

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 - RESTRICTED FUND BALANCES

At June 30, 2021, the Town had the following restricted fund balances:

Highway and building fund	\$ 168,148
Nonmajor permanent funds (Schedule I)	65,991
	<u>\$ 234,139</u>

NOTE 12 - ASSIGNED FUND BALANCES

At June 30, 2021, the Town had the following assigned fund balances:

Nonmajor special revenue funds (Schedule E)	\$ 150,352
Nonmajor capital projects funds (Schedule G)	155,577
	<u>\$ 305,929</u>

NOTE 13 - DEFINED BENEFIT PENSION PLAN

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost sharing, multi-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. The plan was established effective July 1, 1975 and is governed by Title 24, V.S.A. Chapter 125. It is designed for persons employed on a regular basis by a school district or by a supervisory union for no fewer than 1,040 hours in a year and for no fewer than 30 hours a week for the school year, as defined in 16 V.S.A. § 1071 or for no fewer than 1,040 hours in a year and for no fewer than 24 hours a week year-round; provided, however, that if a person who was employed on a regular basis by a school district as either a special education or transportation employee and who was transferred to and is working in a supervisory union in the same capacity pursuant to 16 V.S.A. § 261a(a)(6) or (8)(E) and if that person is also employed on a regular basis by a school district within the supervisory union, then the person is an "employee" if these criteria are met by the combined hours worked for the supervisory union and school district. The term shall also mean persons employed on a regular basis by a municipality other than a school district for no fewer than 1,040 hours in a year and for no fewer than 24 hours per week, including persons employed in a library at least one-half of whose operating expenses are met by municipal funding. For the year ended June 30, 2019 (the most recent data available), the retirement system consisted of 14,755 participating members.

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NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

The general administration and responsibility for formulating administrative policy and procedures of the Retirement System for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system and two employer representatives - one elected by the governing bodies of participating employers of the system and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Schools and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Comprehensive Annual Financial Report. The Annual Report may be viewed on the State's Department of Finance and Management website at: Annual Comprehensive Financial Report | Department of Finance and Management (vermont.gov).

Benefits Provided

The pension plan is divided into four membership groups:

- Group A - general employees whose legislative bodies have not elected to become a member of Group B or Group C
- Groups B and C - general employees whose legislative bodies have elected to become members of Group B or Group C
- Group D - sworn police officers, firefighters and emergency medical personnel

The Town participates in Group B. Benefits available to each group are based on average final compensation (AFC) and years of creditable service and are summarized below:

VMERS	Group A	Group B	Group C	Group D
Normal service retirement eligibility	Age 65 with 5 years of service or age 55 with 35 years of service	Age 62 with 5 years of service or age 55 with 30 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service

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NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

VMERS	Group A	Group B	Group C	Group D
Average Final Compensation (AFC)	Highest 5 consecutive years	Highest 3 consecutive years	Highest 3 consecutive years	Highest 2 consecutive years
Benefit formula – normal service Retirement (no reduction)	1.4% x creditable service x AFC	1.7% x creditable service x AFC + previous service; 1.4% x Group A service x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC; 2.5% x Group C service x AFC
Maximum Benefit Payable	60% of AFC	60% of AFC	50% of AFC	50% of AFC
Post-Retirement COLA	50% of CPI, up to 2% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	N/A	Age 50 with 20 years of service
Early Retirement Reduction	6% per year from age 65 **	6% per year from age 62 **	N/A	No reduction

** - A special early retirement factor of 3% per year only for municipal police officers who have attained age 60

Members of all groups may qualify for vested deferred allowance, disability allowances and death benefit allowance subject to meeting various eligibility requirements. Benefits are based on AFC and service.

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NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions

Title 24 VSA Chapter 125 of Vermont Statutes grants the authority to the Retirement Board to annually review the amount of municipalities' contributions as recommended by the actuary of the retirement system in order to achieve and preserve the financial integrity of the fund and to certify the rates of contributions payable by employers. The Board of Trustees also certifies the rates of contribution payable by employees. Contribution rates for each group as of July 1, 2020 are as follows:

VMERS	Group A	Group B	Group C	Group D
Employee Contributions	3.000% of gross salary	5.375% of gross salary	10.500% of gross salary	11.850% of gross salary
Employer Contributions	4.500% of gross salary	6.000% of gross salary	7.750% of gross salary	10.350% of gross salary

Employee contributions are withheld pre-income tax by the Town and are remitted to the State of Vermont. Such withholdings for the year ended June 30, 2021 totaled \$11,035. The Town contributed \$12,319 for the year ended June 30, 2021. The Town's total payroll for the year ended June 30, 2021 for all employees covered under this plan was \$205,311.

