Charter. The issuance of bonds and notes is authorized by a resolution of the Town Council subject to certain procedures outlined in the Town Charter (see "Authority to Incur Debt" herein). Notes and bonds may be issued to meet certain emergency appropriations as provided in the Connecticut General Statutes.

Use of Proceeds

<i>Project</i>	<i>Amount Authorized</i>	<i>This Issue: Bonds</i>
General Purpose.....	\$ 16,750,000	\$ 6,950,000

School Projects

The State of Connecticut provides proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996. Debt service reimbursement will continue under the prior program for all school projects approved prior to July 1, 1996. Under the prior program, the State will reimburse principal and interest cost for eligible school construction projects over the life of outstanding school bonds and the subsequent bond issues necessary to completely fund such school projects. Under the current program, the State will make proportional progress payments for eligible construction costs during construction. The Town's current project falls under the current reimbursement program.

The following project will be reimbursed at the estimated reimbursement rate shown below:

Project	Total Authorization	Estimated Reimbursement Rate (%)	Estimated Grants^{1, 2}
Plymouth School Projects	\$47,000,000	61.7	\$29,000,000

¹ Costs eligible for reimbursement are subject to final approval by the State of Connecticut Department of Education and are subject to change.

² To date the Town has received \$28,050,580 in grants for this project.

Book-Entry-Only Transfer System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry-only transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry-only system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC.

The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Town or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

DTC Practices

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

Replacement Bonds

In the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, and the Town fails to identify another qualified securities depository for the Bonds to replace DTC; or (b) the Town determines to discontinue the book-entry-only system of evidence and transfer of ownership of the Bonds, the Town is authorized to issue fully registered Bond certificates directly to the Beneficial Owner. A Beneficial Owner of the Bonds, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds.

Security and Remedies

The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

Unless paid from other sources, the Bonds are payable from general property tax revenues. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts.

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds, or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation bonds and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have the power in appropriate proceedings to order payment of a judgment on such bonds from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors, including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on such debt would also be subject to the applicable provisions of federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Under the Federal Bankruptcy Code, the Town may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9, Title 11 of the United States Code, or by state law or by a governmental officer or organization empowered by state law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

Qualification for Financial Institutions

The Bonds shall be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions of interest expense allocable to the Bonds.

Availability of Continuing Information

The Town prepares, in accordance with State law, annual independent audited financial statements and files such financial statements with the State Office of Policy and Management.

In accordance with the requirements of Rule 15c2-12(b)(5) of the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) notice of the occurrence of certain events within ten (10) business days of the occurrence of such events, and (iii) timely notice of the failure by the Town to provide the annual financial information on or before the date specified in the Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.

The Town has previously undertaken in continuing disclosure agreements for the benefit of holders of certain of its bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). In the last five years, the Town has failed to comply with its previous undertakings in such agreements as follows:

The Town failed to timely file its Audited Financial Statement for the fiscal year ending June 30, 2014 and failed to timely file unaudited financial statements as provided in its continuing disclosure agreements. A notice of failure to file was

filed on April 18, 2017. However, the Town timely filed financial information and operating data for the fiscal year ending June 30, 2014. The Audited Financial Statement was filed on March 23, 2016.

The Town failed to timely file its Audited Financial Statement and financial information and operating data for the fiscal year ending June 30, 2015 and failed to timely file unaudited financial statements as provided in its continuing disclosure agreements. A notice of failure to file was filed on May 5, 2016. The Audited Financial Statement was filed on March 17, 2017.

The Town failed to timely file its Audited Financial Statement and financial information and operating data for the fiscal year ending June 30, 2016 and failed to timely file unaudited financial statements as provided in its continuing disclosure agreements. A notice of failure to file was filed on March 2, 2017. The Audited Financial Statement was filed on April 3, 2018.

The Town failed to timely file its Audited Financial Statement and financial information and operating data for the fiscal year ending June 30, 2017 and failed to timely file unaudited financial statements as provided in its continuing disclosure agreements. A notice of failure to file was filed on September 28, 2018. The Audited Financial Statement was filed on July 11, 2018.

The above noted failures to file its Audited Financial Statements and financial information and operating data in a timely manner for fiscal year ending June 30, 2015 was due to the need for improvements to the financial record keeping system of the Town following the termination of the former Director of Finance. The Audited Financial Statements and financial information and operating data for the subsequent years set forth above resulted from the continued reconciliation of the Town's financial records as well as staffing issues within the Finance Department. These issues have since been rectified.

As of the date of this Official Statement, the Town is up-to-date with its continuing disclosure obligations and expects to remain in compliance in the future. Procedures have been put in place to ensure that the Town is able to comply with its obligations and make timely filings as required by its continuing disclosure agreements.

Ratings

The Town received an underlying rating of "A+" on the Bonds from S&P Global Ratings ("S&P"). S&P is expected to assign the Bonds an insured rating of "AA" based upon the issuance of the insurance policy to be issued by BAM at the time of delivery of the Bonds. The Town furnished to the S&P certain information and materials, some of which may not have been included in this Official Statement. The rating reflects only the views of the Rating Agency. No application was made to any other rating agency for the purpose of obtaining ratings on outstanding securities of the Town.

Generally, the rating agencies base their rating upon such information and materials and upon investigations, studies and assumptions by the rating agencies. There can be no assurance that a rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating agency if in its judgment circumstances so warrant. Any such downward change in or withdrawal of a rating may have an adverse effect on the marketability or market price of the Town's outstanding bonds and notes, including this issue.

The Town expects to furnish to the S&P information and materials that they may request. However, the Town may issue short-term or other debt for which a rating is not requested. The Town's Municipal Advisor, Phoenix Advisors, LLC, recommends that all bonded debt be submitted for a credit rating.

Tax Matters

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met at and subsequent to delivery of the Bonds in order that interest on the Bonds be and remains excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Tax Regulatory Agreement, which will be executed and delivered by the Town concurrently with the Bonds, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Bonds in order to comply with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the Town also covenants and agrees that it shall perform all things necessary or appropriate under any valid provision of law to ensure interest on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the Town with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds is, however, includable in adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations for tax years beginning before January 1, 2018.

Ownership of the Bonds may also result in certain collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security and Railroad Retirement benefits, taxpayers utilizing the earned income credit and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, such as the Bonds. Prospective purchasers of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of ownership and disposition of, or receipt of interest on, the Bonds.

In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Bonds, is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Bonds or adversely affect the market price of the Bonds.

The opinions of Bond Counsel are rendered as of their date and are based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinions to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective.

Prospective purchasers of the Bonds are advised to consult their own tax advisors regarding other State and local tax consequences of ownership and disposition of and receipt of interest on the Bonds.

Original Issue Discount

The initial public offering price of certain maturities of the Bonds may be less than the principal amount payable on such Bonds at maturity. The excess of the principal amount payable at maturity over the initial public offering price at which a substantial amount of these Bonds are sold constitutes original issue discount. The prices set forth on the cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any Bond during each day it is owned by a taxpayer is added to the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds by such owner. Accrued original issue discount on the Bonds is excluded from gross income for federal income tax purposes. Original issue discount on any bond is treated as accruing on the basis of economic accrual for such purposes, computed by a constant semiannual compounding method using the yield to maturity on such bond. The original issue discount attributable to any bond for any particular semiannual period is equal to the excess of the product of (i) one-half of the yield to maturity of such bond, and (ii) the amount which would be the adjusted basis of the bond at the beginning of such semiannual period if held by the original owner and purchased by such owner at the initial public offering price, over the interest paid during such period. The amount so treated as accruing during each semiannual period is apportioned in equal amounts among the days in that period to determine the amount of original issue discount accruing for such purposes during each such day. Prospective purchasers of the Bonds should consult their own tax advisors with respect to the federal, state and local income tax consequences of the disposition of and receipt of interest on the Bonds.

Original Issue Premium

The initial public offering price of certain maturities of the Bonds may be greater than the principal amount payable on such Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Bonds are sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The prices set

forth on the cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as amortizing with respect to any Bond during each day it is owned by a taxpayer is subtracted from the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds by such owner. Amortized original issue premium on the Bonds is not treated as a deduction from gross income for federal income tax purposes. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer's yield to maturity using the taxpayer's cost basis and a constant semiannual compounding method. Prospective purchasers of the Bonds should consult their own tax advisors with respect to the federal, state and local income tax consequences of the disposition of and receipt of interest on the Bonds.

Bond Insurance

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2018 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$519.5 million, \$99.3 million and \$420.2 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be

obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “BOND INSURANCE”.

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM’s analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM’s website at buildamerica.com/creditsights/. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM’s website at buildamerica.com/obligor/. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

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II. The Issuer



Connecticut

Description of the Municipality

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. At the time of the 2010 U. S. Census, the Town's population was 12,243.

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

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

In 1965 the Town adopted its first Plan of Development. As part of that plan, and subsequent revised plans, comprehensive planning and zoning regulations have been enacted to reflect current development standards and practices.

These have resulted in a balanced economy, improved residential development and have helped to stabilize the tax rate. The most recent Plan of Development was adopted in April 2005.

The Town's educational system consists of two elementary schools, one middle school and one senior 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 on November 8, 2016.

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 a two-year term. 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 for approval of the annual budget is required under the Charter only if the proposed increase or decrease from the prior year's approved budget is more than 3%. A proposed budget with a less than 3% change from the prior year requires approval by the Town Council. The Board of Finance recommends the annual budget for the referendum that is held before May 3 or to the Town Council for approval. Upon approval of the budget, the Board of Finance sets the tax rate.

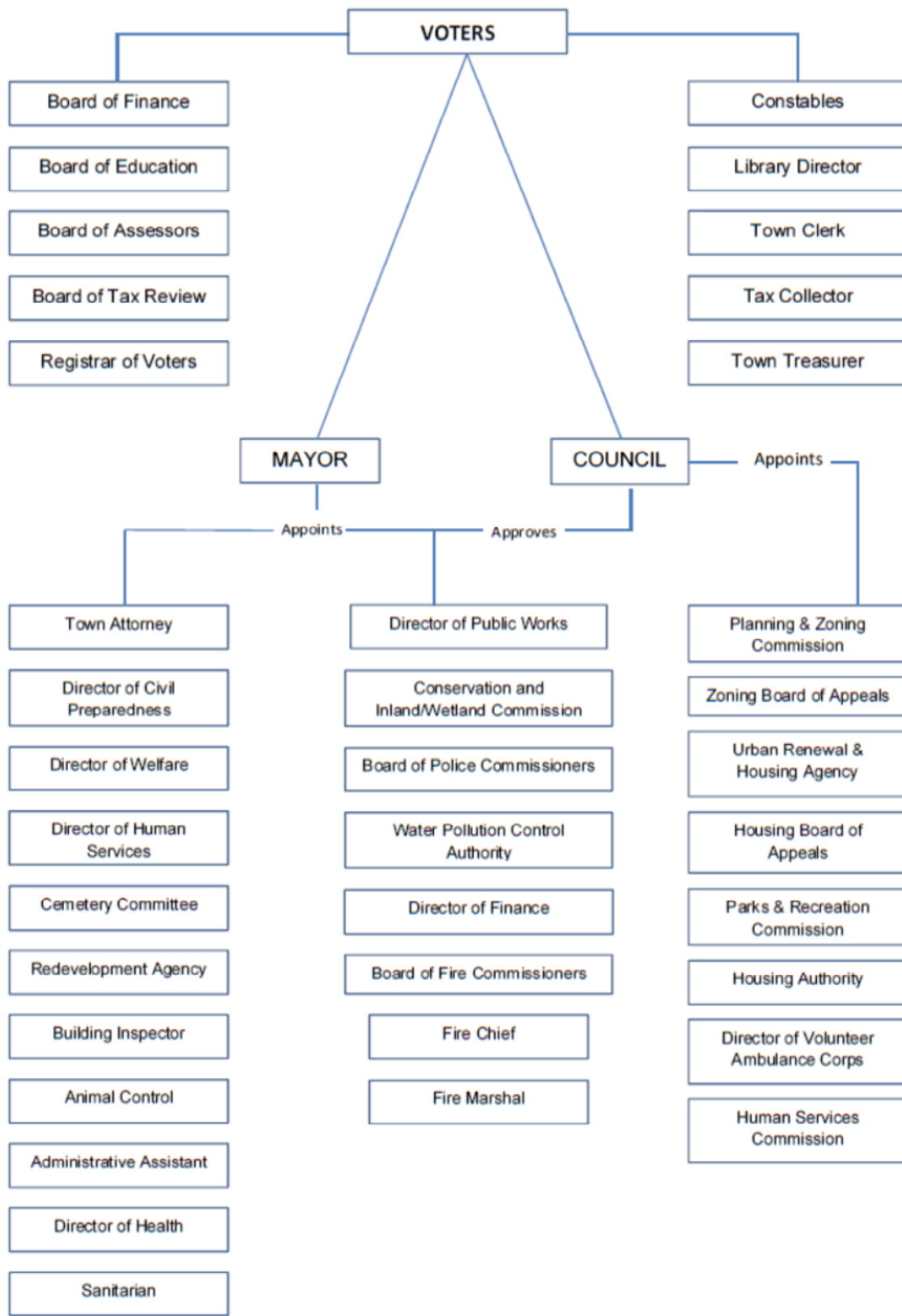
Municipal Officials

<i>Office</i>	<i>Name</i>	<i>Manner of Selection</i>	<i>Current Term</i>	<i>Length Of Service</i>
Mayor.....	David V. Merchant	Elected	11/17-11/19	3rd term
Town Council.....	Tom Zagurski	Elected	11/17-11/19	11 years ¹
Town Council.....	Roxanne McCann	Elected	11/17-11/19	1 year
Town Council.....	Susan R. Murawski	Elected	11/17-11/19	11 years
Town Council.....	John Pajeski	Elected	11/17-11/19	5 years
Town Council.....	Daniel Gentile	Elected	11/17-11/19	3 years
Superintendent of Schools.....	Martin Semmel	Appointed	n/a	--
Treasurer.....	David C. Mischke	Elected	11/17-11/19	5 years
Director of Finance.....	Ann Marie Rheault	Appointed	n/a	3 years

¹ Not consecutive years.

Source: Town of Plymouth

Organizational Chart



Municipal Services

Public Safety. The Plymouth Police Department enforces criminal and motor vehicle laws; renders aid to victims of medical emergencies or accidents; and patrols the Town. The Police Department, organized in 1970, houses a 24-hour public safety dispatch center which coordinates responses by all safety services including fire, ambulance, civil preparedness and public works. Police personnel (23 employees) also provide a number of community relations and public education programs.

Fire. Fire protection is provided by a volunteer force of 90+ fire fighters, 4 fire companies organized into one Town-wide fire department which is housed in three fire stations that are strategically located throughout the Town. Fire equipment consists of five pumpers, one ladder/tower truck, one heavy rescue truck, one brush truck/mini pumper/mini rescue, one engine/tanker, one atv, one utility pickup truck and one support truck.

Public Works. There are five areas of responsibility within Public Works: Highways, Equipment Repair, Solid Waste, Engineering and Building Maintenance. Public Works maintains over 80 miles of road and buildings and nearly 100 pieces of motorized equipment and vehicles. Ninety percent (90%) of the Town's roads are illuminated.

Library. The Terryville Public Library maintains a collection of approximately 63,000 items with an annual circulation of approximately 52,000. Library services are provided by a staff of 5 full-time and 6 part-time employees. The Library operates one main facility.

Parks and Recreation. The Parks and Recreation Commission operates a comprehensive program of activities. Recreational facilities include Lake Winfield Park, a 23-acre park that provides tennis courts, exercise trails, a track, a boat launch, picnic areas, year round fishing, jogging and ice skating and the Plymouth Reservoir recreation area. The Town also has 4 additional tennis courts, and numerous playgrounds, baseball diamonds, soccer fields and basketball courts. The Town also maintains a community garden and the Plymouth Skate Park.

Water Pollution Control Authority. The Plymouth Water Pollution Control Authority ("WPCA") was created in 1979, and consists of a seven member volunteer board which has all the powers and duties set forth in Chapter 103 of the Connecticut General Statutes. The WPCA establishes policy and budget setting measures for the efficient operation of the treatment facility, 48 miles of collection system and eight pumping stations located throughout Town. The sewage treatment plant was built in 1991 and is a 1.75 mgd (million gallons/day) average flow treatment facility employing preliminary, primary and secondary waste treatment processes for nitrification (ammonia removal). Five-year renewal of the National Pollutant Discharge Elimination System permit which dictates specific limits for discharges to the Pequabuck River from the Treatment Plant in accordance with Environmental Protection Agency ("EPA") and State of Connecticut, Department of Energy and Environmental Protection ("DEEP"), standards was granted in 2005. The \$2 million dollar Pump Station Rehabilitation Project, funded by a United States Department of Agriculture ("USDA") grant and low-interest loan, overhauled and modernized the eight (8) wastewater pumping stations in the collection system and was completed in November 2004. In August 2006 the WPCA completed the Silver Street Sanitary Sewer Replacement project. This \$248,000 project consisted of main sewer line pipe replacement in an area identified as having problems with conveyance of wastewater to the treatment facility, and was 100% funded by the WPCA. The latest upgrade completed in 2016 was for nitrogen removal and the system was modified for a 5-stage bartenpho process. The facility was designed to treat 1.75 mgd. In June 2016 the WPCA received its new National Pollutant Discharge Elimination System (NPDES) permit which includes a compliance schedule to meet new requirements outlined in the new permit. The WPCA has purchased a new ultraviolet disinfection system to be installed after October 31, 2018 and expected to be in full operation for the beginning of next disinfection season which begins April 1, 2019. The Town is also in the early stages of designing a temporary phosphorus removal system to be in operation by June 1, 2019 to meet the above referenced compliance schedule. The sewer system serves approximately 4280 residential properties in Town.

Solid Waste. Covanta Bristol Inc., a Connecticut corporation (the "Company"), operates a 650-ton per day mass-burn solid waste disposal, electric power generation, and resource recovery facility in 229 Technology Park (the "Facility"). The Facility was designed using technology developed and owned by Martin GmbH of Munich, Germany.

The Facility processes and disposes of acceptable solid waste from the City of Bristol, the Town of Branford, the Town of Berlin, the Town of Burlington, the Town of Hartland, the City of New Britain, the Town of Plainville, the Town of Plymouth, the Town of Southington, the Town of Washington, the Town of Wolcott, the Town of Prospect, the Town of Seymour and the Town of Warren. These fourteen municipalities are collectively referred to as the "Contracting Communities".

The Facility design provides for two furnaces designed to process acceptable waste, each with a rated capacity of 325 tons per day. Pursuant to a Service Agreement (the "Service Agreement"), the Company has guaranteed that the yearly guaranteed facility capacity will be 197,630 tons per year to the participating municipalities which represents an availability factor of 83.3%. The furnaces produce steam which is used to generate electricity for sale pursuant to the Electricity Agreement with Eversource. The Facility has a net output of 13.2 MW. A dry scrubber and baghouse are utilized for the removal of acid gas and particulates from stack flue gas emissions.

Waste disposal service by the Company is to be provided through the operation of the Facility or by any other alternate disposal method reasonably acceptable to the Contracting Communities, including permitted sanitary landfills. The Service Fee payable by each Contracting Community for such waste disposal service is its pro-rata share, based on its respective tonnage deliveries of acceptable waste, of the sum for each monthly billing period of (1) an amount equal to debt service on the \$68,040,000 Refunding Bonds (the "Solid Waste Bond Obligations") issued in 1995 to refinance the facility, (2) the operation and maintenance expense, and (3) pass through costs, including certain taxes, insurance and utility costs, less a credit equal to 90% of all energy revenues and with an adjustment with respect to recovered ferrous metals.

If the Facility is temporarily or permanently shut down and partially or completely unable to receive and process acceptable waste, the Company is obligated to provide waste disposal services by alternate disposal methods. The Company is obligated under the Service Agreement to seek to mitigate the effect of any shutdown, and the operation and maintenance expense is to be adjusted to the extent the Facility is unable to receive and process acceptable waste, to reflect the Company's actual direct costs of alternate disposal. Should the Facility be shut down for an extended time, the cost of alternate disposal will depend upon transportation costs to and tipping fees at the alternate disposal site.

The Contracting Communities are obligated to pay the Service Fee to the Company, whether or not the Contracting Communities deliver acceptable waste to the facility and whether or not the Company disposes of such acceptable waste through the Facility. This obligation is absolute and unconditional, is not subject to any rights of set-off, recoupment or counterclaim that any Contracting Community may have against the Company, the trustee under the Solid Waste Bond Obligations or any other person, and may not be suspended or discontinued for any purpose. In the event of a payment default under the Service Agreement by any one or more of the Contracting Communities, the non-defaulting Contracting Communities are jointly and severally liable to pay such defaulted amount. The Contracting Communities have pledged their full faith and credit to pay all amounts due.

The Contracting Communities' obligation to pay the Service Fee ceases if the Service Agreement is terminated. If the Service Agreement is terminated due to a default by any Contracting Community, the Contracting Communities are obligated to pay amounts sufficient to defease the Solid Waste Bond Obligations or pay amounts sufficient to make timely payments of principal and interest on the Solid Waste Bond Obligations. If the Service Agreement is terminated due to a default by the Company, the Company is generally obligated to defease the Solid Waste Bond Obligations or continue to make timely payments of principal and interest on the Solid Waste Bond Obligations.

Flow control litigation has had no adverse effect on the waste stream delivered to the Bristol Resource Recovery Facility. A competitive tip fee has maintained the quantity of waste delivered from the commercial sector and other participants since the flow control procedures were struck down. Additionally, the Bristol Resource Recovery Operating Committee has been successful in filling short term available capacity from the spot market.

The guaranteed tonnage which the Town is obligated to provide, and the per ton service fee thereof, for the current and past nine fiscal years, are as follows:

<i>Fiscal Year</i>	<i>Guaranteed Tonnage</i>	<i>Service Fee Per Ton</i>
2018	4,924	\$ 63.21
2017	4,790	62.12
2016	4,790	61.05
2015	4,790	60.00
2014	6,325	58.50
2013	6,005	61.50
2012	6,005	63.50
2011	6,100	64.50
2010	6,950	65.50
2009	7,100	65.50

Source: Town of Plymouth Public Works

Utilities. Eversource, Connecticut Water Company, Comcast Communications Systems and Frontier all provide service within the Town.

Business Park. The Economic Development Commission, formerly known as the Industrial & Development Commission, was established to oversee and develop the Town's Business Park. Begun in 1973 with Phase I, the Business Park now consists of three phases with approximately 215 fully infrastructured acres. Existing businesses occupy over 513,000 sq. ft. of buildings. Another 28,000 sq. ft. is either in the planning stage or under construction. Funding has been received from the State of Connecticut for the construction of a water booster pump station to provide the utilities for Phase IV. All phases of the Business Park are governed by protective covenants.

Educational System

The Town's school system consists of two schools for pupils in grades Pre-K through 5; one school for pupils in grades 6 through 8 and one high school for pupils in grades 9 through 12. The schools are governed by a nine-member Board of Education.

Educational Facilities

<i>School</i>	<i>Grades</i>	<i>Date of Construction (Additions, Remodeling)</i>	<i>Number of Classrooms</i>	<i>10/1/2018 Enrollment</i>	<i>Rated Capacity</i>
Plymouth Central School...	K-5	1952 (1995)	34	313	430
Henry S. Fisher School.....	K-5	1961 (1997)	31	337	600
Eli Terry Middle School....	6-8	1961 (2008)	31	354	600
Terryville High School.....	9-12	2008	40	415	700
Total.....			136	1,419	2,330

Source: Town of Plymouth, Board of Education

School Enrollment History and Projections

School Year	Historical			Total
	Pre-K-6	7- 8	9 - 12	
2009-10	982	320	540	1,842
2010-11	813	441	558	1,812
2011-12	856	284	508	1,648
2012-13	822	297	491	1,610
2013-14	705	400	478	1,583
2014-15	841	248	489	1,578
2015-16	801	229	489	1,519
2016-17	778	228	494	1,500
2017-18	790	223	462	1,475
2018-19	781	252	437	1,470

School Year	Projected			Total
	Pre-School	K - 8	9 - 12	
2019-20	58	858	439	1,355
2020-21	59	813	459	1,331
2021-22	60	801	437	1,298
2022-23	61	763	453	1,277

Source: Town of Plymouth, Superintendent of Schools

Municipal Employment

	2018	2017	2016	2015	2014
General Government.....	66	71	74	78	73
Board of Education.....	250	211	209	211	219
Total.....	316	282	283	289	292

Source: Town of Plymouth

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Municipal Employees Bargaining Organizations

As of June 30, 2018 the Town employed 316 people. The following table sets forth a breakdown of employee representation by collective bargaining agreement and the dates of expiration of the various collective bargaining agreements:

	Positions Covered	Current Contract Expiration Date
Board of Education Groups		
Teachers (Plymouth Education Association).....	136	6/30/2021
Administrators (Plymouth School Administrators Association).....	7	6/30/2019
Nurses/Secretaries.....	4	6/30/2020
Paraprofessional (Technical Office and Professional Unit and the International Union, United Automotive Aerospace, and Agricultural Implement Workers of America, UAW and its local 1251).....	31	6/30/2019
Non-Bargaining Employees.....	72	
Sub-total Board of Education Employees.....	250	
General Government		
Police (Town of Plymouth and United Public Service Employees Union/COPS Plymouth Police Union).....	21	6/30/2019
Public Works (Town of Plymouth and Local 1303-93 of Council #4 AFSCME, AFL-CIO)...	8	6/30/2017 ¹
Supervisors/Non-Supervisors (Town of Plymouth Supervisory and Non Supervisory UAW, Local 376).....	5	6/30/2017 ¹
Dispatchers/Clerical (Town of Plymouth and Plymouth Secretarial, Clerical, Custodial Employees and Dispatchers, United Public Service Employees Union) Local 1303-151 of Council #4, AFSCME, AFL-CIO).....	13	6/30/2019
WPCA Workers (Plymouth Water Pollution Control Authority and Local 1303-205 of Council #4, AFSCME, AFL-CIO).....	3	6/30/2017 ¹
Non-Bargaining Employees.....	16	
Sub-total General Government Employees.....	66	
Total.....	316	

¹ In negotiations

Source: Town of Plymouth

Binding Arbitration

General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipal entity may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capacity of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of teachers' contracts, in assessing the financial capability of a municipality, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capacity, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

III. Economic and Demographic Information

Population Trends

Year	Actual Population¹	% Increase	Density²
2016 ³	11,926	-2.6%	534.8
2010	12,243	5.2%	549.0
2000	11,634	-1.6%	521.7
1990	11,822	10.2%	530.1
1980	10,732	4.0%	481.3
1970	10,321	52.4%	462.8
1960	6,771	--	303.6

¹ U.S. Department of Commerce, Bureau of Census.

² Per square mile: 22.3 square miles.

³ American Community Survey 2012-2016

Age Distribution of the Population

Age	Town of Plymouth		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years	651	5.5%	188,812	5.3%
5 to 9 years	681	5.7	210,557	5.9%
10 to 14 years	557	4.7	228,543	6.4%
15 to 19 years	759	6.4	252,522	7.0%
20 to 24 years	1,003	8.4	242,007	6.7%
25 to 34 years	1,627	13.6	438,471	12.2%
35 to 44 years	1,160	9.7	439,606	12.3%
45 to 54 years	1,907	16.0	545,977	15.2%
55 to 59 years	1,025	8.6	263,778	7.4%
60 to 64 years	762	6.4	223,274	6.2%
65 to 74 years	1,076	9.0	303,959	8.5%
75 to 84 years	479	4.0	163,137	4.5%
85 years and over	239	2.0	87,927	2.5%
Total.....	11,926	100%	3,588,570	100%
Median Age (Years) 2016.....	40.3		40.6	

Source: American Community Survey 2012-2016

Selected Wealth and Income Indicators

	Town of Plymouth	State of Connecticut
Per Capita Income, 2016.....	\$ 32,522	\$ 39,906
Median Family Income, 2016.....	\$ 82,329	\$ 91,274
Median Household Income, 2016	\$ 70,635	\$ 76,175

Source: American Community Survey 2012-2016

Income Distribution

Income	Town of Plymouth		State of Connecticut	
	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	106	3.4%	29,623	3.3%
10,000 - 14,999.....	22	0.7	17,060	1.9%
15,000 - 24,999.....	104	3.3	44,354	5.0%
25,000 - 34,999.....	127	4.0	54,456	6.1%
35,000 - 49,999.....	341	10.8	81,300	9.1%
50,000 - 74,999.....	606	19.2	137,336	15.4%
75,000 - 99,999.....	635	20.1	124,033	13.9%
100,000 - 149,999.....	734	23.3	186,214	20.8%
150,000 - 199,999.....	305	9.7	96,075	10.7%
200,000 and over.....	176	5.6	123,962	13.9%
Total.....	3,156	100.0%	894,413	100.0%

Source: American Community Survey 2012-2016

Major Employers

Employer	Type of Business	Approximate Number of Employees
Town of Plymouth.....	Government/Education	411
Cook Willow Convalescent Home.....	Convalescent facility	112
Richards Corporation.....	Construction	80
Nutmeg Spice Company.....	Spices-Wholesale	70
Terryville Chevrolet.....	Car Dealership	51
Wollenberg's Inc/TLC Limousine.....	Transportation	50
Lauretano Sign Group.....	Manufacturing	49
Triem Industries.....	Manufacturer	45
IGA Supermarket.....	Grocery Store	45
Phoenix Products.....	Pool Equipment Retailer	35

Source: Town of Plymouth Economic Development

Employment Statistics

Period	Town of Plymouth		Percentage Unemployed		
	Employed	Unemployed	Town of Plymouth	Hartford Labor Market	State of Connecticut
August 2018.....	6,394	270	4.1	4.1	3.9
Annual Average					
2017	6,340	365	5.4	4.8	4.7
2016	6,311	414	6.2	5.3	5.3
2015	6,372	454	6.6	5.6	5.6
2014	6,281	536	7.9	6.7	6.7
2013	6,200	611	9.0	7.9	7.9
2012	6,362	659	9.4	8.4	8.3
2011	6,385	719	10.1	8.8	8.8
2010	6,253	782	11.0	9.1	9.0
2009	6,314	710	10.0	8.0	8.2
2008	6,390	451	6.7	5.7	5.8

Source: Department of Labor, State of Connecticut

Building Permits

Fiscal Year	Residential		Comm./Industrial		Other		Total	
	No.	Value	No.	Value	No.	Value	No.	Value
2018	597	\$ 7,932,785	4	\$3,451,683	25	\$ 253,248	626	\$ 11,637,716
2017	616	1,397,321	-	-	18	930,170	634	2,327,491
2016	639	911,157	-	-	16	48,600	655	959,757
2015	500	8,427,090	-	-	-	-	500	8,427,090
2014	507	6,700,330	-	-	-	-	507	6,700,330
2013	364	3,651,520	49	1,354,652	251	897,456	664	5,903,628
2012	343	3,218,900	47	1,258,442	239	847,048	629	5,324,390
2011	248	2,052,657	2	566,000	55	924,845	305	3,543,502
2010	231	2,601,130	4	449,700	75	775,403	310	3,826,233
2009	135	2,356,152	6	410,000	141	946,750	282	3,712,902

Note: Detailed allocations for years 2014-2017 are not available.

Source: Town of Plymouth, Office of Building Inspections

Educational Attainment

	Town of Plymouth		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	178	2.2%	103,279	4.2%
9th to 12th grade.....	624	7.5	139,653	5.7
High School graduate.....	3,159	38.2	673,220	27.3
Some college, no degree.....	1,483	17.9	427,232	17.3
Associate's degree	940	11.4	184,426	7.5
Bachelor's degree.....	1,194	14.4	524,370	21.3
Graduate or professional degree.....	697	8.4	413,949	16.8
Total.....	8,275	100.0%	2,466,129	100.0%
Total high school graduate or higher (%).....		90.3%		90.1%
Total bachelor's degree or higher (%).....		22.9%		38.0%

Source: American Community Survey 2012-2016

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Age Distribution of Housing

Year Built	Town of Plymouth		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	1,124	21.6%	334,202	22.4%
1940 to 1969.....	1,765	33.9	533,202	35.7
1970 to 1979.....	610	11.7	200,614	13.4
1980 to 1989.....	795	15.3	190,755	12.8
1990 to 1999.....	363	7.0	113,584	7.6
2000 or 2009.....	525	10.1	104,308	7.0
2010 or later.....	22	0.4	17,133	1.1
Total Housing Units	5,204	100.0%	1,493,798	100.0%

Source: American Community Survey 2012-2016

Housing Inventory

Housing Units	Town of Plymouth		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	3,880	74.6%	882,236	59.1%
1-unit, attached.....	179	3.4	80,639	5.4
2 units.....	265	5.1	123,152	8.2
3 or 4 units.....	315	6.1	130,686	8.7
5 to 9 units.....	317	6.1	82,581	5.5
10 to 19 units.....	124	2.4	56,858	3.8
20 or more units.....	36	0.7	125,758	8.4
Mobile home.....	88	1.7	11,534	0.8
Boat, RV, van, etc.....	-	-	354	0.0
Total Inventory.....	5,204	100.0%	1,493,798	100.0%

Source: American Community Survey 2012-2016

Owner Occupied Housing Values

Specified Owner-Occupied Units	Town of Plymouth		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	127	3.4%	24,343	2.7%
\$50,000 to \$99,000.....	186	4.9	29,703	3.3
\$100,000 to \$149,999.....	702	18.7	81,158	9.0
\$150,000 to \$199,000.....	1,156	30.8	139,979	15.5
\$200,000 to \$299,999.....	1,125	29.9	246,071	27.3
\$300,000 to \$499,999.....	387	10.3	233,345	25.9
\$500,000 to \$999,999.....	57	1.5	104,952	11.7
\$1,000,000 or more.....	18	0.5	40,672	4.5
Total.....	3,758	100.0%	900,223	100.0%
Median Value.....	\$188,900		\$269,300	

Source: American Community Survey 2012-2016

IV. Tax Base Data

Assessment Practices

The Town last revalued its real property effective October 1, 2016. The Town's next scheduled revaluation is to be effective October 1, 2021. Section 12-62 of the Connecticut General Statutes established the revaluation cycle for Connecticut municipalities requiring a revaluation every five years and generally a full inspection, including measuring or verifying the exterior dimensions of a building and entering and examining the interior of the building, once every ten years. 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 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.

Connecticut General Statutes Section 12-71e, as amended, allows municipalities to tax motor vehicles at a different rate than other taxable property, but caps the motor vehicle tax rate at 39.00 mills for the assessment year commencing October 1, 2016, and 45.00 mills for the assessment year commencing October 1, 2017, and each assessment year thereafter. Section 4-66l of the General Statutes, as amended, diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town's motor vehicle tax rate for the current 2017 assessment year (the fiscal year ending June 30, 2019) is 39.69 mills.

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 are not taxed until the next October 1 Grand list. If the motor vehicle replaces a motor vehicle that was taxed on the October 1 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 check and audit is completed periodically. Assessments for personal property 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.

Property Tax Levies and Collections

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, respectively, 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.

Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years at which time they cease to be carried as receivables. Real estate accounts are considered uncollectible fifteen years after the due date in accordance with Connecticut General Statutes, Section 12-164.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter (within 60 days of the close of the fiscal year) are to be used to pay liabilities of the current period. Property taxes receivable not expected to be collected during the available period are reflected as deferred revenue on the Town's financial statements. Section 12-165 of the Connecticut General Statutes, as amended, requires each municipality to write off, on an annual basis, the property taxes, which are deemed to be uncollectible.

Connecticut General Statutes Section 4-66l, as amended ("Section 4-66l"), creates certain disincentives on increasing adopted budget expenditures for municipalities in Connecticut. Beginning in fiscal year 2018, the Office of Policy and Management ("OPM") must reduce the amount of the municipal revenue sharing grant for those municipalities whose increase in its adopted budget expenditures, with certain exceptions, exceed the spending limit specified in the general statutes. The reduction to the municipal revenue sharing grant will generally equal 50 cents for every dollar by which the municipality's adopted budget exceeds the expenditure cap. A municipality whose population increased from the previous fiscal year, as determined by OPM, may increase its adopted budget expenditures over the expenditure cap by an amount proportionate to its population growth. Section 4-66l requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the spending limit, and if so, the amount by which the limit was exceeded.

Under Section 4-66l, municipal spending does not include expenditures: (i) for debt service, special education, or costs to implement court orders or arbitration awards; (ii) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; (iii) for any municipal revenue sharing grant the municipality disburses to a district; or (iv) budgeting for an audited deficit, non-recurring grants, capital expenditures or payments on unfunded pension liabilities.

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List ¹	Mill Rate	Adjusted Annual Levy	Percent of Annual Levy Collected at End of Fiscal Year	Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Uncollected as of 6/30/2018
2017	2019 ¹	\$ 747,189,000	39.69	\$ 29,398,156	<i>In collection</i>		
2016 ³	2018 ²	741,145,000	39.69	28,810,622	98.0	2.0	2.0
2015	2017	721,930,000	36.02	27,781,374	97.7	2.3	0.6
2014	2016	761,189,000	35.43	27,003,099	97.9	2.1	0.4
2013	2015	757,582,000	34.85	26,416,624	98.0	2.0	0.3
2012	2014	757,867,000	35.45	26,060,394	97.3	2.7	0.3
2011 ³	2013	757,582,285	34.90	25,646,433	96.3	3.7	0.2
2010	2012	824,029,000	31.50	25,178,206	95.9	4.1	-
2009	2011	822,190,738	30.75	24,586,440	95.9	4.1	-
2008	2010	817,434,070	30.10	24,420,880	97.0	3.0	-

¹ Adopted Budget.

² Unaudited.

³ Revaluation.

Source: Town of Plymouth, Tax Collector

Comparative Assessed Valuations

Grand List As Of 10/1	Residential Real Property (%)	Commercial Real Property (%)	Industrial Real Property (%)	Personal Property (%)	Motor Vehicles (%)	Gross Taxable Grand List (000's)	Exemptions, Veterans Relief and Disabled (000's)	Net Taxable Grand List (000's)
2017	74.7%	4.3%	3.5%	5.5%	11.9%	\$ 762,593	\$ 15,404	\$ 747,189
2016 ¹	75.4%	4.3%	3.7%	5.0%	11.6%	756,366	15,221	741,145
2015	76.6%	4.5%	2.9%	4.3%	11.7%	729,483	7,553	721,930
2014	81.7%	5.0%	3.0%	4.1%	11.6%	768,950	7,761	761,189
2013	83.0%	3.8%	3.3%	3.8%	11.2%	766,290	8,708	757,582
2012	79.2%	4.3%	3.1%	3.6%	10.8%	765,890	8,023	757,867
2011 ¹	78.0%	4.3%	3.3%	3.6%	10.8%	766,288	8,706	757,582
2010	87.4%	4.4%	3.8%	3.4%	9.2%	832,488	8,459	824,029
2009	87.4%	4.5%	3.8%	3.6%	9.0%	832,179	9,988	822,191
2008	80.2%	4.2%	3.3%	3.5%	8.8%	827,133	9,699	817,434

¹ Revaluation.

Source: Town of Plymouth, Assessor's Office

Exempt Property

Public	Assessed Value ¹
Regular Veterans.....	\$ 1,821,270
Additional Veterans.....	285,800
Additional Veterans (1/2).....	490,530
100% Disabled and Blind.....	122,360
Economic & Developmental.....	2,069,130
Public buildings/property.....	53,818,540
Sub-Total Public.....	\$ 58,607,630
Private	
Agricultural or Horticultural.....	\$ 23,080
Solar Energy or Pollution Control.....	2,651,820
Manufacturing machinery.....	7,940,360
Sub-Total Private.....	10,615,260
Total Exempt Property.....	\$ 69,222,890
Percent Compared to Net Taxable Grand List...	9.3%

¹ Net Taxable Grand List October 1, 2017 of \$747,189,000.

Source: Town of Plymouth, Assessor's Office

Ten Largest Taxpayers

Name of Taxpayer	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List ¹
Eversource.....	Public Utility	\$ 11,915,050	1.59%
Connecticut Water Company.....	Public Utility	5,722,130	0.77
Roth Collection Inc.....	Private Investor	2,905,000	0.39
City of Bristol-Water Company.....	Public Utility	2,604,210	0.35
Yankee Gas Service Company.....	Public Utility	2,546,380	0.34
Senior Housing At Quail Hollow Inc.....	Developer	2,342,000	0.31
Cook Willow Realty Partnership.....	Developer	1,832,530	0.25
Inland Intermodal LLC.....	Private Utility	1,811,530	0.24
Dimeo Terryville LLC.....	Private Investor	1,739,930	0.23
Rubicion Realty LLC.....	Private Investor	1,542,450	0.21
Total.....		\$ 34,961,210	4.68%

¹ Net Taxable Grand List October 1, 2017 of \$747,189,000.