Pension Liabilities

At June 30, 2021, the Town reported a liability of \$140,423 for its proportionate share of the net pension liabilities for each plan. The net pension liabilities were measured as of June 30, 2020 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of June 30, 2019. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all participating towns, actuarially determined.

At June 30, 2020, the Town's proportion was 0.05551% for VMERS, which was a increase of 0.00118% from its proportion measured as of June 30, 2019 for VMERS.

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

For the year ended June 30, 2021, the Town recognized pension expense of \$18,428 for the VMERS plan. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	VMERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,647	\$ 416
Changes of assumptions	18,826	-
Net difference between projected and actual earnings on pension plan investments	13,430	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,268	3,625
Contributions subsequent to the measurement date	12,319	-
Total	<u>\$ 58,490</u>	<u>\$ 4,041</u>

\$12,319 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	VMERS
Plan year ended June 30:	
2021	\$ 10,656
2022	12,469
2023	10,781
2024	8,223
2025	-
Thereafter	-

Significant Actuarial Assumptions and Methods

The total pension liability for the June 30, 2020 measurement date was determined by rolling forward the total pension liability as of June 30, 2019 to June 30, 2020. The total pension liability was calculated using the following actuarial assumptions:

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NOTES TO FINANCIAL STATEMENTS
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NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Investment Rate of Return: 7.00%, net of pension plan investment expense, including inflation.

Inflation: 2.30%

Salary Increases: Varying, service-based rates from 0-10 years of service, then a single rate of 4.50% (includes assumed inflation rate of 2.30%) for all subsequent years.

Deaths After Retirement: Mortality rates for pre-retirement, healthy retirees and disabled retirees in the VMERS plan for Groups A, B, C and D were based variations of RP-2006 Tables with generational projection using Scale SSA-2017 as follows:

Pre-retirement - Groups A, B and C, 98% of RP-2006 tables, blended with a 60% Blue Collar Employee and 40% Healthy Employee and Group D with 100 % of RP-2006 Blue Collar Employee

Healthy Retiree - Groups A, B and C, 98% of RP-2006 tables, blended with a 60% Blue Collar Annuitant and 40% Healthy Annuitant and Group D with a Blue Collar Annuitant Table

Disabled Retiree - All Groups with a RP-2006 Disabled Mortality Table

Inactive Members: Valuation liability equals 100% of accumulated contributions. Inactive who are vested immediately become Deferred Members and the liabilities for all Deferred Members are based on the accrued benefit.

Future Administrative Expenses: An expense adjustment based on actual expenses for the previous year is reflected in the development of recommended employer contribution levels.

Unknown Data for Participants: The same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.

Percent Married: 85% of male members and 50% of female members are assumed to be married.

Spouse's Age: Husbands are assumed to be three years older than their wives.

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NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Cost-of-Living Adjustments: Assumed to occur on January 1 following one year of retirement at the rate of 1.10% per annum for Group A members and 1.20% per annum for Groups B, C and D members (beginning at Normal Retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Group A, B and D who receive a disability retirement benefit and at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2020 and January 1, 2021 COLAs are 0.80% and 0.40%, respectively, for all groups.

Actuarial Cost Method: The Entry Age Actuarial Cost Method is used. Entry age is the age at date of employment, or, if date is unknown, current age minus years of service. Normal Cost and Accrued Actuarial Liability are calculated on an individual basis and are allocated by salary, with Normal Cost determined using the plan of benefits applicable to each participant.

A smoothing *asset valuation method* was used for funding purposes in the VMERS plan, under which the value of assets for actuarial purposes equals market value less a five-year phase-in of the differences between actual and assumed investment return. Then value of assets for actuarial purposes may not differ from the market value of assets by more than 20%.