Source: Town of Plymouth, Assessor's Office

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V. Debt Summary
Principal Amount of Bonded Indebtedness
As of October 24, 2018
(Pro Forma)

Long-Term Debt:

Date	Purpose	Interest Rate %	Original Issue	Amount Outstanding	Fiscal Year of Maturity
2010	Refunding (General Purpose).....	2.00-4.00	\$ 1,000,000	\$ 545,000	2027
2010	Refunding (Schools).....	2.00-4.00	8,820,000	5,640,000	2029
2012	General Purpose.....	2.00-4.00	6,200,000	3,080,000	2025
2012	Schools.....	2.00-4.00	2,350,000	1,150,000	2025
2012	Water. ¹	2.00-4.00	950,000	470,000	2025
2013	General Purpose.....	2.00-3.25	3,000,000	1,750,000	2026
2013	Sewer.....	2.00-3.25	500,000	250,000	2026
2014	Refunding (Schools).....	2.00-5.00	2,887,000	1,664,000	2024
2014	Refunding (Water).....	2.00-5.00	778,000	451,000	2024
2016	Sewers - CWF Loan (458-C).....	2.00	1,115,510	991,118	2035
Total Outstanding Bonded Debt.....			\$ 27,600,510	\$15,991,118	
This Issue					
2018	General Purpose.....	3.00-4.00	\$ 6,950,000	\$ 6,950,000	2039
Total This Issue.....			\$ 6,950,000	\$ 6,950,000	
Grand Total.....			\$ 34,550,510	\$22,941,118	

¹ Water debt is self-supporting.

Short-Term Debt
As of October 24, 2018
(Pro Forma)

The Town has no short-term debt outstanding as of the date of this official statement.

Other Commitments

State and Federal laws and regulations require landfill closures to meet certain standards. The Town has finalized an agreement with the State Department of Energy and Environmental Protection for final capping of the Town's landfill. Monitoring costs for the next 27 years at \$25,000 per year are \$675,000. These amounts are based on estimates that are subject to change due to inflation, technology or applicable laws and regulations.

Annual Bonded Debt Maturity Schedule
As of October 24, 2018
(Pro Forma)

Fiscal Year Ended 6/30	Principal Payments ¹	Interest Payments	Total Debt Service¹	Pro-forma		Cumulative Principal Retired %
				This Issue The Bonds	Total Principal	
2019 ²	\$ 644,234	\$ 334,581	\$ 978,816	\$ -	\$ 644,234	2.81%
2020	2,202,214	416,530	2,618,744	-	2,202,214	12.41%
2021	2,223,268	342,101	2,565,369	255,000	2,478,268	23.21%
2022	2,209,343	275,600	2,484,944	300,000	2,509,343	34.15%
2023	2,200,440	219,166	2,419,606	350,000	2,550,440	45.27%
2024	2,221,559	157,066	2,378,625	360,000	2,581,559	56.52%
2025	1,827,701	97,627	1,925,328	370,000	2,197,701	66.10%
2026	1,068,866	55,472	1,124,338	375,000	1,443,866	72.39%
2027	790,054	26,009	816,063	380,000	1,170,054	77.49%
2028	111,266	12,059	123,325	380,000	491,266	79.63%
2029	107,502	9,160	116,663	380,000	487,502	81.76%
2030	63,764	7,111	70,875	380,000	443,764	83.69%
2031	65,051	5,824	70,875	380,000	445,051	85.63%
2032	66,364	4,511	70,875	380,000	446,364	87.58%
2033	67,704	3,171	70,875	380,000	447,704	89.53%
2034	69,070	1,805	70,875	380,000	449,070	91.49%
2035	52,716	440	53,156	380,000	432,716	93.37%
2036	-	-	-	380,000	380,000	95.03%
2037	-	-	-	380,000	380,000	96.69%
2038	-	-	-	380,000	380,000	98.34%
2039	-	-	-	380,000	380,000	100.00%
Total.....	\$ 15,991,117	\$ 1,968,233	\$ 17,959,351	\$ 6,950,000	\$ 22,941,117	

¹ Includes all bonded debt and State of Connecticut Clean Water Fund loans, excludes Refunded Bonds.

² Does not include \$1,561,947 in principal and \$154,656 in interest paid between July 1, 2018 and October 24, 2018.

Overlapping/Underlying Debt

The Town of Plymouth has neither overlapping nor underlying debt.

**THE TOWN OF PLYMOUTH HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR
INTEREST ON ITS BONDS OR NOTES.**

Debt Statement
As of October 24, 2018
(Pro Forma)

Long-Term Debt Outstanding:

General Purpose (Includes This Issue)	\$ 12,325,000
Schools	8,454,000
Sewers	1,241,118
Water	921,000
Total Long-Term Debt.....	22,941,118
Short-Term Debt	-
Direct Debt.....	22,941,118
Underlying Debt.....	-
Total Overall Debt.....	22,941,118
Less: State School Building Aid Receivable (June 30, 2018)	-
Self-Supporting Sewer Debt	(1,241,118)
Total Overall Net Debt.....	\$ 21,700,000

Current Debt Ratios
As of October 24, 2018
(Pro Forma)

Population ¹	11,926
Net Taxable Grand List (10/1/17)	\$ 747,189,000
Estimated Full Value (70%).....	\$ 1,067,412,857
Equalized Grand List (10/1/15) ²	\$ 1,081,692,950
Money Income per Capita (2016) ¹	\$32,522

	Total Overall Debt	Total Overall Net Debt
	\$22,941,118	\$21,700,000
Per Capita.....	\$ 1,923.62	\$ 1,819.55
Ratio to Net Taxable Grand List.....	3.07%	2.90%
Ratio to Estimated Full Value.....	2.15%	2.03%
Ratio to Equalized Grand List.....	2.12%	2.01%
Debt per Capita to Money Income per Capita (2016)....	5.91%	5.59%

¹ U.S. Department of Commerce, Bureau of Census, 2010.

² Office of Policy and Management, State of Connecticut.

Clean Water Fund Program

The Town is a participant in the State of Connecticut Clean Water Fund Program (Connecticut General Statutes Section 22a-475 et seq., as amended) which provides financial assistance through a combination of grants and loans bearing interest at a rate of 2% per annum. All participating municipalities receive a grant of 20% and a loan of 80% of total eligible costs (with the exception of combined sewer overflow correction projects which are financed with a 50% grant and a 50% loan and denitrification projects which are funded with a 30% grant and 70% loan).

Loans to each municipality are made pursuant to Project Grant and Project Loan Agreements (the "Loan Agreement"). Each municipality is obligated to repay only that amount which it draws down for the payment of project costs. Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality, and/or a dedicated source of revenue of such municipality.

Amortization of each loan is required to begin one year from the earlier of the project completion date specified in the Loan Agreement or the actual project completion date. The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are made (1) in equal monthly installments commencing one month after the

scheduled completion date, or (2) in single annual installments representing 1/20 of total principal not later than one year from the project completion date specified in the Loan Agreement repayable thereafter in monthly installments. Loans made under loan agreements entered into prior to July 1, 1989 are repayable in annual installments. Borrowers may elect to make level debt service payments or level principal payments. Borrowers may prepay their loans at any time prior to maturity without penalty.

The Town currently has Clean Water Fund loans outstanding as follows:

<i>Project</i>	<i>Amount Authorized</i>	<i>Amount Outstanding as of October 24, 2018</i>
WPCA Denitrification Project.....	\$2,330,500	\$991,117

Legal Requirements for Approval of Borrowing

The Town has the power to incur indebtedness by issuing its bonds or notes as authorized by the Connecticut General Statutes subject to statutory debt limitations and the requirements of the Town Charter for the authorization of indebtedness. Under the Town Charter, the Town Council introduces each bond resolution, sets a date for a public hearing to be held thereon, and refers the resolution to the Board of Finance for a recommendation. The Town Council meets subsequent to the public hearing to adopt the resolution, and, if required, to set a date for a referendum. A referendum must be held on any resolution authorizing the issuance of bonds or notes in excess of \$150,000, except for refunding bonds which only need to be approved by the Town Council.

Temporary Financing

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of temporary notes when they become due and payable and the legislative body schedules principal reductions starting at the end of the third and continuing in each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for school and sewer projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years, or, for school and sewer projects, by the amount of time temporary financing has been outstanding.

Temporary notes must be permanently funded no later than ten years from the initial borrowing date except for school and sewer notes issued in anticipation of State and/or Federal grants. If a written commitment exists, the municipality may renew the notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to fifteen years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year (whichever is sooner), and in each year thereafter, the notes must be reduced by at least 1/15 of the total amount of the notes issued by funds derived from certain sources of payment. Temporary notes may be issued in one year maturities for up to fifteen years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

Capital Improvement Program

The Town has a Capital Improvements Committee in place whose task it is to identify and plan for long range capital expenditures. The committee is currently working to update its long-term list of projects. They have sent a survey to all departments requesting a list of any future capital purchases or projects that they would like for their departments. From this, the Committee will formalize a current capital plan. The next potential large project on the horizon is a new police station and possible expansion of the fire headquarters. Project completion target is roughly 2024 which is also when a significant amount of Town’s current outstanding school and general purpose debt service will be paid off.

Limitation of Indebtedness

Municipalities shall not incur indebtedness through the issuance of bonds which will cause aggregate indebtedness by class to exceed the following:

General Purposes:	2.25 times annual receipts from taxation
School Purposes:	4.50 times annual receipts from taxation
Sewer Purposes:	3.75 times annual receipts from taxation
Urban Renewal Purposes:	3.25 times annual receipts from taxation
Unfunded Past Pension Purposes:	3.00 times annual receipts from taxation

“Annual receipts from taxation” (the “base”) are defined as total tax collections including interest and penalties, late payment of taxes and state payments for revenue losses under CGS Section 12-129d and 7-528. In no case shall total indebtedness exceed seven times the base.

The CGS also provide for exclusion from the debt limit calculation debt (i) issued in anticipation of taxes; (ii) issued for the supply of water, gas, electricity, electric demand response, conservation and load management, distributed generation and renewable energy projects; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; for the construction and operation of a municipal community antenna television system and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or for which allocation has been approved by the State Bond Commission or from a contract with the state, state agencies or another municipality providing for the reimbursement of costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for certain water pollution control projects; and (vi) upon placement in an escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient to provide for the payment when due of principal of and interest on such bond, note or other evidence of indebtedness.

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Statement of Debt Limitation
As of October 24, 2018
(Pro Forma)

Total Tax Collections (including interest and lien fees)

Received by the Treasurer as of June 30, 2018 (unaudited)..... \$ 29,089,673

Reimbursement For Revenue Loss:

Tax relief for elderly -

Base for Debt Limitation Computation..... \$ 29,089,673

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
Debt Limitation:					
2 ¹ / ₄ times base.....	\$ 65,451,764	-	-	-	-
4 ¹ / ₂ times base.....	-	\$ 130,903,529	-	-	-
3 ³ / ₄ times base.....	-	-	\$ 109,086,274	-	-
3 ¹ / ₄ times base.....	-	-	-	\$ 94,541,437	-
3 times base.....	-	-	-	-	\$ 87,269,019
Total Debt Limitation	\$ 65,451,764	\$ 130,903,529	\$ 109,086,274	\$ 94,541,437	\$ 87,269,019

Indebtedness: ¹

Bonds Outstanding	5,375,000	8,454,000	1,241,118	-	-
Bonds – This Issue.....	6,950,000	-	-	-	-
Debt Authorized But Unissued.....	600,000	99,420	124,411	-	-
Total Indebtedness	12,925,000	8,553,420	1,365,529	-	-

Less:

State School Grants Receivable.....	-	-	-	-	-
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Total Net Indebtedness	12,925,000	8,553,420	1,365,529	-	-
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DEBT LIMITATION IN EXCESS

OF OUTSTANDING INDEBTEDNESS..... \$ 52,526,764 \$ 122,350,109 \$ 107,720,744 \$ 94,541,437 \$ 87,269,019

¹ Excludes self-supporting water debt as follows: \$965,000 of outstanding bonds, \$778,000 of bonds of this issue, and \$250,000 of authorized but unissued debt.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$203,627,711.

Debt Authorized but Unissued
As of October 24, 2018
(Pro Forma)

Project	Amount Authorized	Previously Bonded/ Paydowns	Grants	CWF IFO	Notes Due: 10/24/18	This Issue: Bonds	Authorized But Unissued Debt
General Purpose.....	\$ 16,750,000	\$ 9,200,000	\$ -	\$ -	\$ 6,950,000	\$ 6,950,000	\$ 600,000
Schools (2004).....	47,000,000	18,850,000	28,050,580	-	-	-	99,420
WPCA Denitrification Project.....	2,330,500	1,700,499	505,590	-	-	-	124,411
Total	\$ 66,080,500	\$ 29,750,499	\$ 28,556,170	\$ -	\$ 6,950,000	\$ 6,950,000	\$ 823,831

Ratios of Long-Term Debt to Valuation, Population and Income

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Net Long-Term Debt¹	Ratio of Net Long-Term Debt to Assessed Value (%)	Ratio of Net Long-Term Debt to Estimated Full Value (%)	Population²	Net Long-Term Debt per Capita	Ratio of Net Long-Term Debt per Capita to Per Capita Income³
2018 ⁴	\$741,145,000	\$ 1,058,778,571	\$ 16,545,000	2.23%	1.56%	11,926	\$ 1,387.31	4.27%
2017	721,930,000	1,031,328,571	19,743,231	2.73%	1.91%	11,926	1,655.48	5.09%
2016	761,189,000	1,087,412,857	21,912,407	2.88%	2.02%	11,926	1,837.36	5.65%
2015	757,582,000	1,082,260,000	23,025,000	3.04%	2.13%	11,926	1,930.66	5.94%
2014	757,867,000	1,082,667,143	25,325,000	3.34%	2.34%	11,926	2,123.51	6.53%
2013	757,582,285	1,082,260,407	23,850,000	3.15%	2.20%	11,926	1,999.83	6.15%

¹ Long-Term debt includes State of Connecticut Clean Water Fund Loans and Water debt but is net of State of Connecticut School Building Grants receivable.

² U.S. Census Bureau, American Community Survey 2012-2016 estimates.

³ Bureau of Census 2010, Money Income Per Capita \$32,522.

⁴ Subject to audit.

Source: Town of Plymouth, Department of Finance and Annual Audited Financial Statements.

Principal Amount of Outstanding Debt

Long-Term Debt¹	2018	2017	2016	2015	2014
Bonds.....	\$ 16,545,000	\$ 19,743,231	\$ 21,912,407	\$ 23,025,000	\$ 25,325,000
Short-Term Debt					
Bond Anticipation Notes.....	6,950,000	5,000,000	-	-	1,500,000
Totals.....	\$ 23,495,000	\$ 24,743,231	\$ 21,912,407	\$ 23,025,000	\$ 26,825,000

¹ Does not include compensated absences or capital lease obligations. Includes Water and Clean Water Fund loans.

Source: Town of Plymouth Financial Reports 2014-2017. 2018 provided by Finance Department.

Ratio of Debt Service to General Fund Expenditures (Includes Transfers Out)

Fiscal Year Ended 6/30	Total Debt Service	Total General Fund Expenditures¹	Ratio of Total Debt Service to General Fund Expenditures
2018 ²	\$ 2,943,965	\$ 43,282,653	6.80%
2017	2,859,842	44,258,654	6.46%
2016	2,824,632	42,100,479	6.71%
2015	2,952,052	42,011,737	7.03%
2014	3,100,000	39,118,265	7.92%
2013	1,785,177	40,965,552	4.36%

¹ Includes transfers out.

² Subject to audit. Expenditures have been increased to account for the estimated State of Connecticut on-behalf payments for Teacher's Retirement.

Source: Town of Plymouth Financial Statements 2013-17. Finance Department, 2018 (Budgetary Basis, Subject to Audit).

VI. Financial Administration

Accounting Policies

The Town's accounting policies are summarized in Note 1 "Summary of Significant Accounting Policies" in the Notes to Financial Statements (Appendix A).

Basis of Accounting

See Note 1 "Measurement Focus, Basis of Accounting and Financial Statement Presentation" in the Notes to Financial Statements (Appendix A).

Audit

Pursuant to the provisions as delineated in the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the Town is obligated to undergo an annual examination by an independent certified public accountant. The firm of Blum, Shapiro & Company, P.C., of West Hartford, Connecticut, is the auditors, and is required to conduct an examination under the guidelines issued by the State of Connecticut, Office of Policy & Management, who receive a copy of said audit report when completed.

Budgetary Procedures

The Town adheres to the following procedure in establishing the annual budget. No later than January 31, 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 10. The Board of Education shall file estimated expenditures with the Board of Finance on or before February 15.

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, if required, 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.

If the proposed budget is not more than 3% higher or lower than the current year's original budget, the Town Council may consider and approve the same by a majority vote. If needed, 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, the Town Council is authorized to adopt a budget by June 15. Council adjustments to the individual department budgets, excluding debt service shall not be more than three percent higher or lower than of the current year's budget. When adopted, the Board of Finance shall file the same with the Town Clerk and also fix the tax rate in mills.

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

Employee Pension Systems

The Town of Plymouth maintains two defined benefit pension plans that cover substantially all of its employees, except police officers and the certified faculty and administrative personnel of the Board of Education. The Town funds its pension liability each year based on the recommendation of an independent actuary. The Town's audit report dated June 30, 2017 summarizes the accumulated plan benefits and assets as of July 1, 2016 for the Town and Board of Education Plan, the date of the latest updated actuarial valuation.

All uniformed police officers are covered under the State administered Municipal Employee Retirement Fund B, a multi-employer cost sharing public employee retirement system.

All certified faculty and administrative personnel are in a contributory retirement plan administered by the State of Connecticut Teachers' Retirement Board. Neither the Board of Education nor the Town has a legal obligation to contribute to the plan. The actuarial present value of accumulated plan benefits for this plan is not available.

Schedule of Funding Progress

TOWN

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/2003	\$ 5,014,093	\$ 6,095,151	(\$1,081,058)	82.26%	\$ 2,492,835	-43.37%
7/1/2005	5,964,894	6,681,834	(716,940)	89.27%	2,103,562	-34.08%
7/1/2007	6,671,185	8,920,725	(2,249,540)	74.78%	1,830,723	-122.88%
7/1/2008	6,648,575	9,195,986	(2,547,411)	72.30%	1,739,452	-146.45%
7/1/2010	6,364,010	10,431,734	(4,067,724)	61.01%	1,261,567	-322.43%
7/1/2012	5,965,114	12,104,658	(6,139,544)	49.28%	1,013,728	-605.64%
7/1/2014	5,097,148	13,183,963	(8,086,815)	38.66%	1,013,728	-797.73%
7/1/2016	4,645,552	12,676,314	(8,030,762)	36.65%	822,601	-976.26%

BOARD OF EDUCATION

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/2002	\$ 2,583,866	\$ 2,530,499	\$53,367	102.11%	\$ 1,191,486	4.48%
7/1/2004	2,599,567	3,022,632	(423,065)	86.00%	1,362,211	-31.06%
7/1/2006	2,989,024	3,427,714	(438,690)	87.20%	1,562,455	-28.08%
7/1/2008	3,506,017	3,998,273	(492,256)	87.69%	1,642,217	-29.98%
7/1/2010	3,966,319	4,575,969	(609,650)	86.68%	1,682,735	-36.23%
7/1/2012	4,429,563	5,269,573	(840,010)	84.06%	1,597,580	-52.58%
7/1/2014	4,682,407	6,406,194	(1,723,787)	73.09%	1,597,580	-107.90%
7/1/2016	4,928,693	7,041,702	(2,113,009)	69.99%	1,310,909	-161.19%

Schedule of Employer Contributions

Fiscal Annual Ended	TOWN		Board of Education	
	Annual Required Contribution	Amount Contributed	Annual Required Contribution	Amount Contributed
6/30/2018	\$ 697,840	128.2%	\$ 336,017	100.0%
6/30/2017	655,422	81.7%	293,169	117.1%
6/30/2016	655,422	65.2%	293,169	117.1%
6/30/2015	489,090	87.4%	245,080	79.0%
6/30/2014	489,090	52.1%	245,080	86.0%
6/30/2013	354,912	75.9%	218,012	88.9%
6/30/2012	354,912	84.4%	218,012	99.9%
6/30/2011	212,022	74.9%	232,281	104.5%
6/30/2010	158,836	100.0%	218,589	98.0%
6/30/2009	183,749	100.0%	256,775	100.0%

The Town has budgeted 75% and 100% of the full amount of the annual required contribution (“ARC”) for the 2019 budget year for the Town and Board of Education Pension plans, respectively. The reason actual contributions were lower than the ARC in prior years was due to employee retirements. The Town was contributing on a payroll basis versus an actual contribution. Therefore, a shortfall occurred as employees retired. The Town has begun increasing its funding percentage each budget year such that the payment to the Plans will be for the full amount of the ARC.

For further discussion on the plans, see Appendix A – Notes to Financial Statements, Note 11.

Other Post-Employment Benefits

The Town and Board of Education provide post-retirement health care benefits, in accordance with various labor and personnel contracts, to employees meeting specific service and age requirements. The Town does not issue stand-alone financial statements for this program.

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

As of the July 1, 2014 valuation, plan membership consisted of 247 active plan members, 78 retired members and 42 spouses of retirees for a total of 367 participants.

The Town’s funding and payment of postemployment benefits for the year ended June 30, 2018 are accounted for in the General Fund on a pay-as-you-go basis. The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees.

The Town’s annual other post-employment benefit (OPEB) cost is calculated based on the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The actuarial accrued liability as of July 1, 2014 is estimated to be \$21,188,903. The Town plans to develop a policy to fully fund this obligation.

For additional information, see Appendix A – Notes to Financial Statements, Note 12.

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.

Intergovernmental Revenues

<i>Fiscal Year</i>	<i>Intergovernmental Revenues</i>	<i>Total Revenues</i>	<i>Intergovernmental As % of Total Revenues</i>
2018 ¹	\$ 9,957,060	\$ 39,628,145	25.1%
2017	15,226,825	43,712,387	34.8%
2016	13,691,121	41,340,709	33.1%
2015	12,988,070	41,136,707	31.6%
2014	10,859,350	38,943,265	27.9%
2013	13,523,084	40,810,009	33.1%

Source: Annual audited financial statements and Finance Department.

¹ *Subject to audit.*

Supplemental Appropriation

Under the Town Charter, any appropriation supplemental to the annual budget of any department in excess of \$50,000 of the approved departmental budget requires approval at a special Town Meeting. The Board of Finance, upon written request, may transfer unexpended balances from one appropriation to another. Additional appropriations must be submitted to the Town Council for its recommendation and then to the Board of Finance for appropriate action.

Comparative Balance Sheet - General Fund

Assets	Estimated				
	2017-18	2016-17	2015-16	2014-15	2013-14
Cash.....	\$ 522,452	\$ 1,378,162	\$ 1,259,366	\$ 543,227	\$ 5,661,765
Investments.....	-	-	-	-	-
Receivables:					
Property Taxes.....	789,628	789,628	842,735	943,382	1,987,529
Interest.....	258,045	258,044	431,228	594,153	1,159,895
Intergovernmental.....	20,995	19,287	43,500	23,845	-
Other.....	262,796	113,485	296,083	810,316	613,585
Due From Other Funds.....	5,057,079	3,808,222	3,400,171	5,026,002	4,585,481
Other Assets.....	-	-	-	-	-
Total Assets	6,910,995	6,366,828	6,273,083	7,940,925	14,008,255
Liabilities:					
Accounts Payable	770,402	860,680	761,532	985,409	574,923
Due to Other Funds	3,040,333	3,053,535	2,822,432	3,306,216	7,656,100
Deferred Revenue	-	-	-	-	-
Accrued Payroll	-	-	-	-	-
Total Liabilities	3,810,735	3,914,215	3,583,964	4,291,625	8,231,023
Deferred Inflows of Resources					
Unearned Revenue	834,579	834,579	1,115,570	1,375,981	2,897,232
Advanced Property Taxes	9,626	9,626	-	-	-
Total	844,205	844,205	1,115,570	1,375,981	2,897,232
Fund Balances: ¹					
Nonspendable.....	-	-	-	-	-
Restricted.....	-	-	-	-	-
Committed.....	100,000	100,000	100,000	100,000	100,000
Assigned.....	584,390	699,618	1,092,917	529,681	992,663
Unassigned.....	1,571,665	808,790	380,632	1,643,638	1,787,337
Total Fund Balance	2,256,055	1,608,408	1,573,549	2,273,319	2,880,000
Total Liabilities, Fund Balances, and Deferred Inflows	\$ 6,910,995	\$ 6,366,828	\$ 6,273,083	\$ 7,940,925	\$ 14,008,255

¹ Starting with the year ending June 30, 2011, there was a change in fund type classification per implementation of GASB Statement No. 54.

Source: Annual audited financial statements.

General Fund Revenues and Expenditures
Four Year Summary of Audited Revenues and Expenditures (GAAP Basis)
and Estimated Actual & Adopted Budget (Budgetary Basis)

	Adopted Budget ¹ 2018-19	Estimated Actual ¹ 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15	Actual 2013-14
Revenues:						
Property Taxes	\$ 29,970,439	\$ 29,144,799	\$ 27,981,899	\$ 27,131,451	\$ 27,022,201	\$ 27,265,225
Charges for services.....	281,550	391,279	382,041	331,471	551,549	454,690
Intergovernmental	10,505,710	9,957,060	15,226,825	13,691,121	12,988,070	10,859,350
Income on Investments.....	10,000	75,342	13,466	8,866	7,207	32,000
Contributions.....	-	-	-	-	299,457	-
Other	112,500	59,665	108,156	177,800	268,223	332,000
Total Revenues	40,880,199	39,628,145	43,712,387	41,340,709	41,136,707	38,943,265
Expenditures:						
Current:						
General government	5,908,694	5,275,111	5,210,527	5,581,731	5,414,735	4,843,265
Public Safety	3,309,267	3,135,900	2,879,057	2,816,576	2,758,682	2,596,790
Public Works	2,988,911	3,045,628	3,126,375	3,211,164	3,459,872	3,629,105
Health and Welfare	203,262	188,561	196,042	206,908	203,392	200,095
Libraries	455,515	379,623	468,874	483,519	464,275	475,305
Recreation	200,176	196,020	180,278	177,333	182,946	190,525
Education	24,037,790	23,112,707	28,265,752	25,838,998	25,479,888	23,252,790
Land Use	176,644	158,457	145,690	178,905	214,962	205,790
Capital Outlay	-	207,332	358,689	-	37,708	-
Debt Service	3,184,133	2,943,965	2,859,842	2,824,632	2,952,052	3,100,000
Total Expenditures	40,464,392	38,643,304	43,691,126	41,319,766	41,168,512	38,493,665
Revenues over (under) expenditures	415,807	984,841	21,261	20,943	(31,805)	449,600
Other Financing Sources Uses:						
Bond Premium.....	-	-	-	-	-	-
Issuance of Refunding Bonds	-	-	-	-	-	-
Payment to Refunding Bond Escrow Agent	-	-	-	-	-	-
Capital Lease Issuance	-	207,332	358,689	-	-	-
Operating Transfers In	111,870	76,950	222,437	60,000	-	175,000
Operating Transfers (Out)	(527,677)	(506,249)	(567,528)	(780,713)	(843,225)	(624,600)
Total other Financing Sources (uses) ...	(415,807)	(221,967)	13,598	(720,713)	(843,225)	(449,600)
Special Item - Recovery of Assets	-	-	-	-	268,349	-
Revenues and other financing sources over (under) expenditures and other financing (uses)						
	\$ -	\$ 762,874	\$ 34,859	\$ (699,770)	\$ (606,681)	\$ -

¹ Budgetary basis and subject to audit.

Source: Annual audited financial statements and Finance Department.

Analysis of General Fund Equity

	Estimated Actual ¹ 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15	Actual 2013-14
Fund Balances:					
Committed.....	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Assigned.....	584,390	699,618	1,092,917	529,681	992,663
Unassigned.....	1,571,665	808,790	380,632	1,643,638	1,787,337
Total Fund Balance	\$ 2,256,055	\$ 1,608,408	\$ 1,573,549	\$ 2,273,319	\$ 2,880,000

¹ Budgetary basis and subject to audit.

Source: Annual audited financial statements and Finance Department.

VII. Legal and Other Information

Litigation

The Town of Plymouth, its officers, employees, boards and commissions are defendants in two lawsuits. The Town Attorney is of the opinion that all pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the Town which would materially adversely affect its financial position

Transcript and Closing Documents

The winning bidder will be furnished the following documents when the Bonds are delivered:

1. Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A certificate on behalf of the Town of Plymouth, Connecticut signed by the Mayor, Treasurer, and the Director of Finance, which will be dated the date of delivery, and attached to a signed copy of the Official Statement, certifying that, to the best of said officials' knowledge and belief, at the time bids on the Bonds were accepted, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. A receipt for the purchase price of the Bonds.
4. The approving opinion of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut in substantially the form attached as Appendix B to this Official Statement.
5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached as Appendix C to this Official Statement.

The Town of Plymouth has prepared an Official Statement for the Bonds, which is dated October 10, 2018. The Town deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b)(5), but it is subject to revision or amendment. The Town will make available to the winning bidder of the Bonds 25 copies of the Official Statement at the Town's expense within seven business days of the bid opening. Additional copies may be obtained by the original purchaser at its own expense by arrangement with the printer.

A transcript of the proceedings taken by the Town will be kept on file at the offices of U.S. Bank National Association in Hartford, Connecticut and will be available for examination upon reasonable notice.

Concluding Statement

This Official Statement is not to be construed as a contract or agreement between the Town and the winning purchaser or holders of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representation of fact, and no representation is made that any of such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provision of law is subject to repeal or amendment.

Information herein has been derived by the Town from official and other sources and is believed by the Town to be reliable, but such information other than that obtained from official records of the Town has not been independently confirmed or verified by the Town and its accuracy is not guaranteed.

This Official Statement has been duly prepared and delivered by the Town, and executed for and on behalf of the Town by the following officials:

TOWN OF PLYMOUTH, CONNECTICUT

By: /s/ *David V. Merchant*

David V. Merchant, *Mayor*

By: /s/ *Ann Marie Rheault*

Ann Marie Rheault, *Director of Finance*

By: /s/ *David C. Mischke*

David C. Mischke, *Town Treasurer*

Dated: October 10, 2018

Appendix A

2017 General Purpose Financial Statements (Excerpted from the Town's Comprehensive Annual Financial Report)

The following includes the General Purpose Financial Statements of the Town of Plymouth, Connecticut for the fiscal year ended June 30, 2017. The supplemental data and letter of transmittal, which were a part of that report, have not been reproduced herein. A copy of the complete report is available upon request from Matthew Spoerndle, Senior Managing Director, Phoenix Advisors, LLC, 53 River Street, Suite #1, Milford, Connecticut. Telephone (203) 878-4945.

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Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Board of Finance
Town of Plymouth, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Plymouth, Connecticut, as of and for the year ended June 30, 2017, 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, 2017 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, the budgetary comparison information on pages 63 through 68 and the pension schedules on pages 69 through 76 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, 2016 (not presented herein), and have issued our report thereon dated March 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, 2016 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 2016 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2016 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, 2016.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2018 on our consideration of the Town of Plymouth, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Plymouth, Connecticut's 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
June 22, 2018

TOWN OF PLYMOUTH, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2017

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, 2017.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$151,362,702 (net position).
- The Town's total net position increased by \$42,658, or .03%. Unrestricted net position, the amount that may be used to meet the Town's ongoing obligations to citizens and creditors, was (\$4,849,563) at June 30, 2017.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$5,769,661.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$808,790 or 1.9% of total general fund expenditures and other financing uses.
- The Town of Plymouth's long-term debt decreased by \$2,169,176, or 9.9%, during the current fiscal year.
- The Town issued \$5,000,000 of short-term bond anticipation notes to finance various capital projects. The Town expects to issue 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.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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

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

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

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

The Town maintains 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.

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a town's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$151,362,702 at June 30, 2017.

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

Town of Plymouth, Connecticut Net Position

	Governmental Activities	
	2017	2016
Current and other assets	\$ 18,690,795	\$ 16,729,222
Capital assets, net of accumulated depreciation	<u>180,119,954</u>	<u>179,782,672</u>
Total assets	<u>198,810,749</u>	<u>196,511,894</u>
Deferred Outflows of Resources	<u>2,326,782</u>	<u>1,365,860</u>
Long-term debt outstanding	41,410,497	42,493,155
Other liabilities	<u>8,220,372</u>	<u>4,020,891</u>
Total liabilities	<u>49,630,869</u>	<u>46,514,046</u>
Deferred Inflows of Resources	<u>143,960</u>	<u>43,664</u>
Net Position:		
Net investment in capital assets	154,601,111	157,247,133
Restricted	1,611,154	1,498,783
Unrestricted	<u>(4,849,563)</u>	<u>(7,425,872)</u>
Total Net Position	<u>\$ 151,362,702</u>	<u>\$ 151,320,044</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

A portion of the Town's net position, \$1,611,154, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is (\$4,849,563). The Town's net position increased by \$42,658, or .03%, during the current fiscal year. Approximately, 56% of the revenues were derived from property taxes, followed by 32% from operating grants. The remaining 12% 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:

		Governmental Activities	
		2017	2016
Revenues:			
Program revenues:			
Charges for services	\$	2,981,503	\$ 3,195,207
Operating grants and contributions		15,913,718	14,776,852
Capital grants and contributions		2,463,497	919,464
General revenues:			
Property taxes		27,700,908	26,871,040
Grants and contributions not restricted to specific purposes		471,148	272,821
Unrestricted investment earnings (loss)		128,558	(2,090)
Miscellaneous		18,191	165,188
Total revenues		<u>49,677,523</u>	<u>46,198,482</u>
Program expenses:			
General administration		4,888,571	6,819,627
Public safety		3,644,971	3,712,614
Public works		6,996,417	6,546,134
Health and welfare		274,696	296,369
Library		506,880	502,572
Recreation		290,241	290,445
Education		32,257,631	29,534,659
Land use		192,175	225,389
Interest on long-term debt		583,283	581,762
Total program expenses		<u>49,634,865</u>	<u>48,509,571</u>
Change in Net Position		42,658	(2,311,089)
Net Position - Beginning of Year		<u>151,320,044</u>	<u>153,631,133</u>
Net Position - End of Year	\$	<u><u>151,362,702</u></u>	\$ <u><u>151,320,044</u></u>

- Charges for services decreased by \$213,704 mainly due to a decline in revenue from police extra duty reimbursements.
- Operating grants increased by \$1,136,866 during the year. This increase is primarily due to higher education grants received from the State of Connecticut, most notably the state's contribution on behalf of the Town into the State Teachers' Retirement Board, which increased \$1,640,294. Increases were offset declines in Education Cost Sharing, School Transportation and other state education grants. Additional public library bequests also contributed to the overall increase in the current year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- Capital grants and contributions increased by \$1,544,033 primarily due to an increase in other funds received from the State of Connecticut, particularly LOTCIP grant revenue of \$1,372,176 and Safe Routes to School grant revenue of \$262,373.
- Property tax revenue increased \$829,868 from the prior year. The increase largely reflects higher current year tax collections by \$496,897 and motor vehicle supplement collections by \$207,700, partially offset by declines in prior year taxes, interest and liens by \$83,134.
- Investment earnings increased \$130,648, due mainly to an increase in the amount of invested assets.
- Education expenses increased by \$2,722,972 which largely reflects an increase of \$1,640,294, as noted above, in payments made by the state to the State Teachers' Retirement Board on behalf of the town. In addition, the Board of Education (BOE) experienced higher special education, employee benefit, utility, and facilities maintenance costs, including the relocation of the BOE central offices to the high school and a partial roof replacement at Plymouth Center School.
- Public works expenses increased by \$450,283 due to additional expenses of \$109,580 for snow removal, \$23,541 for hydrant rentals, and \$47,288 for fleet repairs. Additional costs are attributable to increased depreciation and other un-capitalized expenditures. Increases were offset by reductions in wages, contract services, and fuel costs. Higher costs for the Water Pollution Control facility of \$126,741 were offset by the completion of the Clean Water Fund denitrification project in the prior year.
- General Administration expenses decreased by \$1,931,057, due mainly to lower legal expenses by \$204,926 and other health insurance and benefit cost reductions of \$266,369 and a reduction of the Town's portion of the net pension liability. Decreases were partially offset by the Town's cost share allocation for the Bristol probate court construction of \$79,866.
- Public safety expenses decreased by \$67,643. The decrease is due to one-time expenses related to a special appropriation for emergency communication system repairs of \$71,421 in the prior year and a reduction of extra duty expenditures and police overtime in the current year. Decreases were partially offset by an increase in police salaries of \$115,425 coupled with a rise in training and service contract costs.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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

Town of Plymouth, Connecticut Governmental Activities				
	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
Education	\$ 32,257,631	\$ 29,534,659	\$ 16,048,661	\$ 14,580,024
Public works	6,996,417	6,546,134	2,870,755	3,986,235
General administration	4,888,571	6,819,627	4,664,127	6,604,063
Public safety	3,644,971	3,712,614	3,061,582	2,873,534
Interest expense	583,283	581,762	583,283	581,762
All others	1,263,992	1,314,775	1,047,739	992,430
Total	\$ 49,634,865	\$ 48,509,571	\$ 28,276,147	\$ 29,618,048

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, 2017, the Town's governmental funds reported a combined ending fund balance of \$5,769,661, a decrease of \$1,539,039 from the prior year. The decrease over prior year largely reflects expenditures for capital projects expected to be bonded in October 2018 offset by small increases 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 \$699,618 (2) to pay debt service of \$205,536, and (3) endowments \$892,913.

The General Fund is the operating fund of the Town. At the end of 2017, the unassigned fund balance of the General Fund was \$808,790 while total fund balance was \$1,608,408. 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 1.9% of total general fund expenditures, while total fund balance represents 3.7% of that same amount. Given the low restricted fund balance at the end of fiscal year 2016, the Town and Board of Education continues to take a multitude of steps aimed at reducing spending and generating operating surpluses to increase the fund balance for fiscal years 2017 and 2018.

The Capital and Nonrecurring Fund, used for infrastructure improvements in the Town, held a balance of (\$649,880) at June 30, 2017. 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)

Proprietary fund. The unrestricted net position of the Board of Education Health Insurance Fund at the end of the year amounted to \$279,481, a decrease of \$262,343 from the June 30, 2016 balance of \$541,824. The decrease in the balance is mainly attributable to higher than expected claim experience.

General Fund Budgetary Highlights

During the 2017 fiscal year there were two special appropriations within the General Fund; \$16,000 for the purchase of police firearms and ammunition storage and \$48,720 for a shortfall in administrative expenses. The \$16,000 police appropriation was funded by a transfer in from the police extra duty fund.

General Fund revenues fell short of budget levels by \$164,456 in the current year:

- Current and prior year tax collections fell short \$263,523 and \$123,895, respectively, from the original budget, which was partially offset by higher supplemental motor vehicle taxes, interest and lien fees.
- Charges for services exceeded budget by \$92,764, due to various higher permit revenues and metal reimbursement revenue as well as additional police extra duty income kept in the general fund.
- The Town's intergovernmental revenues surpassed budget by \$65,043, due mainly to the amount received for the Special Education Excess Cost Grant in excess of budget by \$224,139, offset by a reduction in Education Cost Sharing revenue of \$121,074.
- Other revenues fell short of budget by \$213,297, which included foreclosure sale proceeds that were below budget by \$183,398.
- Budgeted use of fund balance to offset operating expenses and additional appropriations in the current fiscal year totaled \$188,720. A \$121,324 operating transfer into the General Fund was budgeted for the purchase of police vehicles, firearms and ammunitions storage.

During the year ended June 30, 2017 expenditures in the General Fund were below budgeted appropriations by \$507,979.

- Total General Administration costs were below budget by \$186,494, largely driven by lower than budgeted legal expenses by \$62,626, in addition to favorable variances in several other departments.
- Education costs were below budget by \$201,602 which reflected a decline in vocational agriculture expenses, magnet school tuition, lower transportation and legal costs and a mid-year freeze on discretionary spending.
- Positive variances to budget in all other departments for the current year contributed smaller amounts to the overall favorable general fund expenditures position.

Capital Assets and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental activities as of June 30, 2017, amounted to \$180,119,954 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, building improvements, machinery and equipment, vehicles, and infrastructure.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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

- Building improvements of \$74,821 for the replacement of the Terryville Library elevator.
- Vehicle additions of \$483,465, including two new Police Department vehicles as part of the normal vehicle replacement cycle, a utility truck for the BOE, a new Public Works dump truck totaling \$129,826 and a new street sweeper for \$239,863. The purchase of the dump truck and street sweeper yielded small trade in values from the disposal of like vehicles from the Town's fleet.
- Equipment purchases totaling \$95,615 including BOE facilities equipment of \$33,010 and a police dispatch console upgrade of \$23,533.
- Sidewalk additions of \$262,373 resulted from the completion of the Maple Street Safe Routes to School project.
- Road construction totaling \$4,188,813 is attributable to the completion of ongoing general road upgrades and repairs funded under prior bonding. Additional road construction of \$2,881,208 included the completion of the Bemis Street reconstruction as well as annual general road repair work.
- Construction in progress at June 30, 2017 of \$2,231,275 include those projects approved by Town referendum for the Plymouth firehouse renovation, Charles Street rear access, town hall upgrades and various road construction projects. Construction in progress decreased in the current fiscal year by \$2,961,978, or 57.0%, largely due to the completion of the Bemis Street construction and completion of various general road and sidewalk improvement projects. The decrease was offset by the start of the new capital projects noted above.