The *long-term expected rate of return* on 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 investment expense and inflation) developed for each major asset class. These best estimate ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2020 are summarized in the following table:

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NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	29.00%	7.07%
US Equity - Large Cap	4.00%	6.19%
US Equity - Small/Mid Cap	3.00%	6.93%
Non-US Equity - Large Cap	5.00%	7.01%
Non-US Equity - Small Cap	2.00%	7.66%
Emerging Markets Debt	4.00%	3.66%
Core Bonds	20.00%	0.39%
Private and Alternative Credit	10.00%	6.03%
US TIPS	3.00%	-0.20%
Core Real Estate	5.00%	4.06%
Non-Core Real Estate	3.00%	6.43%
Private Equity	10.00%	11.27%
Infrastructure/Farmland	2.00%	5.44%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for the VMERS plan. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy which exceeds the actuarially determined contribution rate. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

Sensitivity of the Town's Proportionate Share 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 7.00% for the VMERS plan, 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 (6.00%) or 1 percentage point higher (8.00%) than the current rate:

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
<u>VMERS:</u>			
Discount rate	6.00%	7.00%	8.00%
Town's proportionate share of the net pension liability	\$ 214,537	\$ 140,423	\$ 79,442
Pension Plan Fiduciary Net Position			

The schedule of employer allocations and schedule of pension amounts by employer are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The schedules present amounts that are elements of the financial statements of VMERS or their participating employers. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Comprehensive Annual Financial Report. The Annual Report can be viewed on the State's Department of Finance and Management website at: Annual Comprehensive Financial Report | Department of Finance and Management (vermont.gov).

NOTE 14 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NOTE 15 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters for which the Town carries commercial insurance. There have been no significant reductions in coverage from the prior year. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town.

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - RISK MANAGEMENT (CONTINUED)

In addition, the Town is a member of the Vermont League of Cities and Towns (VLCT). The VLCT has set up three insurance trusts; the Property and Casualty Intermunicipal Fund, Inc. (PACIF) for multi-line insurance; the Vermont League of Cities and Towns Health Trust (VLCTHT) for health, life and disability coverage and the Vermont League of Cities and Towns Unemployment Trust, Inc. (VLCTUT) for unemployment compensation. PACIF, VLCTHT and VLCTUT are nonprofit corporations formed to provide insurance and risk management programs for Vermont cities and towns and is owned by the participating members. The Trusts are not licensed insurance carriers and members are not protected by the Vermont Insurance Guaranty Association.

To provide insurance coverage, PACIF has established a self-funded insurance trust. It provides extensive coverage for losses to member municipalities for property damage, auto accidents, injured employees, public official liability and employment practices liability, members gain additional benefits from PACIF's unique public safety and risk management programs as well as dedicated in-house claims adjusters. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and PACIF is unable to meet its required obligations, the Program will be terminated with each member assessed their proportionate share of the deficit.

To provide insurance coverage, VLCTHT has established a self-funded fully insured program in conjunction with Blue Cross and Blue Shield (BCBS). A portion of member contributions is used to purchase reinsurance and to fund a reserve required by the reinsurance. Benefits available include dental insurance, flexible spending accounts, life insurance, disability insurance and long-term care insurance. Contributions in excess of claims requirements, reserve fund requirements, reinsurance and administrative costs are returned to participants. The pooling agreement does not permit the pool to make additional assessments to its members.

To provide unemployment coverage, VLCTUT has established a separate trust of funds from member contributions to pay administrative costs, unemployment claims and provides excess reinsurance protection. Contributions are based on payroll expense and the previous two-year unemployment compensation experience. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and VLCTUT is unable to meet its required obligations, the Program will be terminated with each member assessed their proportionate share of the deficit.

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 16 - COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

NOTE 17 - RELATED PARTIES

The Town contracts with two vendors that are related to the road foreman, A.B.L.E. Waste Management and Michael's Excavation. For the year ended June 30, 2021, the Town paid A.B.L.E. Waste Management \$64,335 and Michael's Excavation was paid \$13,210. A selectboard member who left the board in April owns a company, Curtis Hollow Construction, which was paid \$6,685 for the year ended June 30, 2021.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions
- Notes to Required Supplementary Information