Town of Plymouth, Connecticut Capital Assets (Net)

	Governmental Activities	
	2017	2016
Land	\$ 6,782,353	\$ 6,782,353
Buildings	47,896,788	49,485,424
Buildings improvements	11,088,802	11,444,368
Land improvements	2,385,207	2,585,572
Machinery and equipment	4,706,591	4,919,479
Vehicles	3,380,865	3,224,987
Infrastructure	101,648,073	96,147,236
Construction in progress	2,231,275	5,193,253
Total	<u>\$ 180,119,954</u>	<u>\$ 179,782,672</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Long-term debt. At the end of the current fiscal year, the Town had general obligation bonds outstanding of \$19,743,231. The amount reflects debt backed by the full faith and credit of the Town.

Town of Plymouth, Connecticut Long-Term Debt

	Governmental Activities	
	2017	2016
General Obligation Bonds	\$ 19,743,231	\$ 21,912,407

The Town's long term total debt decreased by \$2,169,176 or 9.9% during the current fiscal year, based upon scheduled principal payments.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$189,741,025, 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, 2017 was 5.1%, which is a decrease from June 30, 2016 of 6.3%, but higher than the state's unemployment rate of 4.8%.
- 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 2017-2018 budget was evaluated using the anticipated fund balance projections from the past fiscal year. The 2017-2018 budget does not plan for any use of the Town's fund balance to balance revenues and expenditures. The 2017-2018 budget factors in \$100,000 for the restoration of general fund balance that is included in budgeted expenditures. The overall budget for expenditures in the General Fund increases by \$1,193,978, with the change coming in costs for Education and General Government, offset slightly by a decrease in funding for capital projects. The 2017-2018 budget has a real estate and other property tax rate of 39.69 mils and a motor vehicle tax rate of 32.00 mils. The 2016-2017 tax rate was a combined 36.02 mils.

The 2017-2018 budget assumes a current collection rate of 98.5% for property taxes other than motor vehicles, and a 95.0% collection rate for motor vehicle taxes. There is no change in the collection rates from the prior year. The Board of Finance reviews tax collections and results from the Tax office on an ongoing basis.

As a result of revaluation, the grand list, the total of all taxable property that sets the property tax collection rate, declines \$25,811,800 or 3.4% from the prior year. The grand list decline in real estate and other property of \$27,385,740 is partially offset by an increase in the motor vehicle tax base of \$1,573,940.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Comptroller's Office, The Town of Plymouth, 80 Main Street, Terryville, Connecticut 06786.

Basic Financial Statements

TOWN OF PLYMOUTH, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 11,927,655
Investments	33,436
Restricted investments	1,078,725
Receivables, net	3,378,682
Assets held for sale	2,272,297
Capital assets not being depreciated	9,013,628
Capital assets being depreciated, net	<u>171,106,326</u>
Total assets	<u>198,810,749</u>
Deferred Outflows of Resources:	
Deferred charge on refunding	87,386
Deferred outflows related to PERS	925,964
Deferred outflows related to MERS	<u>1,313,432</u>
Total deferred outflows of resources	<u>2,326,782</u>
Liabilities:	
Accounts and other payables	2,352,190
Accrued interest payable	159,824
Due to agency funds	129,605
Unearned revenue	578,753
Bond anticipation notes payable	5,000,000
Noncurrent liabilities:	
Due within one year	2,398,666
Due in more than one year	<u>39,011,831</u>
Total liabilities	<u>49,630,869</u>
Deferred Inflows of Resources:	
Advance property tax collections	9,626
Deferred inflows related to PERS	56,007
Deferred inflows related to MERS	<u>78,327</u>
Total deferred inflows of resources	<u>143,960</u>
Net Position:	
Net investment in capital assets	154,601,111
Perpetual care:	
Expendable	463,919
Nonexpendable	363,521
Libraries:	
Expendable	48,786
Nonexpendable	529,392
Debt service	205,536
Unrestricted	<u>(4,849,563)</u>
Total Net Position	<u>\$ 151,362,702</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF PLYMOUTH, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General administration	\$ 4,888,571	\$ 221,711	\$ 2,733	\$	\$ (4,664,127)
Public safety	3,644,971	583,014	375		(3,061,582)
Public works	6,996,417	1,565,551	96,614	2,463,497	(2,870,755)
Health and welfare	274,696	44,459	11,438		(218,799)
Library	506,880	4,818	45,512		(456,550)
Recreation	290,241	85,679	750		(203,812)
Education	32,257,631	457,456	15,751,514		(16,048,661)
Land use	192,175	18,815	4,782		(168,578)
Interest expense	583,283				(583,283)
Total Governmental Activities	<u>\$ 49,634,865</u>	<u>\$ 2,981,503</u>	<u>\$ 15,913,718</u>	<u>\$ 2,463,497</u>	<u>(28,276,147)</u>
General revenues:					
Property taxes					27,700,908
Grants and contributions not restricted to specific programs					471,148
Investment earnings					128,558
Miscellaneous					18,191
Total general revenues					<u>28,318,805</u>
Change in Net Position					42,658
Net Position at Beginning of Year					<u>151,320,044</u>
Net Position at End of Year					<u>\$ 151,362,702</u>

The accompanying notes are an integral part of the financial statements

TOWN OF PLYMOUTH, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>General</u>	<u>Sewer Operating</u>	<u>Capital Projects</u>	<u>Capital and Nonrecurring</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 1,378,162	\$ 2,451,759	\$ 146,125	\$ 4,627,850	\$ 1,814,040	\$ 10,417,936
Investments					33,436	33,436
Restricted investments					1,078,725	1,078,725
Receivables, net:						
Property taxes	789,628					789,628
Interest	258,044	66,098				324,142
Assessments/use charges		227,278			185,146	412,424
Intergovernmental	19,287		97,000	178,452	51,014	345,753
Loans					986,081	986,081
Other	113,485				406,846	520,331
Due from other funds	<u>3,808,222</u>	<u>532</u>	<u>350,676</u>	<u>1,768,474</u>	<u>1,066,056</u>	<u>6,993,960</u>
Total Assets	<u>\$ 6,366,828</u>	<u>\$ 2,745,667</u>	<u>\$ 593,801</u>	<u>\$ 6,574,776</u>	<u>\$ 5,621,344</u>	<u>\$ 21,902,416</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 860,680	\$ 108,171	\$ 236,605	\$ 836,724	\$ 19,010	\$ 2,061,190
Due to other funds	3,053,535	957,823	649,309	830,776	692,561	6,184,004
Bond anticipation notes payable				5,000,000		5,000,000
Unearned revenue			10,500	557,156	11,097	578,753
Total liabilities	<u>3,914,215</u>	<u>1,065,994</u>	<u>896,414</u>	<u>7,224,656</u>	<u>722,668</u>	<u>13,823,947</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	834,579					834,579
Unavailable revenue - sewer use receivable		293,376				293,376
Unavailable revenue - special assessments					185,146	185,146
Unavailable revenue - loans receivable					986,081	986,081
Advanced property taxes	9,626					9,626
Total deferred inflows of resources	<u>844,205</u>	<u>293,376</u>	<u>-</u>	<u>-</u>	<u>1,171,227</u>	<u>2,308,808</u>
Fund balances:						
Nonspendable					892,913	892,913
Restricted					1,682,404	1,682,404
Committed	100,000	1,386,297	185,849		1,368,934	3,041,080
Assigned	699,618					699,618
Unassigned	808,790		(488,462)	(649,880)	(216,802)	(546,354)
Total fund balances	<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>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,366,828</u>	<u>\$ 2,745,667</u>	<u>\$ 593,801</u>	<u>\$ 6,574,776</u>	<u>\$ 5,621,344</u>	<u>\$ 21,902,416</u>

The accompanying notes are an integral part of the financial statements

TOWN OF PLYMOUTH, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2017

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)	\$ 5,769,661
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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	\$ 252,101,645	
Less accumulated depreciation	<u>(71,981,691)</u>	
Net capital assets		180,119,954

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	576,535
Interest receivable on property taxes	258,044
Housing loans	986,081
Sewer use and assessments receivable	227,278
Interest receivable on sewer use and assessments	66,098
Water assessment receivable	185,146
Deferred outflows related to PERS	925,964
Deferred outflows related to MERS	1,313,432

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	279,481
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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	(19,743,231)
Capital leases	(227,182)
Deferred charge on refunding	87,386
Premium	(635,816)
Interest payable on bonds	(159,824)
Net OPEB obligation	(4,178,523)
Compensated absences	(1,168,062)
Early retirement incentive	(91,500)
Net pension liability	(14,791,183)
Landfill postclosure costs	(575,000)
Deferred inflows related to PERS	(56,007)
Deferred inflows related to MERS	<u>(78,327)</u>

Net Position of Governmental Activities (Exhibit I)	<u><u>\$ 151,362,702</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, 2017

	<u>General</u>	<u>Sewer Operating</u>	<u>Capital Projects</u>	<u>Capital and Nonrecurring</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 27,981,899	\$	\$	\$	\$	\$ 27,981,899
Charges for services	382,041	1,423,001		2,560,111	1,039,912	5,405,065
Intergovernmental	15,226,825				1,082,089	16,308,914
Income from investments	13,466		583	587	13,016	27,652
Net change in fair value of investments					98,234	98,234
Contributions					96,104	96,104
Other	108,156	5		35,052	80,283	223,496
Total revenues	<u>43,712,387</u>	<u>1,423,006</u>	<u>583</u>	<u>2,595,750</u>	<u>2,409,638</u>	<u>50,141,364</u>
Expenditures:						
Current:						
General administration	5,210,527				40,617	5,251,144
Public safety	2,879,057				497,058	3,376,115
Public works	3,126,375	1,204,996				4,331,371
Health and welfare	196,042				56,754	252,796
Library	468,874				19,583	488,457
Recreation	180,278				74,215	254,493
Education	28,265,752				1,475,269	29,741,021
Land use	145,690					145,690
Debt service	2,859,842	130,188				2,990,030
Capital outlay	358,689		430	4,848,856		5,207,975
Total expenditures	<u>43,691,126</u>	<u>1,335,184</u>	<u>430</u>	<u>4,848,856</u>	<u>2,163,496</u>	<u>52,039,092</u>
Excess (Deficiency) of Revenues over Expenditures	<u>21,261</u>	<u>87,822</u>	<u>153</u>	<u>(2,253,106)</u>	<u>246,142</u>	<u>(1,897,728)</u>
Other Financing Sources (Uses):						
Transfers in	222,437			483,146	84,382	789,965
Transfers out	(567,528)				(222,437)	(789,965)
Capital lease issuance	358,689					358,689
Total other financing sources (uses)	<u>13,598</u>	<u>-</u>	<u>-</u>	<u>483,146</u>	<u>(138,055)</u>	<u>358,689</u>
Net Change in Fund Balances	34,859	87,822	153	(1,769,960)	108,087	(1,539,039)
Fund Balances at Beginning of Year	<u>1,573,549</u>	<u>1,298,475</u>	<u>(302,766)</u>	<u>1,120,080</u>	<u>3,619,362</u>	<u>7,308,700</u>
Fund Balances at End 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>

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, 2017

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)	\$ (1,539,039)
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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	5,024,317
Depreciation expense	(4,659,172)

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net position differs from the change in fund balance by the cost of the assets sold.

The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets.	(27,863)
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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	(107,807)
Property tax interest revenue - accrual basis change	(173,184)
Housing loans receivable - accrual basis change	(35,828)
Sewer use and assessment receivable - accrual basis change	(57,606)
Sewer use and assessment interest receivable - accrual change	(14,520)
Water assessment receivable - accrual basis change	(77,568)
Deferred outflows related to PERS	122,170
Deferred outflows related to MERS	849,974

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	2,169,176
Capital lease issuance	(358,689)

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

Net OPEB expense	(549,658)
Capital leases	131,507
Compensated absences	50,623
Early retirement incentive	(78,000)
Net pension liability	(393,225)
Landfill postclosure costs	25,000
Accrued interest payable	20,361
Amortization of deferred charge on refunding	(11,222)
Amortization of premium	85,924
Deferred inflows related to PERS	(12,343)
Deferred inflows related to MERS	(78,327)

Internal service funds are used by management to charge costs of medical insurance to individual departments	<u>(262,343)</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 42,658</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF PLYMOUTH, CONNECTICUT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2017**

	Governmental Activities
	Internal Service Fund
Assets:	
Cash and cash equivalents	\$ 1,509,719
Accounts receivable	323
Due from other funds	<u>600,000</u>
Total assets	<u>2,110,042</u>
Liabilities:	
Due to other funds	1,539,561
Claims payable	<u>291,000</u>
Total liabilities	<u>1,830,561</u>
Net Position:	
Unrestricted	\$ <u><u>279,481</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, 2017**

	Governmental Activities
	Internal Service Fund
Operating Revenues:	
Charges for services	\$ <u>3,778,465</u>
Operating Expenses:	
Claims incurred	3,518,412
Administration	<u>525,068</u>
Total operating expenses	<u>4,043,480</u>
Operating Income (Loss)	(265,015)
Nonoperating Revenues:	
Revenues from use of money	<u>2,672</u>
Change in Net Position	(262,343)
Net Position at Beginning of Year	<u>541,824</u>
Net Position at End of Year	\$ <u><u>279,481</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, 2017**

	Governmental Activities
	Internal Service Fund
Cash Flows from Operating Activities:	
Cash received from charges for services	\$ 3,778,465
Cash paid for benefits	(3,515,961)
Cash paid for administration	(525,068)
Net cash provided by (used in) operating activities	<u>(262,564)</u>
Cash Flows from Investing Activities:	
Interest on investments	<u>2,672</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(259,892)
Cash and Cash Equivalents at Beginning of Year	<u>1,769,611</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,509,719</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ (265,015)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
(Increase) decrease in accounts receivable	(323)
Increase (decrease) in claims payable	<u>2,774</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (262,564)</u>

The accompanying notes are an integral part of the financial statements

TOWN OF PLYMOUTH, CONNECTICUT
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2017

	Pension Fund	Private Purpose Trust Fund	Agency Funds
Assets:			
Cash and cash equivalents	\$ _____	\$ 3,031	\$ 263,943
Investments:			
Guaranteed investment contracts	8,749,714		
Mutual funds	145,218		
Total investments	<u>8,894,932</u>	<u>-</u>	<u>-</u>
Accounts receivable	<u>3,449</u>		
Due from other funds			<u>129,605</u>
Total assets	<u>8,898,381</u>	<u>3,031</u>	<u>\$ 393,548</u>
Liabilities:			
Accounts payable and due to others			<u>\$ 393,548</u>
Net Position:			
Restricted for Pension/Other Benefits	<u>\$ 8,898,381</u>	<u>\$ 3,031</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, 2017**

	Pension Fund	Private Purpose Trust Fund
Additions:		
Contributions:		
Employer	\$ 878,811	\$
Plan members	63,795	
Total contributions	<u>942,606</u>	<u>-</u>
Investment income:		
Net change in fair value of investments	(11,381)	
Interest and dividends	<u>334,467</u>	<u>15</u>
Total investment income	323,086	15
Less investment expense	<u>(84,813)</u>	
Net investment income	<u>238,273</u>	<u>15</u>
Total additions	<u>1,180,879</u>	<u>15</u>
Deductions:		
Benefits	1,443,619	
Administration	<u>3,754</u>	
Total deductions	<u>1,447,373</u>	<u>-</u>
Change in Net Position	(266,494)	15
Net Position at Beginning of Year	<u>9,164,875</u>	<u>3,016</u>
Net Position at End of Year	<u>\$ 8,898,381</u>	<u>\$ 3,031</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, 2017

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.

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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, 2017.

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.

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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 in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension results from contributions made subsequent to measurement date, differences between expected and actual experience, changes in assumptions or other inputs. The contributions made subsequent to measurement date are recognized the following year. All other amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

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

J. Compensated Absences

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

K. Net Pension Liability

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

L. Net OPEB Obligation

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

M. Long-Term Obligations

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

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

N. Fund Equity

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

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

O. Fund Balance Flow Assumptions

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

P. Accounting Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

- The Sewer Operating Budget is approved prior to July 1st by the Water Pollution Control Authority.
- The Finance Director is authorized to transfer budgeted amounts within departments up to \$1,000; all transfers over \$1,000 require Board of Finance approval. Budget over expenditures in departmental line items are approved by the Board of Finance, although no actual budgetary entries are made. Additional appropriations must be approved by the Town Council. Appropriations in excess of

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\$50,000 must be submitted to a Town Meeting for approval. During the year General Fund appropriations increased in the amount of \$104,720. There were no additional Sewer Operating Fund appropriations authorized during the year.

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

B. Fund Deficits

Fund balance deficits existed as of June 30, 2017 in the following funds:

Capital Projects	\$	302,613
Capital and Nonrecurring		649,880
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Economic Development		216,802

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

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are

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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*, \$11,701,486 of the Town's bank balance of \$12,729,892 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 10,481,337
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,220,149</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 11,701,486</u>

Cash Equivalents

At June 30, 2017, the Town's cash equivalents amounted to \$422,409. 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.

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Investments

As of June 30, 2017, 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	\$ 8,749,714	\$	\$	\$ 8,749,714
Certificates of deposit	*	<u>219,248</u>	<u>77,232</u>	<u>142,016</u>	
Total		8,968,962	<u><u>\$ 77,232</u></u>	<u><u>\$ 142,016</u></u>	<u><u>\$ 8,749,714</u></u>
Other investments:					
Mutual funds		<u>1,038,131</u>			
Total Investments		\$ 10,007,093			

* 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, 2017, 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.

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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, 2017:

	<u>June 30, 2017</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	\$ 8,749,714	\$	\$ 8,749,714	\$
Mutual funds	<u>1,038,131</u>	<u>1,038,131</u>		
Total Investments by Fair Value Level	<u>\$ 9,787,845</u>	<u>\$ 1,038,131</u>	<u>\$ 8,749,714</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, 2017 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	\$ 989,628	\$ 324,142	\$ 412,424	\$ 345,753	\$ 986,081	\$ 520,654	\$ 3,578,682
Less allowance for uncollectible accounts	<u>(200,000)</u>						<u>(200,000)</u>
Net Accounts Receivable	<u>\$ 789,628</u>	<u>\$ 324,142</u>	<u>\$ 412,424</u>	<u>\$ 345,753</u>	<u>\$ 986,081</u>	<u>\$ 520,654</u>	<u>\$ 3,378,682</u>

TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 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>5,193,253</u>	<u>3,626,523</u>	<u>6,588,501</u>	<u>2,231,275</u>
Total capital assets not being depreciated	<u>11,975,606</u>	<u>3,626,523</u>	<u>6,588,501</u>	<u>9,013,628</u>
Capital assets being depreciated:				
Buildings	72,643,757			72,643,757
Building improvement	15,607,656	74,821		15,682,477
Land improvement	6,712,023			6,712,023
Machinery and equipment	7,920,653	95,616	6,771	8,009,498
Vehicles	6,825,084	483,464	177,500	7,131,048
Infrastructure	<u>125,576,820</u>	<u>7,332,394</u>		<u>132,909,214</u>
Total capital assets being depreciated	<u>235,285,993</u>	<u>7,986,295</u>	<u>184,271</u>	<u>243,088,017</u>
Less accumulated depreciation for:				
Buildings	(23,158,333)	(1,588,636)		(24,746,969)
Building improvement	(4,163,288)	(430,387)		(4,593,675)
Land improvement	(4,126,451)	(200,365)		(4,326,816)
Machinery and equipment	(3,001,174)	(307,526)	5,793	(3,302,907)
Vehicles	(3,600,097)	(300,701)	150,615	(3,750,183)
Infrastructure	<u>(29,429,584)</u>	<u>(1,831,557)</u>		<u>(31,261,141)</u>
Total accumulated depreciation	<u>(67,478,927)</u>	<u>(4,659,172)</u>	<u>156,408</u>	<u>(71,981,691)</u>
Total capital assets being depreciated, net	<u>167,807,066</u>	<u>3,327,123</u>	<u>27,863</u>	<u>171,106,326</u>
Governmental Activities Capital Assets, Net	<u>\$ 179,782,672</u>	<u>\$ 6,953,646</u>	<u>\$ 6,616,364</u>	<u>\$ 180,119,954</u>

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

Governmental activities:	
General administration	\$ 127,328
Public safety	213,653
Public works	2,471,781
Health and welfare	21,900
Library	14,112
Recreation	33,828
Education	1,730,085
Land use	<u>46,485</u>
Total Depreciation Expense - Governmental	<u>\$ 4,659,172</u>

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Construction Commitments

The Town has active construction projects as of June 30, 2017. 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
North Main Street Bridge Project	1,600,000	267,625	1,332,375
Streetscapes - Phase II	500,000	478,732	21,268
Fall Mountain Water Paving- LOTCIP Grant	950,000	71,387	878,613
Plymouth Firehouse Renovation	3,750,000	317,077	3,432,923
Charles St. Rear Access Project	350,000	190,546	159,454
Town Hall Boiler and Parking Lot Upgrades	550,000	318,637	231,363
Bonded Roads Project-Todd Hollow/Lake Plymouth	2,300,000	312,032	1,987,968
WPCA - UV Disinfection Project	<u>605,775</u>	<u>15,340</u>	<u>590,435</u>
Total	\$ <u>15,345,775</u>	\$ <u>5,322,767</u>	\$ <u>10,023,008</u>

TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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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	\$ 649,309
General Fund	Nonmajor Governmental Funds	665,541
General Fund	Sewer Operating	953,811
General Fund	Internal Service Fund	<u>1,539,561</u>
		<u>3,808,222</u>
Sewer Operating	Nonmajor Governmental Funds	<u>532</u>
Capital Projects	General Fund	209,400
Capital Projects	Capital and Nonrecurring	130,776
	Nonmajor Governmental Funds	<u>10,500</u>
		<u>350,676</u>
Capital and Nonrecurring	General Fund	<u>1,768,474</u>
Nonmajor Funds	General Fund	946,056
	Sewer Operating	20,000
	Capital and Nonrecurring	<u>100,000</u>
		<u>1,066,056</u>
Internal Service Fund	Capital and Nonrecurring	<u>600,000</u>
Performance Bonds	General Fund	<u>129,605</u>
Total		<u>\$ 7,723,565</u>

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

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Interfund transfers:

	Transfer In			
	General Fund	Capital and Nonrecurring	Nonmajor Governmental	Total Transfer Out
Transfers out:				
General Fund	\$	\$ 483,146	\$ 84,382	\$ 567,528
Nonmajor Governmental Funds	<u>222,437</u>			<u>222,437</u>
Total Transfer In	<u>\$ 222,437</u>	<u>\$ 483,146</u>	<u>\$ 84,382</u>	<u>\$ 789,965</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.

7. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds and notes payable:					
General obligation bonds and notes	\$ 21,912,407	\$	\$ 2,169,176	\$ 19,743,231	\$ 2,185,169
Premium	<u>721,740</u>		<u>85,924</u>	<u>635,816</u>	
Total bonds and notes payable	<u>22,634,147</u>	<u>-</u>	<u>2,255,100</u>	<u>20,379,047</u>	<u>2,185,169</u>
Capital leases		358,689	131,507	227,182	90,012
Net OPEB obligation	3,628,865	549,658		4,178,523	
Compensated absences	1,218,685	74,760	125,383	1,168,062	23,985
Early retirement incentive	13,500	176,500	98,500	91,500	74,500
Net pension liability	14,397,958	988,357	595,132	14,791,183	
Landfill postclosure costs	<u>600,000</u>		<u>25,000</u>	<u>575,000</u>	<u>25,000</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 42,493,155</u>	<u>\$ 2,147,964</u>	<u>\$ 3,230,622</u>	<u>\$ 41,410,497</u>	<u>\$ 2,398,666</u>

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

TOWN OF PLYMOUTH, CONNECTICUT
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A schedule of bonds and notes payable at June 30, 2017 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, 2017</u>
Bonds and Notes Payable:					
General purpose:					
Refunding bonds	9/16/2010	12/15/2028	2.00-4.00	\$ 1,000,000	\$ 600,000
General obligation bonds	7/19/2012	7/15/2024	2.00-4.00	7,150,000	4,750,000
General obligation bonds	8/30/2013	8/15/2025	2.00-3.25	3,000,000	2,250,000
Refunding bonds	4/22/2014	7/15/2023	2.00-5.00	778,000	639,000
School:					
Refunding bonds	9/16/2010	12/15/2026	2.00-4.00	8,820,000	6,175,000
General obligation bonds	7/19/2012	7/15/2024	2.00-4.00	2,350,000	1,550,000
Refunding bonds	4/22/2014	7/15/2023	2.00-5.00	2,887,000	2,371,000
Sewer:					
General obligation bonds	8/30/2013	8/15/2025	2.00-3.25	500,000	350,000
Clean Water Notes Payable	5/1/2016	3/1/2035	2.00	1,200,499	<u>1,058,231</u>
Total Bonds and Notes Payable				\$	<u><u>19,743,231</u></u>

The annual requirements to amortize all bonds and notes outstanding as of June 30, 2017, including interest payments, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 2,185,169	\$ 557,199
2019	2,206,181	489,237
2020	2,202,214	416,530
2021	2,223,268	342,101
2022	2,209,343	275,601
2023-2027	8,108,620	555,340
2028-2032	418,921	38,665
2033-2035	<u>189,515</u>	<u>7,435</u>
Total	<u>\$ 19,743,231</u>	<u>\$ 2,682,108</u>

Note Payable

The Town has a note payable at June 30, 2017 of \$1,058,231. 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.

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 60,989,794	\$ 15,789,000	\$ 45,200,794
Schools	121,979,588	10,195,420	111,784,168
Sewers	101,649,656	2,423,232	99,226,424
Urban renewal	88,096,369		88,096,369
Pension deficit	81,319,725		81,319,725

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$189,746,025.

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, 2017 is \$3,664,421.

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, 2017 is presented below:

<u>Project</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Balance July 1, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2017</u>
Capital Projects - Various	4/8/2017	1/25/2018	2.0	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000

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 23 years at \$25,000 per year are \$575,000. These amounts are based on estimates that are subject to change due to inflation, technology or applicable laws and regulations.

Termination Benefits

The Board of Education provides early retirement incentive benefits to former employees. Benefits are paid annually based on the retirement agreement for each employee from the Board of Education budget. The amount paid for the fiscal year ended June 30, 2017 was \$98,500 and the balance at year end is \$91,500. Benefits are payable through 2021.

TOWN OF PLYMOUTH, CONNECTICUT
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8. LEASES

Capital Leases

The Town entered into lease agreements for the purchase of two vehicles.

	<u>Amount</u>
Assets:	
Vehicles	\$ 358,689
Less accumulated depreciation	<u>17,591</u>
Total	<u>\$ 341,098</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>
2018	\$ 91,842
2019	50,174
2020	50,174
2021	<u>50,174</u>
Total	242,364
Less amount representing interest	<u>15,182</u>
Total	<u>\$ 227,182</u>

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 have 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

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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>
2015-2016 \$	382,763 \$	2,950,097 \$	3,044,634 \$	288,226
2016-2017	288,226	3,518,412	3,515,638	291,000

10. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2017 are as follows:

	<u>General Fund</u>	<u>Sewer Operating</u>	<u>Capital Projects Fund</u>	<u>Capital and Nonrecurring</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:						
Nonspendable:						
Cemetery trust funds	\$	\$	\$	\$	363,521	\$ 363,521
Terryville public library trust					335,716	335,716
Mercy J Cone trust					193,676	193,676
Restricted for:						
Grants					964,163	964,163
Debt service					205,536	205,536
Cemetery trust funds					463,919	463,919
Terryville public library trust					31,680	31,680
Mercy J Cone trust					6,675	6,675
St. Mathews trust					10,431	10,431
Committed to:						
Industrial park phase 3			185,849			185,849
Pension obligations	100,000					100,000
Education sinking fund					235,528	235,528
Sewer operating and assessment		1,386,297			22,935	1,409,232
Water assessment					521,231	521,231
Dog fund					129,212	129,212
Fuel bank and Small Wonders					51,189	51,189
Hospice					19,677	19,677
Police extra duty					280,805	280,805
Recreation					60,282	60,282
Historical preservation					48,075	48,075
Assigned to:						
Education encumbrances	568,387					568,387
General administration	3,551					3,551
Public safety	17,018					17,018
Public works	94,546					94,546
Health and Welfare	1,242					1,242
Library	12,338					12,338
Land use	2,536					2,536
Unassigned	808,790		(488,462)	(649,880)	(216,802)	(546,354)
Total Fund Balances	\$ 1,608,408	\$ 1,386,297	\$ (302,613)	\$ (649,880)	\$ 3,727,449	\$ 5,769,661

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.

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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, 2017. The amount held at June 30, 2016 is \$8,749,714.

Rate of Return

For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.70%. 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, 2017 were as follows:

	<u>Town</u>	<u>Board of Education</u>	<u>Total</u>
Total pension liability	\$ 13,696,721	\$ 7,516,957	\$ 21,213,678
Plan fiduciary net position	<u>(4,104,688)</u>	<u>(4,793,693)</u>	<u>(8,898,381)</u>
Town's Net Pension Liability	<u>\$ 9,592,033</u>	<u>\$ 2,723,264</u>	<u>\$ 12,315,297</u>
Plan fiduciary net position as a percentage of the total pension liability	29.97%	63.77%	41.95%

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Actuarial Assumptions

The total pension liability at June 30, 2017 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, 2017 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	98.37 %	4.27 %
U.S. Interm Bonds	0.31	2.16
U.S. Equity Market	0.21	5.15
U.S. Large Growth	0.18	5.59
U.S. Large Value	0.18	4.73
U.S. Core Bonds	0.16	2.56
U.S. Short Bonds	0.15	1.67
Global Bonds	0.11	1.73
U.S. Inflation-Indexed Bonds	0.10	1.95
U.S. Small Caps	0.07	6.11
Emerging Markets Bonds	0.05	4.86
Non-U.S. Small Cap	0.05	6.57
U.S. MidCap Growth	0.03	6.32
Commodities	0.03	3.02
	<u>100.00 %</u>	

TOWN OF PLYMOUTH, CONNECTICUT
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Discount Rate

Town Plan

The discount rate used to measure the total pension liability at June 30, 2017 was 5.22% up from 5.09% 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, 2017 was 6.25%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Changes in the Net Pension Liability

	Town Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2016	\$ 14,626,975	\$ 4,439,810	\$ 10,187,165
Changes for the year:			
Service cost	98,404		98,404
Interest on total pension liability	723,989		723,989
Differences between expected and actual experience	(494,442)		(494,442)
Changes in assumptions	(242,319)		(242,319)
Employer contributions		535,642	(535,642)
Member contributions		33,819	(33,819)
Net investment income		113,085	(113,085)
Benefit payments, including refund to employee contributions	(1,015,886)	(1,015,886)	-
Administrative expenses		(1,782)	1,782
Net changes	(930,254)	(335,122)	(595,132)
Balances as of June 30, 2017	\$ 13,696,721	\$ 4,104,688	\$ 9,592,033

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Board of Education Pension Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2016	\$ 7,208,947	\$ 4,725,065	\$ 2,483,882
Changes for the year:			
Service cost	164,406		164,406
Interest on total pension liability	447,670		447,670
Differences between expected and actual experience	159,905		159,905
Changes in assumptions	(36,238)		(36,238)
Employer contributions		343,169	(343,169)
Member contributions		29,976	(29,976)
Net investment income		125,188	(125,188)
Benefit payments, including refund to employee contributions	(427,733)	(427,733)	-
Administrative expenses		(1,972)	1,972
Net changes	308,010	68,628	239,382
Balances as of June 30, 2017	\$ 7,516,957	\$ 4,793,693	\$ 2,723,264

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	Current	1% Increase
	4.22%	Discount Rate	6.22%
		5.22%	
Net Pension Liability	\$ 11,002,087	\$ 9,592,033	\$ 8,395,126
Board of Education			
	1% Decrease	Current	1% Increase
	5.25%	Discount Rate	7.25%
		6.25%	
Net Pension Liability	\$ 3,557,155	\$ 2,723,264	\$ 2,013,395

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

At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Deferred Outflows of Resources			
	Town Pension Plan	Board of Education Pension Plan	Total
Differences between expected and actual experience	\$	\$ 120,904	\$ 120,904
Changes in assumptions		258,415	258,415
Net difference between projected and actual earnings on pension plan investments	<u>266,806</u>	<u>279,839</u>	<u>546,645</u>
Total	\$ <u>266,806</u>	\$ <u>659,158</u>	\$ <u>925,964</u>

Deferred Inflows of Resources			
	Town Pension Plan	Board of Education Pension Plan	Total
Differences between expected and actual experience	\$	\$ 28,608	\$ 28,608
Changes in assumptions		27,399	27,399
Total	\$ <u>-</u>	\$ <u>56,007</u>	\$ <u>56,007</u>

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

<u>Year Ending June 30,</u>	Town Pension Plan	Board of Education Pension Plan	Total
2018	\$ 89,546	\$ 243,291	\$ 332,837
2019	89,548	231,190	320,738
2020	57,591	91,975	149,566
2021	30,121	36,695	66,816

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For the year ended June 30, 2017, the Town recognized pension expense of \$413,234 as follows:

	<u>Pension Expense</u>
Town	\$ (120,553)
Board of Education	<u>533,787</u>
Total	<u>\$ 413,234</u>

The following schedule presents the new position held in trust for the pension benefits at June 30, 2017 and the changes in net position for the year ended.

Schedule of Plan Net Position - June 30, 2017

	<u>Town</u>	<u>Board of Education</u>	<u>Total</u>
Assets:			
Investments:			
Guaranteed investment contracts	\$ 4,037,289	\$ 4,712,425	\$ 8,749,714
Mutual funds	<u>66,987</u>	<u>78,231</u>	<u>145,218</u>
Total investments	4,104,276	4,790,656	8,894,932
Accounts receivable	<u>412</u>	<u>3,037</u>	<u>3,449</u>
Total assets	<u>4,104,688</u>	<u>4,793,693</u>	<u>8,898,381</u>
Net Position:			
Restricted for Pensions	<u>\$ 4,104,688</u>	<u>\$ 4,793,693</u>	<u>\$ 8,898,381</u>

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Schedule of Changes in Plan Net Position for the Year Ended June 30, 2017

	<u>Town</u>	<u>Board of Education</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 535,642	\$ 343,169	\$ 878,811
Plan members	33,819	29,976	63,795
Total contributions	<u>569,461</u>	<u>373,145</u>	<u>942,606</u>
Investment income:			
Net change in fair value of investments	(5,250)	(6,131)	(11,381)
Interest and dividends	<u>154,285</u>	<u>180,182</u>	<u>334,467</u>
Total investment income	<u>149,035</u>	<u>174,051</u>	<u>323,086</u>
Less investment expense	<u>(35,950)</u>	<u>(48,863)</u>	<u>(84,813)</u>
Net investment income	<u>113,085</u>	<u>125,188</u>	<u>238,273</u>
Total additions	<u>682,546</u>	<u>498,333</u>	<u>1,180,879</u>
Deductions:			
Benefits	1,015,886	427,733	1,443,619
Administration	<u>1,782</u>	<u>1,972</u>	<u>3,754</u>
Total deductions	<u>1,017,668</u>	<u>429,705</u>	<u>1,447,373</u>
Change in Net Position	(335,122)	68,628	(266,494)
Net Position at Beginning of Year	<u>4,439,810</u>	<u>4,725,065</u>	<u>9,164,875</u>
Net Position at End of Year	<u>\$ 4,104,688</u>	<u>\$ 4,793,693</u>	<u>\$ 8,898,381</u>

Municipal Employees' Retirement Fund

A. Plan Description

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

B. Benefit Provisions

The plan provides retirement, disability and death benefits and annual cost-of-living adjustments to plan members and their beneficiaries. Employees are eligible to retire at age 55 with 5 years of continuous active service, or 15 years of active noncontinuous 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.

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C. Contributions

Member

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

Employer

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

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

At June 30, 2017, the Town reports a liability of \$2,475,886 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2017, the Town's proportion was .74%. The decrease in proportion from June 30, 2016 is .16%.

For the year ended June 30, 2017, the Town recognized pension expense of \$520,819. At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Net difference between projected and actual earnings on pension plan investments	\$ 653,370	\$
Differences between expected and actual experience	206,995	
Changes in proportional share		78,327
Contributions made subsequent to measurement date	<u>453,067</u>	<u> </u>
Total	<u>\$ 1,313,432</u>	<u>\$ 78,327</u>

TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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	\$	175,459
2019		175,459
2020		267,024
2021		164,096

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 nonannuitants (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%.

TOWN OF PLYMOUTH, CONNECTICUT
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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	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	3.0	0.4
Total	<u>100.0 %</u>	

E. Discount Rate

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

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

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

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
Town's Proportionate Share of the Net Pension Liability \$	<u>3,970,332</u>	<u>2,475,886</u>	<u>1,231,040</u>

Teacher Retirement

A. Plan Description

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

B. Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

C. Contributions

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

Employer (School Districts)

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

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

Employees

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

TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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

At June 30, 2017, 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>37,899,711</u>
Total	\$ <u>37,899,711</u>

The net pension liability was measured as of June 30, 2016, 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, 2017, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2017, the Town recognized pension expense and revenue of \$4,133,100 in Exhibit II for on-behalf amounts for the benefits provided by the State.

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 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.

TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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%.

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 benefit contribution plan, the benefits depend solely on amounts contributed to the plan plus investment earnings. As of June 30, 2017, there were 65 members in the plan. After six months of employment, all employees except as noted above are eligible to participate in the plan. Failure to enroll in the plan within thirty days of eligibility precludes an employee from joining the plan during the remainder of employment with the Town. Employees who are currently members of the Town's defined benefit pension plan may opt to freeze their benefit in the former plan and elect to contribute to the retirement savings plan. The plan requires employees to contribute 3% of earnings and the Town to contribute 6%. For the fiscal year ended June 30, 2017, contributions were \$86,928 and \$173,311, 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 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.

TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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

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

B. Funding Policy

The Town's funding and payment of postemployment benefits for the year ended June 30, 2017 are accounted for in the General Fund on a pay-as-you-go basis. As of June 30, 2017, the Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with the postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines. The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees.

C. Annual OPEB Cost and Net OPEB Obligations

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

	Retiree Healthcare Plan
	<u> </u>
Annual required contribution (ARC)	\$ 1,618,115
Interest on net OPEB obligation	145,155
Adjustment to annual required contribution	<u>(180,366)</u>
Annual OPEB cost	1,582,904
Contributions made	<u>1,033,246</u>
Increase in net OPEB obligation	549,658
Net OPEB Obligation at Beginning of year	<u>3,628,865</u>
Net OPEB Obligation at End of Year	<u><u>\$ 4,178,523</u></u>

TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal year ended June 30, 2017 is presented below.

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2015	\$ 1,438,653	\$ 888,021	61.73%	\$ 3,092,245
6/30/2016	1,512,047	975,427	64.51%	3,628,865
6/30/2017	1,582,904	1,033,246	65.28%	4,178,523

Schedule of Funding Progress

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

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2012	\$ 1,013,000	52.04%
2013	1,066,000	69.49%
2014	1,378,579	69.79%
2015	1,453,336	64.86%
2016	1,535,717	63.52%
2017	1,618,115	63.85%

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

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

TOWN OF PLYMOUTH, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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

13. TAX ABATEMENTS

As of June 30, 2017, the Town provides tax abatements to multiple organizations through the following program:

Program:	Economic Development Tax Abatement Program		
	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 Town other than to reduce taxes:	None	None	None
Gross dollar amount (accrual basis) by which the Town's taxes were reduced as a result of the abatement agreement program:	\$38,312	\$3,621	\$63,035

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. SUBSEQUENT EVENTS

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

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**Required Supplementary
Information**

TOWN OF PLYMOUTH, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Property taxes:				
Current taxes	\$ 26,947,972	\$ 26,947,972	\$ 26,684,449	\$ (263,523)
Supplemental motor vehicle tax	275,000	275,000	522,081	247,081
Prior year taxes	600,000	600,000	476,105	(123,895)
Interest and lien fees	225,000	225,000	299,264	74,264
Collection agency fees	20,000	20,000		(20,000)
PILOT - retirement community	15,000	15,000	13,243	(1,757)
PILOT - housing authority	15,000	15,000	15,000	-
PILOT - telephone access			898	898
Total property taxes	<u>28,097,972</u>	<u>28,097,972</u>	<u>28,011,040</u>	<u>(86,932)</u>
Charges for services:				
Recording fees	62,000	62,000	52,135	(9,865)
Conveyance tax	60,000	60,000	82,526	22,526
Hunting and fishing licenses	1,200	1,200	2,150	950
Vital statistics	600	600	297	(303)
Farm land preservation			9,709	9,709
Historical documents	6,159	6,159	1,999	(4,160)
Miscellaneous town clerk	20,618	20,618	20,641	23
Planning and zoning	7,500	7,500	2,512	(4,988)
Sub-division hearings	800	800	870	70
Public hearings	800	800	1,645	845
Zoning board of appeals	2,500	2,500	1,155	(1,345)
Land use applications			1,280	1,280
Fire marshal	1,500	1,500	315	(1,185)
Fire hawk program	250	250	270	20
Police permits	5,000	5,000	10,150	5,150
Insurance reports	1,000	1,000	1,311	311
Parking tickets & alarm fines	350	350	555	205
Extra duty reimbursements			25,000	25,000
Hancock dam control	4,000	4,000	10,736	6,736
Public works - miscellaneous permits			6,778	6,778
Miscellaneous public works/metal reimbursement	25,400	25,400	50,903	25,503
Transfer station permits	8,000	8,000	10,155	2,155
Conservation commission	1,000	1,000	795	(205)
Permit application fees	3,000	3,000	3,000	-
Structural permits	50,000	50,000	43,382	(6,618)
Electrical permits	10,000	10,000	9,060	(940)
Demolition permits	1,000	1,000	9,260	8,260
Plumbing permits	3,000	3,000	2,691	(309)
Heating permits	4,500	4,500	10,870	6,370
Library petty cash	6,500	6,500	4,643	(1,857)
Recreation - programs			1,618	1,618
Aircraft registrations	600	600	180	(420)
False alarms	2,000	2,000	3,450	1,450
Total charges for services	<u>289,277</u>	<u>289,277</u>	<u>382,041</u>	<u>92,764</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, 2017

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
Intergovernmental revenues:				
PILOT - state property	\$ 458	\$ 458	\$ 458	\$ -
Property tax relief for the elderly freeze	2,000	2,000		(2,000)
Property tax relief for the elderly - circuit breaker	107,713	107,713	94,460	(13,253)
Veteran's grant	8,648	8,648	7,533	(1,115)
Municipal revenue sharing	255,581	255,581	255,581	-
Disability exemption	3,153	3,153	2,515	(638)
Civil preparedness	1,500	1,500		(1,500)
ECS grant	9,820,785	9,820,785	9,699,711	(121,074)
Special education excess cost	570,000	570,000	794,139	224,139
Adult education	10,780	10,780	11,637	857
Pequot PILOT	69,784	69,784	69,784	-
Federal PILOT	1,500	1,500		(1,500)
Miscellaneous grants	19,287	19,287	414	(18,873)
Total intergovernmental revenues	<u>10,871,189</u>	<u>10,871,189</u>	<u>10,936,232</u>	<u>65,043</u>
Income from investments	<u>35,500</u>	<u>35,500</u>	<u>13,466</u>	<u>(22,034)</u>
Other revenues:				
Foreclosure sale proceeds	200,000	200,000	16,602	(183,398)
WPCA debt service reimbursements	59,812	59,812	46,350	(13,462)
Insurance reimbursements	20,000	20,000	2,026	(17,974)
Judicial refunds	7,500	7,500	2,422	(5,078)
Miscellaneous	5,000	5,000	11,615	6,615
Total other revenues	<u>292,312</u>	<u>292,312</u>	<u>79,015</u>	<u>(213,297)</u>
Total revenues	<u>39,586,250</u>	<u>39,586,250</u>	<u>39,421,794</u>	<u>(164,456)</u>
Other financing sources:				
Cancellation of prior year's encumbrances			72,242	72,242
Appropriation of fund balance	140,000	188,720		(188,720)
Transfers in	<u>105,324</u>	<u>121,324</u>	<u>222,437</u>	<u>101,113</u>
Total other financing sources	<u>245,324</u>	<u>310,044</u>	<u>294,679</u>	<u>(15,365)</u>
Total Revenues and Other Financing Sources	<u>\$ 39,831,574</u>	<u>\$ 39,896,294</u>	<u>39,716,473</u>	<u>\$ (179,821)</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			4,133,100	
Magnet school transportation grant			157,493	
Cancellation of prior year encumbrances are recognized as budgetary revenue			<u>(72,242)</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>\$ 43,934,824</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, 2017

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General administration:				
Mayor	\$ 151,837	\$ 151,837	\$ 149,531	\$ 2,306
Town Council	5,575	4,703	4,422	281
Human Resource	34,500	41,000	38,331	2,669
Comptroller	236,257	284,977	279,244	5,733
Central Office	111,031	112,831	112,720	111
Treasurer	3,600	3,600	3,600	-
Registrar	55,445	57,445	57,420	25
Board of Finance	107,250	107,250	92,941	14,309
Assessors	93,918	114,918	110,246	4,672
Board of Assessment Appeals	750	750	538	212
Tax Collector	172,355	172,355	131,707	40,648
Legal Services	145,750	145,750	83,124	62,626
Insurance	884,851	894,851	893,827	1,024
Employee Benefits	2,939,016	3,051,605	3,050,513	1,092
Heart and Hypertension	50,500	33,500	1,426	32,074
Town Clerk	119,555	119,555	114,584	4,971
Probate Court	5,220	85,220	84,516	704
Special Services	18,425	18,425	5,388	13,037
Total general administration	5,135,835	5,400,572	5,214,078	186,494
Public safety:				
Fire Marshal	68,852	68,852	68,337	515
Police Department	2,025,756	2,115,155	2,103,719	11,436
Emergency Management	30,376	30,376	29,968	408
Dog Warden	10,950	10,950	7,678	3,272
Communications	352,425	409,425	409,348	77
Fire Department HQ	220,955	225,455	225,208	247
Terryville Station	20,950	23,750	23,729	21
Plymouth Station	12,100	15,900	15,846	54
Fall Mountain Station	11,900	12,400	12,242	158
Total public safety	2,754,264	2,912,263	2,896,075	16,188
Public works:				
Facilities	56,950	51,950	48,284	3,666
Snow Removal	455,350	360,350	359,487	863
Highway Department	839,690	705,640	699,334	6,306
Transfer Station	692,383	539,490	537,051	2,439
Public Works Director	168,371	156,371	137,845	18,526
Maintenance Garage	390,325	430,325	428,685	1,640
Utilities - Hydrants and Streetlights	543,000	639,250	638,764	486
Other Public Buildings	277,329	277,329	275,583	1,746
Building Inspector	77,308	79,508	77,582	1,926
Total public works	3,500,706	3,240,213	3,202,615	37,598
Health and welfare:				
Human Services Commission	2,200	2,200	2,111	89
Public Health	56,170	56,170	55,425	745
Medical Director	65,789	67,489	67,460	29
Ambulance Corps	31,643	43,400	42,921	479
Public Health - other	860	860	857	3
Public Health - Dial a Ride	47,000	30,000	28,509	1,491
Total health and welfare	203,662	200,119	197,283	2,836

(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, 2017

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Library services:				
Terryville Library	\$ 469,120	\$ 469,120	\$ 459,212	\$ 9,908
Plymouth Library	22,000	22,000	22,000	-
Total library services	491,120	491,120	481,212	9,908
Parks and recreation	195,302	195,302	180,278	15,024
Education	23,882,780 *	23,882,780 *	23,681,178	201,602
Land use:				
Planning and Zoning	152,894	131,894	128,782	3,112
Zoning Board of Appeals	3,850	3,850	929	2,921
Conservation Commission	5,200	5,200	3,084	2,116
Economic Development	31,758	29,800	14,368	15,432
Historic Properties	3,000	3,000	1,063	1,937
Total land use	196,702	173,744	148,226	25,518
Debt service	2,863,153	2,872,653	2,859,842	12,811
Total expenditures	39,223,524	39,368,766	38,860,787	507,979
Other financing uses:				
Transfers out:				
Capital and nonrecurring	564,540	484,018	484,018	-
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	30,010 *	70,010 *	70,010	-
Dog Fund	7,500	7,500	7,500	-
Total other financing uses	608,050	567,528	567,528	-
Total Expenditures and Other Financing Uses	\$ 39,831,574	\$ 39,936,294	39,428,315	\$ 507,979

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	4,133,100
Magnet school transportation grant	157,493
Capital leases not budgeted	358,689
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	181,057

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

\$ 44,258,654

* A portion of these two line items was approved for the BOE Budget in FY17.

**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, 2017**

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Revenues:				
Use charges collected:				
Current year	\$ 1,073,714	\$ 1,073,714	\$ 1,136,663	\$ 62,949
Prior year	250,000	250,000	176,483	(73,517)
Interest and lien	130,000	130,000	101,078	(28,922)
Sewer connection - lateral fees	3,000	3,000	6,909	3,909
Investment income	3,014	3,014		(3,014)
Permit fees	800	800	1,099	299
Long term infrastructure	83,594	83,594		(83,594)
Miscellaneous			11,948	11,948
Total revenues	<u>1,544,122</u>	<u>1,544,122</u>	<u>1,434,180</u>	<u>(109,942)</u>
Expenditures:				
Wages and benefits:				
Wages	335,000	335,000	398,287	(63,287)
Wages - tax collector	3,805	3,805	3,805	-
Wages - overtime	52,939	52,939	24,601	28,338
Wages/benefits adjustment	5,000	5,000	347	4,653
Medical health insurance	102,866	102,866	71,197	31,669
Social Security	22,350	22,350	32,193	(9,843)
Worker's compensation	25,000	25,000	21,283	3,717
Seniority pay	2,075	2,075	1,700	375
Retirement	45,750	45,750	55,497	(9,747)
Audit	4,450	4,450	4,450	-
Accidental health and insurance	2,440	2,440	1,884	556
Conferences/memberships	300	300	100	200
Education	1,000	1,000	1,000	-
Unused vacation	3,131	3,131		3,131
Total wages and benefits	<u>606,106</u>	<u>606,106</u>	<u>616,344</u>	<u>(10,238)</u>
Plant Expenditures:				
Physical Plant:				
Maintenance/service contracts	10,000	10,000	20,365	(10,365)
Repair and maintenance	25,000	25,000	29,617	(4,617)
Vehicle repairs	2,500	2,500	3,359	(859)
Safety	2,000	2,000	10,332	(8,332)
Insurance	46,350	46,350	46,350	-
Supplies:				
Plant & System Supplies	5,000	5,000	6,592	(1,592)
Chemicals	11,000	11,000	12,087	(1,087)
Lab supply/equipment	21,635	21,635	29,684	(8,049)
Clothing allowance	3,300	3,300	3,473	(173)
Utilities:				
Electric	96,800	96,800	156,025	(59,225)
Diesel fuel	1,660	1,660	520	1,140
Natural gas	14,000	14,000	14,405	(405)
Water	3,825	3,825	4,811	(986)
Telephone	10,000	10,000	10,804	(804)
Sludge disposal	115,700	115,700	152,103	(36,403)
Grit/screening removal	10,000	10,000	7,856	2,144
Total plant expenditures	<u>378,770</u>	<u>378,770</u>	<u>508,383</u>	<u>(129,613)</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, 2017**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Collection System Expenditures:				
Utilities:				
Electric	\$ 30,000	\$ 30,000	\$ 33,498	\$ (3,498)
Telephone	3,000	3,000	2,969	31
Maintenance: manhole rehabilitation	30,000	30,000	10,000	20,000
System/Pump Station Repair	19,000	19,000	25,746	(6,746)
Generator maintenance	3,000	3,000	3,202	(202)
Total collection system expenditures	<u>85,000</u>	<u>85,000</u>	<u>75,415</u>	<u>9,585</u>
Administrative Expenditures:				
Office supplies	1,300	1,300	1,854	(554)
Advertising/printing	3,000	3,000	2,827	173
Postage	3,300	3,300	2,724	576
Legal/Bank fees	10,000	10,000	298	9,702
NPDES permit fee	2,417	2,417	2,368	49
Nitrogen purchase/credit	7,036	7,036	7,036	-
System equipment	1,000	1,000		1,000
Computer/software	5,900	5,900	4,891	1,009
Total administrative expenditures	<u>33,953</u>	<u>33,953</u>	<u>21,998</u>	<u>11,955</u>
Capital Projects:				
Capital outlay	32,000	32,000	18,694	13,306
Engineer services	15,000	15,000	22,237	(7,237)
Debt service	130,368	130,368	130,188	180
Total capital projects	<u>177,368</u>	<u>177,368</u>	<u>171,119</u>	<u>6,249</u>
Total expenditures	<u>1,281,197</u>	<u>1,281,197</u>	<u>1,393,259</u>	<u>(112,062)</u>
Excess of Revenues over Expenditures	262,925	262,925	40,921	(222,004)
Other Financing Sources:				
Appropriation of fund balance	<u>262,925</u>	<u>262,925</u>		<u>(262,925)</u>
Excess of Revenues and Other Financing Sources over Expenditures	\$ <u>-</u>	\$ <u>-</u>	40,921	\$ <u>40,921</u>
Budgetary excess of revenues over expenditures is different than GAAP net change in fund balance because of the following reconciling items:				
Cancelled encumbrances			(11,174)	
Encumbrances outstanding at June 30, 2017 charged to budgetary expenditures			<u>58,075</u>	
Total Net Change in Fund Balance - GAAP Basis as Reported on Exhibit IV			\$ <u>87,822</u>	

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:				
Service cost	\$ 98,404	\$ 115,976	\$ 98,673	\$ 119,042
Interest	723,989	732,516	767,685	747,524
Differences between expected and actual experience	(494,442)		628,618	
Changes of assumptions	(242,319)	682,826	84,414	286,593
Benefit payments, including refunds of member contributions	(1,015,886)	(981,480)	(982,385)	(960,342)
Net change in total pension liability	(930,254)	549,838	597,005	192,817
Total pension liability - beginning	14,626,975	14,077,137	13,480,132	13,287,315
Total pension liability - ending	13,696,721	14,626,975	14,077,137	13,480,132
Plan fiduciary net position:				
Contributions - employer	535,642	506,258	427,558	255,055
Contributions - member	33,819	36,739	38,924	45,385
Net investment income	113,085	145,026	143,751	198,906
Benefit payments, including refunds of member contributions	(1,015,886)	(981,480)	(982,385)	(960,342)
Administrative expense	(1,782)	(2,036)	(2,850)	(3,109)
Net change in plan fiduciary net position	(335,122)	(295,493)	(375,002)	(464,105)
Plan fiduciary net position - beginning	4,439,810	4,735,303	5,110,305	5,574,410
Plan fiduciary net position - ending	4,104,688	4,439,810	4,735,303	5,110,305
Net Pension Liability - Ending	\$ <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	29.97%	30.35%	33.64%	37.91%
Covered payroll	\$ 698,640	\$ 822,601	\$ 822,601	\$ 1,013,728
Net pension liability as a percentage of covered-employee payroll	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 FOUR FISCAL YEARS*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:				
Service cost	\$ 164,406	\$ 188,475	\$ 177,388	\$ 176,387
Interest	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	(427,733)	(399,341)	(402,323)	(319,860)
Net change in total pension liability	308,010	225,113	790,557	286,187
Total pension liability - beginning	7,208,947	6,983,834	6,193,277	5,907,090
Total pension liability - ending	<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	343,169	308,169	193,702	210,664
Contributions - member	29,976	30,817	31,568	36,820
Net investment income	125,188	147,602	135,703	190,954
Benefit payments, including refunds of member contributions	(427,733)	(399,341)	(402,323)	(319,860)
Administrative expense	(1,972)	(2,072)	(1,167)	(2,985)
Net change in plan fiduciary net position	68,628	85,175	(42,517)	115,593
Plan fiduciary net position - beginning	4,725,065	4,639,890	4,682,407	4,566,814
Plan fiduciary net position - ending	<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>\$ 2,723,264</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	63.77%	65.54%	66.44%	75.60%
Covered payroll	\$ 1,248,150	\$ 1,310,909	\$ 1,310,909	\$ 1,597,580
Net pension liability as a percentage of covered payroll	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>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>	<u>2008</u>
Actuarially determined contribution	\$ 655,422	\$ 655,422	\$ 489,090	\$ 489,090	\$ 354,912	\$ 354,912	\$ 282,921	\$ 158,836	\$ 183,749	\$ 202,661
Contributions in relation to the actuarially determined contribution	<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>	<u>202,661</u>
Contribution Deficiency (Excess)	<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>	<u>\$ -</u>
Covered payroll	\$ 698,640	\$ 822,601	\$ 822,601	\$ 1,013,728	\$ 1,261,567	\$ 1,261,567	\$ 1,739,452	\$ 1,739,452	\$ 1,830,723	\$ 1,830,723
Contributions as a percentage of covered payroll	76.67%	51.98%	51.98%	25.16%	21.35%	23.75%	12.19%	9.13%	10.04%	11.07%

Notes to Schedule

Valuation date:

July 1, 2016

Measurement date:

June 30, 2017

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**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 293,169	\$ 245,080	\$ 245,080	\$ 218,012	\$ 218,012	\$ 222,436	\$ 222,436	\$ 256,775	\$ 241,517	\$ *
Contributions in relation to the actuarially determined contribution	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	\$ 1,310,909	\$ 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	26.18%	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, 2016
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Level percentage of payroll, closed, previously open
Remaining amortization period	18 years, previously 10 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.

* 2007 data is unavailable

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

	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense				
Town	2.70%	3.24%	2.98%	4.04%
Board of Education	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 THREE FISCAL YEARS*

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	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>37,899,711</u>	<u>31,111,382</u>	<u>28,756,238</u>
Total	<u>\$ 37,899,711</u>	<u>\$ 31,111,382</u>	<u>\$ 28,756,238</u>
Town's covered payroll	\$ 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%
Plan fiduciary net position as a percentage of the total pension liability	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	None
Changes of assumptions	<p>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.</p> <p>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.</p>
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	20.4 years
Asset valuation method	4-year smoothed market
Investment rate of return	8.50%, net of investment related expense

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

	2017	2016	2015
Town's proportion of the net pension liability	0.74%	0.90%	1.30%
Town's proportionate share of the net pension liability	\$ 2,475,886	\$ 1,726,911	\$ 1,276,975
Town's covered payroll	\$ 2,376,745	\$ 2,504,545	2,153,852
Town's proportionate share of the net pension liability as a percentage of its covered payroll	104.17%	68.95%	\$ 59.29%
Plan fiduciary net position as a percentage of the total pension liability	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	25 years
Asset valuation method	5-year smoothed market

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 459,067	\$ 332,951	\$ 443,277	\$ 465,719	\$ 463,200	\$ 516,330	\$ 351,860	\$ 191,563	\$ 139,218	\$ 158,496
Contributions in relation to the actuarially determined contribution	459,067	332,951	443,277	465,719	463,200	516,330	351,860	191,563	139,218	158,496
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 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	\$ 1,408,842
Contributions as a percentage of covered employee payroll	19.31%	13.29%	20.58%	21.48%	25.75%	30.43%	18.40%	11.62%	8.64%	11.25%

Notes to Schedule

Valuation date: June 30, 2016
Measurement date: June 30, 2016
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 25 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.

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Appendix B

Form of Opinion of Bond Counsel

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[FORM OF OPINION OF BOND COUNSEL]

October 24, 2018

Town of Plymouth,
Plymouth, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Town of Plymouth, Connecticut (the “Town”), a Tax Regulatory Agreement of the Town, dated October __, 2018 (the “Tax Regulatory Agreement”), and other proofs submitted to us relative to the issuance and sale of \$6,950,000 Town of Plymouth, Connecticut General Obligation Bonds, dated October 24, 2018 (the “Bonds”), maturing on October 15 in each of the years, in the principal amounts and bearing interest payable on April 15, 2019 and semiannually thereafter on October 15 and April 15 in each year until maturity or earlier redemption, at the rates per annum as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
2020	\$255,000	%	2030	\$380,000	%
2021	300,000		2031	380,000	
2022	350,000		2032	380,000	
2023	360,000		2033	380,000	
2024	370,000		2034	380,000	
2025	380,000		2035	380,000	
2026	380,000		2036	380,000	
2027	380,000		2037	380,000	
2028	380,000		2038	380,000	
2029	380,000				

with principal payable at the principal office of U.S. Bank National Association, in Hartford, Connecticut, and with interest payable to the registered owner as of the close of business on the last business day of March and September in each year, by check mailed to such registered owner at his address as shown on the registration books of the Town kept for such purpose. The Bonds ARE subject to redemption prior to maturity as therein provided.

The Bonds are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), to effect a book-entry system for the ownership and transfer of the Bonds. So long as DTC or its nominee is the registered owner, principal and interest payments on the Bonds will be made to DTC.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the Official Statement.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and General Statutes of Connecticut and that the Bonds are a valid general obligation of the Town the principal of and interest on which is payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the Town.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes. The Town has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Bonds.