SCHEDULE 1

TOWN OF PLYMOUTH, VERMONT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 1,266,291	\$ 1,266,291	\$ 1,266,291	\$ -
Resources (Inflows):				
Property taxes	1,046,001	1,046,001	1,043,843	(2,158)
Intergovernmental	100,000	100,000	277,661	177,661
Permits and licenses	193,160	193,160	163,836	(29,324)
Interest income	-	-	2,239	2,239
Other revenue	-	-	5,813	5,813
Amounts Available for Appropriation	<u>2,605,452</u>	<u>2,605,452</u>	<u>2,759,683</u>	<u>154,231</u>
Charges to Appropriations (Outflows):				
General government	503,500	503,500	550,109	(46,609)
Public safety	121,750	121,750	271,417	(149,667)
Public works	670,856	670,856	482,329	188,527
Community development	12,055	12,055	20,726	(8,671)
Transfers to other funds	31,000	31,000	170,437	(139,437)
Total Charges to Appropriations	<u>1,339,161</u>	<u>1,339,161</u>	<u>1,495,018</u>	<u>(155,857)</u>
Budgetary Fund Balance, June 30	<u>\$ 1,266,291</u>	<u>\$ 1,266,291</u>	<u>\$ 1,264,665</u>	<u>\$ (1,626)</u>

See accompanying independent auditors' report and notes to financial statements.

SCHEDULE 2

TOWN OF PLYMOUTH, VERMONT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015
<u>VMERS:</u>							
Proportion of the net pension liability	0.06%	0.05%	0.06%	0.06%	0.07%	0.07%	0.07%
Proportionate share of the net pension liability	\$ 140,423	\$ 94,261	\$ 81,080	\$ 71,321	\$ 88,764	\$ 57,468	\$ 6,652
Covered payroll	\$ 200,072	\$ 185,578	\$ 183,550	\$ 174,793	\$ 189,455	\$ 170,945	\$ 175,018
Proportionate share of the net pension liability as a percentage of its covered payroll	70.19%	50.79%	44.17%	40.80%	46.85%	33.62%	3.80%
Plan fiduciary net position as a percentage of the total pension liability	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

SCHEDULE 3

TOWN OF PLYMOUTH, VERMONT

SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015
<u>VMERS:</u>							
Contractually required contribution	\$ 12,319	\$ 11,504	\$ 10,439	\$ 10,095	\$ 9,614	\$ 10,420	\$ 9,402
Contributions in relation to the contractually required contribution	(12,319)	(11,504)	(10,439)	(10,095)	(9,614)	(10,420)	(9,402)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 205,311	\$ 200,072	\$ 185,578	\$ 183,550	\$ 174,793	\$ 189,455	\$ 170,945
Contributions as a percentage of covered payroll	6.00%	5.75%	5.63%	5.50%	5.50%	5.50%	5.50%

* The amounts presented for each fiscal year were determined for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF PLYMOUTH, VERMONT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

Changes of Assumptions

VMERS Pension Plan:

- The investment return assumption was lowered from 7.50% to 7.00%.
- The inflation assumption was lowered from 2.50% to 2.30%.
- The COLA assumption was lowered from 1.15% to 1.10% for Group A members and from 1.30% to 1.20% for Groups B, C and D members.
- The mortality assumptions were updated as follows with generational projection using scale MP-2019:
 - Pre- Retirement – Groups A/B/C - 40% PubG-2010 General Employee below-median and 60% of PubG-2010 General Employee, Group D - PubG-2010 General Employee above-median
 - Healthy Post Retirement – Retirees – Groups A/B/C - 104% of 40% PubG-2010 General Healthy Retiree below-median and 60% of PubG-2010 General Healthy Retiree
 - Healthy Post-Retirement – Beneficiaries – Groups A/B/C - 70% Pub-2010 Contingent Survivor below-median and 30% of Pub-2010 Contingent Survivor. Group D – Pub-2010 Contingent Survivor.
 - Disabled Retirees – All Groups – PubNS-2010 Non-Safety Disabled Retiree Mortality Table.
- The salary scale assumption was revised for varying service based rates from 0-10 years of service, then a single rate of 2.20% for all subsequent years, plus revised inflation of 2.30%.
- The active retirement rates were updated as follows:
 - Group A - Decreased the rates throughout all ages.
 - Group B – For females, slightly decreased the rates at younger ages and then increase the rates at later ages. For males, slightly decreased the rates at most ages.

TOWN OF PLYMOUTH, VERMONT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

- Group C – Simplified the assumption to a unisex table that more accurately aligns with the actual experience for both males and females.
 - Group D – For members with less than 20 years of service, increased the rates for ages 55-59.
- The inactive retirement assumption was updated to add a rate of 10% from early retirement age for each year until normal retirement age, then 100% at normal retirement age.
- The liability load of accumulated contributions for Inactive Members was removed. Liabilities for Inactive Members are now based on 100% of the accumulated contributions. Inactive Members who are vested immediately become Deferred Members and the liabilities for all Deferred Members are based on the accrued benefit.
- The termination rates were simplified for females to one set of slightly reduced rates for all females.

See accompanying independent auditors' report and notes to financial statements.

Other Supplementary Information

Other supplementary information includes financial statements not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues
- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

SCHEDULE A

TOWN OF PLYMOUTH, VERMONT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND REVENUES
 FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Property taxes:				
Current real property taxes	\$ 1,046,001	1,046,001	\$ 981,236	\$ (64,765)
Penalties and interest	-	-	62,607	62,607
Intergovernmental revenues:				
State aid to highways	50,000	50,000	93,701	43,701
State pilot program	50,000	50,000	164,346	114,346
Other intergovernmental revenue	-	-	19,614	19,614
Permits and licenses:				
Dog licenses	300	300	(490)	(790)
Liquor licenses	600	600	230	(370)
Marriage licenses	100	100	(200)	(300)
Clerk fees	15,010	15,010	16,602	1,592
Debt collector fees	-	-	27,841	27,841
ZBA fees	2,000	2,000	4,086	2,086
Local fines	175,000	175,000	115,622	(59,378)
Public works	150	150	145	(5)
Investment income	-	-	2,239	2,239
Other income:				
Other income	-	-	5,813	5,813
Amounts Available for Appropriation	<u>\$ 1,339,161</u>	<u>\$ 1,339,161</u>	<u>\$ 1,493,392</u>	<u>\$ 154,231</u>

See accompanying independent auditors' report and notes to financial statements.

SCHEDULE B

TOWN OF PLYMOUTH, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
General government:					
Administration	\$ 272,700	\$ -	\$ 272,700	\$ 258,717	\$ 13,983
Town clerk/treasurer	42,250	-	42,250	42,421	(171)
Assistant town clerk	26,800	-	26,800	27,413	(613)
Constable	300	-	300	50	250
BCA appeals	1,500	-	1,500	148	1,352
Auditors	12,000	-	12,000	8,700	3,300
Selectmen	1,800	-	1,800	1,800	-
Trustee/public funds	150	-	150	-	150
Listers	42,375	-	42,375	25,976	16,399
Municipal building	60,975	-	60,975	90,845	(29,870)
Office expenses	42,650	-	42,650	94,039	(51,389)
Totals	503,500	-	503,500	550,109	(46,609)
Public safety:					
Law enforcement	55,000	-	55,000	199,940	(144,940)
Ambulance	33,000	-	33,000	37,527	(4,527)
Fire	33,750	-	33,750	33,950	(200)
Totals	121,750	-	121,750	271,417	(149,667)
Public works:					
Garage operations	79,000	-	79,000	100,803	(21,803)
Summer maintenance	289,501	-	289,501	204,889	84,612
Winter maintenance	128,979	-	128,979	77,160	51,819
Winter sand	129,698	-	129,698	98,963	30,735
Bridges	43,678	-	43,678	514	43,164
Totals	670,856	-	670,856	482,329	188,527
Community development:					
Appropriations	12,055	-	12,055	13,056	(1,001)
Apple Hill grant expenses	-	-	-	7,670	(7,670)
Totals	12,055	-	12,055	20,726	(8,671)
Transfers to other funds	31,000	-	31,000	170,437	(139,437)
TOTAL DEPARTMENTAL OPERATIONS	\$ 1,339,161	\$ -	\$ 1,339,161	\$ 1,495,018	\$ (155,857)

See accompanying independent auditors' report and notes to financial statements.

SCHEDULE C

TOWN OF PLYMOUTH, VERMONT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 66,061	\$ -	\$ 81,588	\$ 147,649
Investments	-	-	82,208	82,208
Due from other funds	84,291	155,577	-	239,868
TOTAL ASSETS	<u>\$ 150,352</u>	<u>\$ 155,577</u>	<u>\$ 163,796</u>	<u>\$ 469,725</u>
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	97,805	97,805
Restricted	-	-	65,991	65,991
Committed	-	-	-	-
Assigned	150,352	155,577	-	305,929
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>150,352</u>	<u>155,577</u>	<u>163,796</u>	<u>469,725</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 150,352</u>	<u>\$ 155,577</u>	<u>\$ 163,796</u>	<u>\$ 469,725</u>

See accompanying independent auditors' report and notes to financial statements.

SCHEDULE D

TOWN OF PLYMOUTH, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Interest income	\$ 5	\$ -	\$ 265	\$ 270
Other income	13,598	-	5,100	18,698
TOTAL REVENUES	<u>13,603</u>	<u>-</u>	<u>5,365</u>	<u>18,968</u>
EXPENDITURES				
General government	280	-	-	280
Other	-	-	11,925	11,925
TOTAL EXPENDITURES	<u>280</u>	<u>-</u>	<u>11,925</u>	<u>12,205</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>13,323</u>	<u>-</u>	<u>(6,560)</u>	<u>6,763</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	9,437	25,000	6,000	40,437
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>9,437</u>	<u>25,000</u>	<u>6,000</u>	<u>40,437</u>
NET CHANGE IN FUND BALANCES	22,760	25,000	(560)	47,200
FUND BALANCES - JULY 1	<u>127,592</u>	<u>130,577</u>	<u>164,356</u>	<u>422,525</u>
FUND BALANCES - JUNE 30	<u>\$ 150,352</u>	<u>\$ 155,577</u>	<u>\$ 163,796</u>	<u>\$ 469,725</u>

See accompanying independent auditors' report and notes to financial statements.

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than fiduciary trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF PLYMOUTH, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	Office Equipment	Reappraisal	Record Restoration	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 66,061	\$ -	\$ 66,061
Due from other funds	65,459	-	18,832	84,291
TOTAL ASSETS	<u>\$ 65,459</u>	<u>\$ 66,061</u>	<u>\$ 18,832</u>	<u>\$ 150,352</u>
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	65,459	66,061	18,832	150,352
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>65,459</u>	<u>66,061</u>	<u>18,832</u>	<u>150,352</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 65,459</u>	<u>\$ 66,061</u>	<u>\$ 18,832</u>	<u>\$ 150,352</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF PLYMOUTH, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Office Equipment	Reappraisal	Record Restoration	Total
REVENUES				
Interest income	\$ -	\$ 5	\$ -	\$ 5
Other income	1,263	11,571	764	13,598
TOTAL REVENUES	<u>1,263</u>	<u>11,576</u>	<u>764</u>	<u>13,603</u>
EXPENDITURES				
Other	-	280	-	280
TOTAL EXPENDITURES	<u>-</u>	<u>280</u>	<u>-</u>	<u>280</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,263</u>	<u>11,296</u>	<u>764</u>	<u>13,323</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	9,437	-	9,437
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>9,437</u>	<u>-</u>	<u>9,437</u>
NET CHANGE IN FUND BALANCES	1,263	20,733	764	22,760
FUND BALANCES - JULY 1	<u>64,196</u>	<u>45,328</u>	<u>18,068</u>	<u>127,592</u>
FUND BALANCES - JUNE 30	<u>\$ 65,459</u>	<u>\$ 66,061</u>	<u>\$ 18,832</u>	<u>\$ 150,352</u>

See accompanying independent auditors' report and notes to financial statements.

Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

TOWN OF PLYMOUTH, VERMONT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2021

	<u>Building Maintenance</u>	<u>Total</u>
ASSETS		
Due from other funds	\$ 155,577	\$ 155,577
TOTAL ASSETS	<u>\$ 155,577</u>	<u>\$ 155,577</u>
LIABILITIES		
Accounts payable	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
FUND BALANCES		
Nonspendable	-	-
Restricted	-	-
Committed	-	-
Assigned	155,577	155,577
Unassigned	-	-
TOTAL FUND BALANCES	<u>155,577</u>	<u>155,577</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 155,577</u>	<u>\$ 155,577</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF PLYMOUTH, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Building Maintenance	Total
REVENUES		
Intergovernmental	\$ -	\$ -
TOTAL REVENUES	-	-
EXPENDITURES		
Other	-	-
EXPENDITURES	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-
OTHER FINANCING SOURCES (USES)		
Transfers in	25,000	25,000
Transfers (out)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	25,000	25,000
NET CHANGE IN FUND BALANCES	25,000	25,000
FUND BALANCES - JULY 1	130,577	130,577
FUND BALANCES - JUNE 30	\$ 155,577	\$ 155,577

See accompanying independent auditor's report and notes to financial statements.

Permanent Funds

Permanent funds are used to account for assets held by the Town of Plymouth, Vermont that are legally restricted and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including scholarships and the provision and/or maintenance of cemeteries.

TOWN OF PLYMOUTH, VERMONT

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2021

	<u>Cemetery</u>	<u>Public Funds</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 5,465	\$ 76,123	\$ 81,588
Investments	21,366	60,842	82,208
TOTAL ASSETS	<u>\$ 26,831</u>	<u>\$ 136,965</u>	<u>\$ 163,796</u>
LIABILITIES			
Due to others funds	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	97,805	97,805
Restricted	26,831	39,160	65,991
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>26,831</u>	<u>136,965</u>	<u>163,796</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 26,831</u>	<u>\$ 136,965</u>	<u>\$ 163,796</u>

See accompanying independent auditors' report and notes to financial statements.

SCHEDULE J

TOWN OF PLYMOUTH, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Cemetery	Public Funds	Total
REVENUES			
Interest income	\$ 265	\$ -	\$ 265
Other income	5,100	-	5,100
TOTAL REVENUES	<u>5,365</u>	<u>-</u>	<u>5,365</u>
EXPENDITURES			
Other	11,925	-	11,925
TOTAL EXPENDITURES	<u>11,925</u>	<u>-</u>	<u>11,925</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,560)</u>	<u>-</u>	<u>(6,560)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	6,000	-	6,000
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>6,000</u>	<u>-</u>	<u>6,000</u>
NET CHANGE IN FUND BALANCES	(560)	-	(560)
FUND BALANCES - JULY 1	<u>27,391</u>	<u>136,965</u>	<u>164,356</u>
FUND BALANCES - JUNE 30	<u>\$ 26,831</u>	<u>\$ 136,965</u>	<u>\$ 163,796</u>

See accompanying independent auditors' report and notes to financial statements.

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities' column of the government-wide statement of net position.

TOWN OF PLYMOUTH, VERMONT

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2021

	Land and Non-depreciable Assets	Buildings, Improvements	Fixtures, Equipment and Vehicles	Infrastructure	Total
General government	\$ 153,000	\$ 2,619,438	\$ 10,000	\$ -	\$ 2,782,438
Public safety	-	-	208,600	-	208,600
Public works	-	-	650,549	-	650,549
Total General Capital Assets	153,000	2,619,438	869,149	-	3,641,587
Less: Accumulated Depreciation	-	(1,425,168)	(695,504)	-	(2,120,672)
Net General Capital Assets	\$ 153,000	\$ 1,194,270	\$ 173,645	\$ -	\$ 1,520,915

See accompanying independent auditors' report and notes to financial statements.

SCHEDULE L

TOWN OF PLYMOUTH, VERMONT

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2021

	General Capital Assets 7/1/20	Additions	Deletions	General Capital Assets 6/30/21
General government	\$ 2,782,438	\$ -	\$ -	\$ 2,782,438
Public safety	208,600	-	-	208,600
Public works	685,549	-	(35,000)	650,549
Total General Capital Assets	3,676,587	-	(35,000)	3,641,587
Less: Accumulated Depreciation	(1,978,278)	(177,394)	35,000	(2,120,672)
Net General Capital Assets	\$ 1,698,309	\$ (177,394)	\$ -	\$ 1,520,915

See accompanying independent auditors' report and notes to financial statements.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Selectboard
Town of Plymouth
Plymouth, Vermont

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Plymouth, Vermont as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Town of Plymouth, Vermont's basic financial statements and have issued our report thereon dated November 15, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Plymouth, Vermont's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Plymouth, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Plymouth, Vermont's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

3 Old Orchard Road, Buxton, Maine 04093
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609
www.rhrsmith.com

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Plymouth, Vermont's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the Town of Plymouth, Vermont in a separate letter dated October 5, 2021.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Buxton, Maine
Vermont Registration No. 092.0000967
November 15, 2021