In rendering the foregoing opinions regarding the federal tax treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and expectations, and certifications of fact contained in the Tax Regulatory Agreement, and (ii) the compliance by the Town with the covenants and procedures set forth in the Tax Regulatory Agreement as to such tax matters.

We are further of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding any other State or local tax consequences caused by the ownership or disposition of the Bonds.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Bonds, is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Bonds or adversely affect the market price of the Bonds.

These opinions are rendered as of the date hereof and are based on existing law, which is subject to change. We assume no obligation to update or supplement these opinions to reflect any facts or circumstances that may come to our attention, or to reflect any changes in law that may hereafter occur or become effective.

The rights of owners of the Bonds and the enforceability of the Bonds and the Tax Regulatory Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by application of equitable principles, whether considered at law or in equity.

Very truly yours,

ROBINSON & COLE LLP

Appendix C

Form of Continuing Disclosure Agreement

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[FORM OF CONTINUING DISCLOSURE AGREEMENT]

CONTINUING DISCLOSURE AGREEMENT

Town of Plymouth, Connecticut
\$6,950,000 General Obligation Bonds
dated October 24, 2018

October 24, 2018

WHEREAS, the Town of Plymouth, Connecticut (the "Town") has heretofore authorized the issuance of \$6,950,000 in aggregate principal amount of its General Obligation Bonds, dated October 24, 2018 (the "Bonds"), maturing on the dates and in the amounts set forth in the Town's Official Statement dated October 24, 2018 describing the Bonds (the "Official Statement"); and

WHEREAS, the Bonds have been sold by a competitive bid pursuant to a Notice of Sale, dated October 10, 2018 (the "Notice of Sale"); and

WHEREAS, in the Notice of Sale, the Town has heretofore acknowledged that an underwriter may not purchase or sell the Bonds unless it has reasonably determined that the Town has undertaken in a written agreement for the benefit of the beneficial owners of the Bonds to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5), as amended from time to time (the "Rule"), and the Town desires to assist the underwriter of the Bonds in complying with the Rule; and

WHEREAS, the Town is authorized pursuant to Section 3-20e of the General Statutes of Connecticut to make such representations and agreements for the benefit of the beneficial owners of the Bonds to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Bonds in complying with the Rule, this Continuing Disclosure Agreement (this "Agreement") is to be made, executed and delivered by the Town in connection with the issuance of the Bonds and to be described in the Official Statement, all for the benefit of the beneficial owners of the Bonds, as they may be from time to time;

NOW, THEREFORE, the Town hereby represents, covenants and agrees as follows:

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

"Annual Report" shall mean any Annual Report provided by the Town pursuant to, and as described in, Sections 2 and 3 of this Agreement.

"Fiscal Year End" shall mean the last day of the Town's fiscal year, currently June 30.

"Listed Events" shall mean any of the events listed in Section 4 of this Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

"Repository" shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 57577 for purposes of the Rule, the MSRB or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

"SEC" shall mean the Securities and Exchange Commission of the United States or any successor thereto.

Section 2. Annual Reports.

(a) The Town shall provide or cause to be provided to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, the following annual financial information and operating data regarding the Town:

(i) Audited financial statements as of and for the year ending on its Fiscal Year End prepared in accordance with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and

(ii) Financial information and operating data as of and for the year ending on its Fiscal Year End of the following type to the extent not included in the audited financial statements described in (i) above:

(A) the amounts of the gross and net taxable grand list;

(B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;

(C) the percentage and amount of the annual property tax levy collected and uncollected;

(D) a schedule of the annual debt service on outstanding long-term bonded indebtedness;

(E) a calculation of the net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);

(F) the total direct debt, total net direct debt and total overall net debt of the Town per capita;

(G) the ratios of total direct debt and total overall net debt of the Town to the Town's net taxable grand list;

(H) a statement of statutory debt limitations and debt margins; and

(I) the funding status of the Town's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the Town's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents previously provided to the Repository, including official statements of the Town which will be available from the MSRB.

(c) Subject to the requirements of Section 8 hereof, the Town reserves the right to modify from time to time the type of financial information and operating data provided or the format of the presentation of such financial information and operating data, to the extent necessary or appropriate; provided that the Town agrees that any such modification will be done in a manner consistent with the Rule. The Town also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 3. Timing. The Town shall provide the financial information and operating data referenced in Section 2(a) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the Bonds, provided, however, that if such financial information and operating data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Official Statement for the Bonds or has not otherwise been previously provided, the Town shall provide such financial information and operating data no later than eight months

after the close of such preceding Fiscal Year End. The Town agrees that if audited financial statements are not available eight months after the close of any Fiscal Year End, it shall submit unaudited financial statements by such time and will submit audited financial statements information when and if available.

Section 4. Event Notices. The Town agrees to provide, or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, of the occurrence of any of the following events:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership, or similar event of any obligated person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving any obligated person or the sale of all or substantially all of the assets of any obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if any, if material.

Section 5. Notice of Failure. The Town agrees to provide, or cause to be provided, in a timely manner to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the Town to provide the annual financial information described in Section 2(a) of this Agreement on or before the date described in Section 3 of this Agreement.

Section 6. Termination of Reporting Obligation. The Town's obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Agent. The Town may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Town, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds and (ii) this Agreement, as so amended, would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the Repository in electronic format. The Annual Report provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information or operating data provided.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Town from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or providing notice of the occurrence of any other event, in addition to that which is required by this Agreement. If the Town chooses to include any other information in any Annual Report or provide notice of the occurrence of any other event in addition to that which is specifically required by this Agreement, the Town shall have no obligation under this Agreement to update such information or include or provide such information or notice of the occurrence of such event in the future.

Section 10. Indemnification. The Town agrees, pursuant to applicable law, to indemnify and save its officials, officers and employees harmless against any loss, expense or liability which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any loss, expense or liability due to any such person's malicious, wanton, or willful act. The obligations of the Town under this Section shall survive termination of this Agreement.

Section 11. Enforceability. The Town agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. In the event the Town does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the Town's obligations hereunder. No monetary damages shall arise or be payable hereunder, nor shall any failure to comply with this Agreement constitute a default of the Town with respect to the Bonds.

IN WITNESS WHEREOF, the Town has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

TOWN OF PLYMOUTH, CONNECTICUT

By: _____
Name: David V. Merchant
Title: Mayor

By: _____
Name: Ann Marie Rheault
Title: Director of Finance

Appendix D

Notice of Sale

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NOTICE OF SALE
\$6,950,000
TOWN OF PLYMOUTH, CONNECTICUT
GENERAL OBLIGATION BONDS, ISSUE OF 2018

Electronic bids (as described herein) will be received by the **TOWN OF PLYMOUTH, CONNECTICUT** (the “Town”), until 11:30 A.M. (E.T.) Wednesday,

OCTOBER 10, 2018

(the “Sale Date”) for the purchase of all, but not less than all, of the \$6,950,000 Town of Plymouth, Connecticut General Obligation Bonds, Issue of 2018 (the “Bonds”). Electronic bids must be submitted via **PARITY®**. (See “Electronic Bidding Procedures”).

The Town reserves the right to make changes to the provisions of this Notice of Sale, including the date and time of the sale, prior to the date and time of sale set forth above. Any such changes will be posted through **PARITY®**. Prospective bidders are advised to check for such **PARITY®** postings prior to the above stated sale time.

The Bonds

The Bonds will be dated October 24, 2018, mature in the principal amounts of \$255,000 on October 15, 2020, \$300,000 on October 15, 2021, \$350,000 on October 15, 2022, \$360,000 on October 15, 2023, \$370,000 on October 15, 2024, \$375,000 on October 15, 2025, and \$380,000 on October 15 in each of the years 2026 to 2038, both inclusive, bear interest payable on April 15, 2019 and semiannually thereafter on October 15 and April 15 in each year until maturity or earlier redemption, as further described in the Preliminary Official Statement for the Bonds dated October 3, 2018 (the “Preliminary Official Statement”).

The Bonds maturing on or before October 15, 2024 are not subject to redemption prior to maturity. The Bonds maturing on October 15, 2025 and thereafter are subject to redemption prior to maturity, at the election of the Town, on and after October 15, 2024, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the respective prices (expressed as a percentage of the principal amounts of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
October 15, 2024 and thereafter	100%

Nature of Obligation

The full faith and credit of the Town will be pledged for the prompt payment of the principal of and interest on the Bonds when due. The Bonds will be general obligations of the Town payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Bank Qualification

The Bonds shall be designated by the Town as qualified tax exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code"), for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Registration

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 and integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, or its custodian, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Town or its agent in Federal funds to DTC or its nominee as registered owner of the Bonds. Principal and interest payments to participants of DTC will be the responsibility of DTC. Principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of **PARITY**®. Subscription to i-Deal LLC's BiDCOMP Competitive Bidding System is required in order to submit an electronic bid and the Town will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of **PARITY**® shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Town. The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, **PARITY**®, the use of such facilities being the sole risk of the prospective bidder.

All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale. If any provisions of this Notice of Sale shall conflict with information provided by **PARITY**® as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about **PARITY**®, including any fee charged, may be obtained from **PARITY**®, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: parity@i-deal.com).

Bid Specifications/Basis of Award

Each bid must be for the entire \$6,950,000 of Bonds and must specify the rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum. Bids shall not state more than one interest rate for any Bonds having the same maturity date. The highest interest rate bid for a maturity and the lowest rate bid for any other maturity may not differ by more than three (3%) percentage points. Interest shall be computed on the basis of twelve 30 day months and a 360 day year. No bid for less than all of the Bonds or for less than par and accrued interest, if any, will be considered.

For purposes of the electronic bidding process, the time as maintained by **PARITY®** shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Town, computed and rounded to six decimal places.

For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to October 24, 2018, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, not including interest accrued, if any, to October 24, 2018, the delivery date of the Bonds. It is requested that each bid be accompanied by a statement of the percentage of true interest cost computed and rounded to six decimal places. Such statement shall not be considered as a part of the bid. The Bonds will be awarded or all bids will be rejected promptly after the bid opening, but not later than 4:00 P.M. (E.T.) on the Sale Date. The purchase price must be paid in Federal funds.

The Town reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any bid. The Town further reserves the right to postpone the sale to another time and date in its sole and absolute discretion for any reason, including, without limitation, internet difficulties. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Unless all bids are rejected or the bid is postponed, the Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost.

Closing Documents and Legal Opinion

The Bonds will be certified by U.S. Bank National Association, Hartford, Connecticut. The legality of the Bonds will be passed upon by Robinson & Cole LLP, Hartford, Connecticut (“Bond Counsel”), and the winning bidder will be furnished with their opinion without charge. The winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the final Official Statement prepared for the Bonds, a certificate signed by the appropriate officials of the Town relating to the accuracy and completeness of information contained in the final Official Statement, and an executed Continuing Disclosure Agreement.

The legal opinion will further state that (i) under existing statutes and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, (iii) under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iv) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay federal alternative minimum tax. In rendering its legal opinion, Bond Counsel will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the Town for the benefit of the owners of the Bonds, and further, will assume compliance by the Town with the covenants and procedures set forth in such Tax Regulatory Agreement. A copy of the opinion will be printed upon each of the Bonds, and a signed opinion and transcript of proceedings will be filed with U.S. Bank National Association, Hartford, Connecticut, and will be available for examination upon request.

Obligation to Deliver Issue Price Certificate

Pursuant to the Code and applicable Treasury Regulations, the Town must establish the “issue price” of the Bonds. In order to assist the Town, the winning bidder is obligated to deliver to the Town a certificate (an “Issue Price Certificate”) and such additional information satisfactory to Bond Counsel described below, prior to the delivery of the Bonds. The Town will rely on the Issue Price Certificate and such additional information in determining the issue price of the Bonds. The form of Issue Price Certificate is available by contacting Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, LLC,

Email: mspoerndle@muniadvisors.com, Telephone: (203) 878-4945, municipal advisor to the Town (the “Municipal Advisor”).

By submitting a bid, each bidder is certifying that (i) it is an underwriter of municipal bonds which has an established industry reputation for underwriting new issuances of municipal bonds, (ii) its bid is a firm offer to purchase the Bonds, (iii) its bid is a good faith offer which the bidder believes reflects current market conditions, and (iv) its bid is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale rule relating to the establishment of the issue price of the Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the “Competitive Sale Rule”).

The Municipal Advisor will advise the winning bidder if the Competitive Sale Rule was met at the same time it notifies the winning bidder of the award of the Bonds. **Bids will not be subject to cancellation in the event that the Competitive Sale Rule is not satisfied.**

Competitive Sale Rule Met. If the Municipal Advisor advises the winning bidder that the Competitive Sale Rule has been met, the winning bidder shall, within one (1) hour after being notified of the award of the Bonds, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial offering price to the public of each maturity of the Bonds as of the Sale Date.

Competitive Sale Rule Not Met. By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Bonds for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule is not met, it will satisfy either the **10% Sale Rule** or the **Hold the Offering Price Rule** described below with respect to each maturity of the Bonds prior to the delivery date of the Bonds. The rule selected with respect to each maturity of the Bonds shall be set forth on an Issue Price Rule Selection Certificate, the form of which is attached hereto, which shall be sent to the winning bidder promptly after the award of the Bonds. The winning bidder shall complete and execute the Issue Price Rule Selection Certificate and email it to Bond Counsel and the Municipal Advisor by 5:00 P.M. on the day after the Sale Date. **If the Issue Price Rule Selection Certificate is not returned by this deadline, or if no selection is made with respect to a maturity, the winning bidder agrees that the Hold the Offering Price Rule shall apply to such maturities.**

10% Sale Rule. To satisfy the 10% Sale Rule for any maturity of the Bonds, the winning bidder:

(i) will make a bona fide offering to the public of all of the Bonds at the initial offering prices and provide the Town with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will report to the Town information regarding the actual prices at which at least 10 percent (10%) of the Bonds of each maturity have been sold to the public;

(iii) will provide the Town with reasonable supporting documentation or certifications of such sale prices, the form of which is acceptable to Bond Counsel. If the 10% Sale Rule is used with respect to a maturity of the Bonds, this reporting requirement will continue, beyond the closing date of the Bonds, if necessary, until such date that at least 10 percent (10%) of such maturity of the Bonds has been sold to the public; and

(iv) has or will include in any agreement among underwriters, selling group agreement or third party distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

Hold the Offering Price Rule. To satisfy the Hold the Offering Price Rule for any maturity of the Bonds, the winning bidder:

(i) will make a bona fide offering to the public of all of the Bonds at the initial offering prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will neither offer nor sell to any person any Bonds of such maturity at a price that is higher than the initial offering price of such maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of the Bonds of such maturity at a price that is no higher than the initial offering price of such maturity or (ii) the close of business on the fifth (5th) business day after the Sale Date of the Bonds; and

(iii) has or will include within any agreement among underwriters, selling group agreement or third party distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Bonds as set forth above.

For purposes of the 10% Sale Rule or the Hold the Offering Price Rule, a “maturity” refers to Bonds that have the same interest rate, credit and payment terms.

If the winning bidder has purchased any maturity of the Bonds for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Rule was met, the Issue Price Certificate will recite such facts and identify the price or prices at which such maturity of the Bonds was purchased.

For purposes of this Notice of Sale, the “public” does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Bonds to the public (such as a third party distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Bonds to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Bonds.

Settlement of the Bonds

The Bonds will be available for delivery on or about October 24, 2018. The deposit of the Bonds with DTC or its custodian under a book-entry system requires the assignment of CUSIP numbers prior to delivery. The Municipal Advisor shall obtain CUSIP numbers for the Bonds prior to delivery, and the Town will not be responsible for any delay occasioned by the failure of the winning bidder to obtain such numbers and to supply them to the Town in a timely manner. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the winning bidder.

The Preliminary Official Statement is in a form “deemed final” by the Town for purposes of SEC Rule 15c2-12(b)(1). The winning bidder will be furnished 25 copies of the final Official Statement prepared for the Bonds at the Town’s expense. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. The copies of the final Official Statement will be made available to the winning bidder no later than seven business days after the bid opening at the office of the Town’s Municipal Advisor. If the Municipal Advisor is provided with the necessary information from the winning bidder by 12:00 p.m. (E.T.) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates,

ratings, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds.

Continuing Disclosure

The Town will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide (i) certain annual financial information and operating data, including audited financial statements; (ii) notice of the occurrence of certain events within 10 business days of the occurrence of such events with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

Related Information

For more information regarding the Bonds and the Town, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement and the Issue Price Certificate may be obtained from the undersigned, or from Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, LLC, Email: mspoerndle@muniadvisors.com, Telephone: (203) 878-4945, municipal advisor to the Town.

DAVID C. MISCHKE
Treasurer

ANN MARIE RHEAULT
Director of Finance

October __, 2018

ISSUE PRICE RULE SELECTION CERTIFICATE

Town of Plymouth, Connecticut
\$6,950,000 General Obligation Bonds, Issue of 2018

The undersigned, on behalf of [NAME OF UNDER/REP], [on behalf of itself and [OTHER UNDER], hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned bonds (the "Bonds"), as described in the Notice of Sale for the Bonds, dated October 3, 2018 (the "Notice of Sale"). For a description of the requirements of each rule, please refer to the section "Obligation to Deliver Issue Price Certificate" in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

<u>Date of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	10% Sale Rule (Underwriter has or will comply with 10% Sale Price Rule for this Maturity)		Hold the Offering Price Rule (Underwriter will comply with Hold the Offering Price Rule for this Maturity)	
			<u>Check Box</u>	<u>Sales Price</u>	<u>Check Box</u>	<u>Initial Offering Price</u>
10/24/2020	\$255,000	0.000%	<input type="checkbox"/>	\$_____	<input type="checkbox"/>	\$_____
10/24/2021	300,000	0.000	<input type="checkbox"/>	\$_____	<input type="checkbox"/>	\$_____
10/24/2022	350,000	0.000	<input type="checkbox"/>	\$_____	<input type="checkbox"/>	\$_____
10/24/2023	360,000	0.000	<input type="checkbox"/>	\$_____	<input type="checkbox"/>	\$_____
10/24/2024	370,000	0.000	<input type="checkbox"/>	\$_____	<input type="checkbox"/>	\$_____
10/24/2025	375,000	0.000	<input type="checkbox"/>	\$_____	<input type="checkbox"/>	\$_____
10/24/2026	380,000	0.000	<input type="checkbox"/>	\$_____	<input type="checkbox"/>	\$_____
10/24/2027	380,000	0.000	<input type="checkbox"/>	\$_____	<input type="checkbox"/>	\$_____
10/24/2028	380,000	0.000	<input type="checkbox"/>	\$_____	<input type="checkbox"/>	\$_____
10/24/2029	380,000	0.000	<input type="checkbox"/>	\$_____	<input type="checkbox"/>	\$_____
10/24/2030	380,000	0.000	<input type="checkbox"/>	\$_____	<input type="checkbox"/>	\$_____
10/24/2031	380,000	0.000	<input type="checkbox"/>	\$_____	<input type="checkbox"/>	\$_____
10/24/2032	380,000	0.000	<input type="checkbox"/>	\$_____	<input type="checkbox"/>	\$_____
10/24/2033	380,000	0.000	<input type="checkbox"/>	\$_____	<input type="checkbox"/>	\$_____
10/24/2034	380,000	0.000	<input type="checkbox"/>	\$_____	<input type="checkbox"/>	\$_____
10/24/2035	380,000	0.000	<input type="checkbox"/>	\$_____	<input type="checkbox"/>	\$_____
10/24/2036	380,000	0.000	<input type="checkbox"/>	\$_____	<input type="checkbox"/>	\$_____
10/24/2037	380,000	0.000	<input type="checkbox"/>	\$_____	<input type="checkbox"/>	\$_____
10/24/2038	380,000	0.000	<input type="checkbox"/>	\$_____	<input type="checkbox"/>	\$_____

(All Sales Prices or Initial Offering Prices must be completed prior to the delivery date of the Bonds.)

[NAME OF UNDER/REP]

By: _____
Name:
Title:

Email this completed and executed certificate to the following by 5:00 P.M. on October 10, 2018:

Bond Counsel: spspinelli@rc.com

Municipal Advisor: mspoerndle@muniadvisors.com

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Appendix E

Specimen Municipal Bond Insurance Policy

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____
Member Surplus Contribution: \$ _____
Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN



**CONNECTICUT
ENDORSEMENT TO**

**MUNICIPAL BOND
INSURANCE POLICY**

NO.

Claims arising under this Policy are not covered by the Connecticut Insurance Guaranty Association (Connecticut Insurance Code, Title 38a, Chapter 704a, Part I.)

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this Endorsement supersede the Policy language

IN WITNESS WHEREOF, BUILDAMERICA MUTUAL ASSURANCE COMPANY has caused this endorsement to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer