

Federal Compliance Audit

Town of Plymouth, Vermont

June 30, 2025



Proven Expertise & Integrity

TOWN OF PLYMOUTH, VERMONT

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JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Selectboard
Town of Plymouth
Plymouth, Vermont

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of the Town of Plymouth, Vermont, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Town of Plymouth, Vermont's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of the Town of Plymouth, Vermont as of June 30, 2025 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Plymouth, Vermont and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Plymouth, Vermont's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal controls relevant to the audit 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 Town of Plymouth, Vermont's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise doubt about the Town of Plymouth, Vermont's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension information on pages 5 through 12 and 50 through 53 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, who 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Plymouth, Vermont's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund,

combining and individual nonmajor fund financial statements, capital asset schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2026, on our consideration of the Town of Plymouth, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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, Vermont'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, Vermont's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000967
March 19, 2026

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2025

(UNAUDITED)

The following management's discussion and analysis of Town of Plymouth, Vermont's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of Plymouth's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, pension schedules and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regard to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position - this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities - this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The above-mentioned financial statements have one column for the Town's activity. The type of activity presented for the Town of Plymouth is:

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, community development and unclassified.

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 of Plymouth, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Plymouth are considered governmental funds.

Governmental funds: All of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach, revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of 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 government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental funds financial statement.

The Town of Plymouth presents five columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund, renovation

project fund, flood 2023 fund and the highway equipment fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, a Schedule of Proportionate Share of the Net Pension Liability, a Schedule of Contributions and Notes to Required Supplementary Information.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regard to nonmajor funds, other detailed budgetary information for the general fund and capital asset activity.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Town's governmental activities. The Town's total net position for governmental activities increased by \$3,067,577 from \$2,176,048 to \$5,243,625.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - for governmental activities increased to a balance of \$1,273,793 at the end of this year.

Table 1
Town of Plymouth, Vermont
Net Position
June 30,

	2025	2024 (Restated)
Assets:		
Current Assets	\$ 2,260,276	\$ 977,524
Noncurrent Assets - Capital Assets	4,119,851	3,141,408
Total Assets	6,380,127	4,118,932
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	76,805	48,713
Total Deferred Outflows of Resources	76,805	48,713
Liabilities:		
Current Liabilities	246,651	681,174
Noncurrent Liabilities	953,095	1,291,661
Total Liabilities	1,199,746	1,972,835
Deferred Inflows of Resources:		
Prepaid Taxes	30	-
Deferred Inflows Related to Pensions	10,426	15,657
Deferred Revenue	3,105	3,105
Total Deferred Inflows of Resources	13,561	18,762
Net Position:		
Net Investment in Capital Assets	3,344,499	3,139,728
Restricted	625,333	619,436
Unrestricted (Deficit)	1,273,793	(1,583,116)
Total Net Position	\$ 5,243,625	\$ 2,176,048

Revenues and Expenses

Revenues for the Town's governmental activities increased by 162.10% with the largest increase in capital grants and contributions. Expenses decreased by 44.23% primarily due to general government and public works related to the flood 2023.

Table 2
Town of Plymouth, Vermont
Changes in Net Position
For the Years Ended June 30,

	<u>2025</u>	<u>2024</u>
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 68,953	\$ 57,796
Operating grants and contributions	81,143	98,284
Capital grants and contributions	3,125,572	-
<i>General Revenues:</i>		
Taxes	1,658,325	1,416,663
Grants and contributions not restricted to specific programs	531,517	434,493
Miscellaneous	104,328	117,820
Total Revenues	<u>5,569,838</u>	<u>2,125,056</u>
Expenses		
General government	1,201,779	2,847,370
Public safety	149,113	170,074
Public works	926,561	1,418,815
Community development	13,491	13,316
Unclassified	25,205	37,303
Interest on long-term debt	30,303	-
Capital outlay	155,809	-
Total Expenses	<u>2,502,261</u>	<u>4,486,878</u>
 Change in Net Position	 <u>3,067,577</u>	 <u>(2,361,822)</u>
 Net Position - July 1, As Previously Reported	 1,977,728	 4,339,550
 Net Position Correction	 <u>198,320</u>	 <u>-</u>
 Net Position - July 1, As Restated	 <u>2,176,048</u>	 <u>4,339,550</u>
 Net Position - June 30	 <u>\$ 5,243,625</u>	 <u>\$ 1,977,728</u>

Financial Analysis of the Town's Fund Statements

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

Table 3
Town of Plymouth, Vermont
Fund Balances - Governmental Funds
June 30,

	<u>2025</u>	<u>2024 (Restated)</u>	<u>Increase/ (Decrease)</u>
General Fund:			
Nonspendable	\$ 17,115	\$ 1,860	\$ 15,255
Unassigned	962,364	850,395	111,969
Total General Fund	<u>\$ 979,479</u>	<u>\$ 852,255</u>	<u>\$ 127,224</u>
Renovation Project Fund:			
Committed	\$ -	\$ 314,767	\$ (314,767)
Unassigned	(83,713)	-	(83,713)
Total Renovation Project Fund	<u>\$ (83,713)</u>	<u>\$ 314,767</u>	<u>\$ (398,480)</u>
Flood 2023 Fund:			
Restricted	\$ 87,257	\$ -	\$ 87,257
Unassigned	-	(1,658,587)	1,658,587
Total Flood 2023 Fund	<u>\$ 87,257</u>	<u>\$ (1,658,587)</u>	<u>\$ 1,745,844</u>
Highway Equipment Fund:			
Restricted	\$ 346,341	\$ 216,785	\$ 129,556
Total Highway Equipment Fund	<u>\$ 346,341</u>	<u>\$ 216,785</u>	<u>\$ 129,556</u>
Nonmajor Funds:			
Special Revenue Funds:			
Assigned	\$ 181,939	\$ 167,863	\$ 14,076
Capital Projects Funds:			
Assigned	258,447	148,447	110,000
Permanent Funds:			
Nonspendable	97,805	97,805	-
Restricted	93,930	102,986	(9,056)
Total Nonmajor Funds	<u>\$ 632,121</u>	<u>\$ 517,101</u>	<u>\$ 115,020</u>

The changes to total fund balances for the general fund, the renovation project fund highway equipment fund and the nonmajor funds occurred due to the regular activity of operations. The flood 2023 fund received federal funding in FY2025.

Budgetary Highlights

There was no difference between the original and final budget for the general fund.

The general fund actual revenues exceeded budget by \$515,143. All revenue categories were received over budgeted amounts.

The general fund actual expenditures exceeded budget by \$384,919. All expenditure categories were expended at or over budgeted amounts with the exception of debt service.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2025, the net book value of capital assets recorded by the Town by increased from the prior year. This increase is the result of capital additions of \$1,242,916 less depreciation expense of \$264,473.

Table 4
Town of Plymouth, Vermont
Capital Assets (Net of Depreciation)
June 30,

	<u>2025</u>	<u>2024</u>
Land and non-depreciable assets	\$ 2,672,638	\$ 1,588,232
Buildings, building and land improvements	670,874	805,368
Fixtures, equipment and vehicles	754,929	724,614
Infrastructure	21,410	23,194
Total	<u>\$ 4,119,851</u>	<u>\$ 3,141,408</u>

Debt

At June 30, 2025, the Town had \$775,352 in a bond outstanding versus \$1,175,680 last year. Refer to Note 6 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions or Conditions

The 2025 - 2026 budget could be severely impacted by the reduction of funding from the State. There is no indication of reduced funding from the State for 2025 - 2026 as of the date this report was issued.

The Town has noted a subsequent event as a currently known fact. Refer to Note 21 of Notes to the Financial Statements for more detailed information.

Economic Factors and Next Year's Budgets and Rates

The Town has maintained a sufficient unassigned fund balance to sustain government operations for a period of approximately five months, while also maintaining reserve accounts for future operational, capital and program needs.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Office at 68 Town Office Road, Plymouth, Vermont 05056.

STATEMENT A

TOWN OF PLYMOUTH, VERMONT

STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government Governmental Activities	Component Unit Plymouth Fire Dept.
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,048,835	\$ 208,089
Investments	61,931	-
Accounts receivable (net of allowance for uncollectibles):		
Delinquent taxes receivable	107,140	-
Other	25,255	-
Prepaid items	17,115	-
Total current assets	2,260,276	208,089
Noncurrent assets:		
Capital assets:		
Land and other assets not being depreciated	2,672,638	-
Buildings and equipment, net of accumulated depreciation	1,447,213	-
Total noncurrent assets	4,119,851	-
DEFERRED OUTFLOW OF RESOURCES		
Deferred outflows related to pensions	76,805	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	76,805	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 6,456,932	\$ 208,089
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 210,310	\$ -
Accrued expenses	1,463	-
Current portion of long-term obligations	34,878	-
Total current liabilities	246,651	-
Noncurrent liabilities:		
Noncurrent portion of long-term obligations:		
Bonds payable	736,000	-
Notes from direct borrowings payable	5,194	-
Accrued compensated absences	13,676	-
Net pension liability	198,225	-
Total noncurrent liabilities	953,095	-
TOTAL LIABILITIES	1,199,746	-
DEFERRED INFLOWS OF RESOURCES		
Prepaid taxes	30	-
Deferred inflows related to pensions	10,426	-
Deferred revenue	3,105	-
TOTAL DEFERRED INFLOWS OF RESOURCES	13,561	-
NET POSITION		
Net investment in capital assets	3,344,499	-
Restricted	625,333	208,089
Unrestricted	1,273,793	-
TOTAL NET POSITION	5,243,625	208,089
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 6,456,932	\$ 208,089

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

STATEMENT B

TOWN OF PLYMOUTH, VERMONT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Unit Plymouth Fire Dept.
Governmental activities:						
General government	\$ 1,201,779	\$ 68,728	\$ -	\$ -	\$ (1,133,051)	\$ -
Public safety	149,113	-	-	-	(149,113)	-
Public works	926,561	225	81,143	-	(845,193)	-
Community development	13,491	-	-	-	(13,491)	-
Unclassified	25,205	-	-	-	(25,205)	-
Interest on long-term debt	30,303	-	-	-	(30,303)	-
Capital outlay	155,809	-	-	3,125,572	2,969,763	-
Total government	<u>\$ 2,502,261</u>	<u>\$ 68,953</u>	<u>\$ 81,143</u>	<u>\$ 3,125,572</u>	<u>773,407</u>	<u>-</u>
Component Unit:						
Plymouth Fire department	<u>\$ 80,814</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(80,814)</u>

STATEMENT B (CONTINUED)
TOWN OF PLYMOUTH, VERMONT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	Primary Government Governmental Activities	Component Unit Plymouth Fire Dept.
Changes in net position:		
Net (expense) revenue	773,407	(80,814)
General revenues:		
Taxes:		
Property taxes, levied for general purposes	1,658,325	-
Grants and contributions not restricted to specific programs	531,517	-
Miscellaneous	104,328	61,581
Total general revenues	2,294,170	61,581
Change in net position	3,067,577	(19,233)
NET POSITION - JULY 1, AS PREVIOUSLY REPORTED	1,977,728	-
NET POSITION CORRECTION	198,320	227,322
NET POSITION - JULY 1, AS RESTATED	2,176,048	227,322
NET POSITION - JUNE 30	\$ 5,243,625	\$ 208,089

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

STATEMENT C

TOWN OF PLYMOUTH, VERMONT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Renovation Project	Flood 2023	Highway Equipment Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 1,916,004	\$ -	\$ -	\$ -	\$ 132,831	\$ 2,048,835
Investments	-	-	-	-	61,931	61,931
Accounts receivable (net of allowance for uncollectibles):						
Delinquent taxes receivable	107,140	-	-	-	-	107,140
Other	25,255	-	-	-	-	25,255
Prepaid items	17,115	-	-	-	-	17,115
Due from other funds	15,597	-	176,380	346,341	443,504	981,822
TOTAL ASSETS	\$ 2,081,111	\$ -	\$ 176,380	\$ 346,341	\$ 638,266	\$ 3,242,098
LIABILITIES						
Accounts payable	\$ 50,031	\$ 68,116	\$ 89,123	-	\$ 3,040	\$ 210,310
Accrued expenses	1,463	-	-	-	-	1,463
Due to other funds	966,225	15,597	-	-	-	981,822
TOTAL LIABILITIES	1,017,719	83,713	89,123	-	3,040	1,193,595
DEFERRED INFLOWS OF RESOURCES						
Prepaid taxes	30	-	-	-	-	30
Deferred revenue	-	-	-	-	3,105	3,105
Deferred property tax	83,883	-	-	-	-	83,883
TOTAL DEFERRED INFLOWS OF RESOURCES	83,913	-	-	-	3,105	87,018
FUND BALANCES (DEFICITS)						
Nonspendable	17,115	-	-	-	97,805	114,920
Restricted	-	-	87,257	346,341	93,930	527,528
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	440,386	440,386
Unassigned	962,364	(83,713)	-	-	-	878,651
TOTAL FUND BALANCES (DEFICITS)	979,479	(83,713)	87,257	346,341	632,121	1,961,485
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 2,081,111	\$ -	\$ 176,380	\$ 346,341	\$ 638,266	\$ 3,242,098

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

TOWN OF PLYMOUTH, VERMONT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

	Total Governmental Funds
Total Fund Balances	\$ 1,961,485
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	4,119,851
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	76,805
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	83,883
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bond payable	(768,000)
Notes from direct borrowings payable	(7,352)
Accrued compensated absences	(14,396)
Net pension liability	(198,225)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	(10,426)
Net position of governmental activities	\$ 5,243,625

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

TOWN OF PLYMOUTH, VERMONT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Renovation Project	Flood 2023	Highway Equipment Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 1,657,920	\$ -	\$ -	\$ -	\$ -	\$ 1,657,920
Intergovernmental	612,660	354,365	2,771,207	-	-	3,738,232
Charges for services	68,953	-	-	-	-	68,953
Interest income	47,281	-	-	-	24	47,305
Miscellaneous	41,738	-	-	-	15,285	57,023
TOTAL REVENUES	2,428,552	354,365	2,771,207	-	15,309	5,569,433
EXPENDITURES						
Current:						
General government	988,112	-	-	-	9,084	997,196
Public safety	144,804	-	-	-	-	144,804
Public works	802,906	-	-	444	-	803,350
Community development	13,491	-	-	-	-	13,491
Unclassified	-	-	-	-	25,205	25,205
Debt service:						
Principal	63,195	-	374,000	-	-	437,195
Interest	24,820	-	5,483	-	-	30,303
Capital outlay	-	752,845	645,880	-	-	1,398,725
TOTAL EXPENDITURES	2,037,328	752,845	1,025,363	444	34,289	3,850,269
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	391,224	(398,480)	1,745,844	(444)	(18,980)	1,719,164
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	130,000	134,000	264,000
Transfers (out)	(264,000)	-	-	-	-	(264,000)
TOTAL OTHER FINANCING SOURCES (USES)	(264,000)	-	-	130,000	134,000	-
NET CHANGE IN FUND BALANCES	127,224	(398,480)	1,745,844	129,556	115,020	1,719,164
FUND BALANCES (DEFICIT) - JULY 1, AS PREVIOUSLY REPORTED	852,255	114,767	(1,658,587)	216,785	517,101	42,321
FUND BALANCE CORRECTION	-	200,000	-	-	-	200,000
FUND BALANCES (DEFICIT) - JULY 1, AS RESTATED	852,255	314,767	(1,658,587)	216,785	517,101	242,321
FUND BALANCES (DEFICIT) - JUNE 30	\$ 979,479	\$ (83,713)	\$ 87,257	\$ 346,341	\$ 632,121	\$ 1,961,485

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

TOWN OF PLYMOUTH, VERMONT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2025

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 1,719,164</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to be allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	1,242,916
Depreciation expense	<u>(264,473)</u>
	<u>978,443</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	<u>28,092</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position	<u>(7,830)</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Taxes and liens receivable	<u>405</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	<u>408,158</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	<u>5,231</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	(3,312)
Net pension liability	<u>(60,774)</u>
	<u>(64,086)</u>
Change in net position of governmental activities (Statement B)	<u>\$ 3,067,577</u>

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

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Plymouth was incorporated under the laws of the State of Vermont. The Town is governed by a selectboard and provides the following services: general government, public safety, public works, community development and unclassified.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The Town of Plymouth Fire Department meets this definition and as a discretely presented component unit and is reported in a separate column in the government-wide financial statement to emphasize that it is legally separate from the Town. The Town's combined financial statements do not include all accounts and all operations of the Town. We have determined that the Town has component units, such as the town school Town, as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

Implementation of New Accounting Standards

During the year ended June 30, 2025, the following statement of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 101 "Compensated Absences". The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Management has determined the impact of this Statement is not material to the financial statements.

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 102 "Certain Risk Disclosures". The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. A disclosure should be made in the notes to financial statements if a government determines that those criteria for disclosures have been met for a concentration or constraint. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Both the government-wide and fund financial statements categorize primary activities as governmental.

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column and (b) reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts - net investment in capital assets; restricted net position and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (general government, public safety, etc.) excluding fiduciary activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Town does not allocate indirect costs. All costs are charged directly to the corresponding department.

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

Measurement Focus - Basic Financial Statements and Fund Financial Statements

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Town:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

Major Funds

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Renovation Project fund is used to account for the financial resources to be used for renovation projects located in the Town. The major source of revenue is transfers from the general fund.
- c. The Flood 2023 fund is used to account for the financial resources to be used for flooding damage in the Town. The major source of revenue for this fund is intergovernmental.
- d. The Highway Equipment Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment. The primary source of revenue is transfers from the general fund.

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonmajor Funds

- e. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- f. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- g. Permanent Funds are used to account for assets held by the Town 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. The Town's policy for authorizing and spending investment income follows State statutes.

The emphasis in fund financial statements is on the major funds in the governmental activities category. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.

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.

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposit and other evidence of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

The Town of Plymouth, Vermont has a formal investment policy and also follows the State of Vermont Statutes.

Receivables

Receivables include amounts due from governmental agencies and local businesses. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible amounts is estimated to be \$0 as of June 30, 2025. Accounts receivable netted with allowances for uncollectible accounts were \$25,255 for the year ended June 30, 2025.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of Governmental Funds.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized.

TOWN OF PLYMOUTH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Infrastructure such as streets, traffic signals and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are reported at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Buildings and improvements	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

Long-term Obligations

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of bonds payable, notes from direct borrowings payable, accrued compensated absences and net pension liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Vermont Municipal Employees' Retirement System (VMERS) Plan and additions to/deductions from the VMERS Plan's fiduciary net position have been determined on the same basis as they are reported by the VMERS Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted - This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified or rescinded only through a Town meeting vote.

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is given annually by vote of the taxpayers and is given through the Charter and is expressed by the Selectboard.

Unassigned - This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has one type of this item, deferred outflows related to pensions. This item is reported in the statement of net position.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred tax revenues which arise only under a modified accrual basis of accounting, qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Deferred revenues and prepaid taxes also qualify for reporting in this category. These items are reported in both the statement of net position and the governmental funds balance sheet. Deferred inflows related to pensions qualify for reporting in this category as well. This item is reported only in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied on April 12, 2024 on the assessed value listed as of April 1, annually, for all real property located in the Town. Taxes were due in two installments on September 2, 2024 and February 2, 2025. Interest accrues at 1% per month until 3 months following the final payment at which point 1½% per month for each month thereafter. An 8% penalty fee is added to the entire unpaid principal tax balance after February 2, 2025.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided; operating or capital grants and contributions, including special assessments).

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

TOWN OF PLYMOUTH, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025

NOTE 2 - DEPOSITS AND INVESTMENTS

State statutes require that all investments made by the Town consider the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does have a policy covering custodial credit risk for deposits. The Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Vermont Revised Statutes.

At June 30, 2025, the Town’s cash and cash equivalents balances amounting to \$2,048,835 were comprised of deposits of \$2,117,857. Bank deposits and cash equivalents are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town’s cash and cash equivalents balance. Of these deposits, \$281,496 was fully insured by federal depository insurance and consequently was not exposed to custodial credit risk and \$1,836,361 was collateralized with securities held by the financial institution but not in the Town’s name.

Account Type	Bank Balance
Checking accounts	\$ 2,070,858
Savings accounts	18,735
Money market accounts	28,264
	\$ 2,117,857

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does have a policy for custodial credit risk for investments. The Town seeks to minimize custodial credit risk by doing business with authorized institutions, depositories and brokers/dealers.

TOWN OF PLYMOUTH, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does have a formal investment policy that mitigates interest rate risk by limiting investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

At June 30, 2025, the Town had the following investments and maturities:

Investment Type	Fair Value	Not Applicable	Less than 1 Year	1 - 5 Years
Mutual funds - domestic and foreign	\$ 61,931	\$ 61,931	\$ -	\$ -

Fair Value Hierarchy

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements at June 30, 2025:

	June 30, 2025 Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
<u>Investments by fair value level</u>				
Mutual funds - domestic and foreign	\$ 61,931	\$ 61,931	\$ -	\$ -
Total equity securities	61,931	61,931	-	-
Total investments by fair value level	\$ 61,931	\$ 61,931	\$ -	\$ -

Equity securities classified in Level I of the fair value hierarchy are valued using prices quoted in active markets for those securities. The Town has no any Level II or III investments.

Credit risk - Statutes for the State of Vermont authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Town does not have an investment policy on credit risk. Generally, the Town invests excess funds in repurchase agreements, savings accounts, certificates of deposits, money market accounts and certain long-term investments.

TOWN OF PLYMOUTH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2025 consisted of the following individual fund receivables and payables:

	<u>Receivables (Due From)</u>	<u>Payables (Due To)</u>
Major funds:		
General fund	\$ 15,597	\$ 966,225
Renovation fund	-	15,597
Flood 2023 fund	176,380	-
Highway equipment fund	346,341	-
Nonmajor funds:		
Special revenue funds	185,044	-
Capital projects funds	258,447	-
Permanent funds	13	-
	<u>\$ 981,822</u>	<u>\$ 981,822</u>

The result of amounts owed between funds are considered to be in the course of normal operations by the Town. Reconciliation of the amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2025 consisted of the following:

	<u>Transfers From</u>	<u>Transfers To</u>
Major funds:		
General fund	\$ 264,000	\$ -
Highway and building fund	-	130,000
Nonmajor funds:		
Special revenue funds	-	10,000
Capital projects funds	-	110,000
Permanent funds	-	14,000
	<u>\$ 264,000</u>	<u>\$ 264,000</u>

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

TOWN OF PLYMOUTH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2025:

	Balance, 7/1/24	Additions	Disposals	Balance, 6/30/25
Non-depreciated assets:				
Land	\$ 153,000	\$ 355,297	\$ -	\$ 508,297
Construction in progress	1,435,232	729,109	-	2,164,341
	<u>1,588,232</u>	<u>1,084,406</u>	<u>-</u>	<u>2,672,638</u>
Depreciated assets:				
Buildings and improvements	2,632,688	-	-	2,632,688
Equipment	612,362	158,510	(4,900)	765,972
Vehicles	764,112	-	-	764,112
Infrastructure	26,762	-	-	26,762
	<u>4,035,924</u>	<u>158,510</u>	<u>(4,900)</u>	<u>4,189,534</u>
Less accumulated depreciation:	<u>(2,482,748)</u>	<u>(264,473)</u>	<u>4,900</u>	<u>(2,742,321)</u>
Net depreciated assets	<u>1,553,176</u>	<u>(105,963)</u>	<u>-</u>	<u>1,447,213</u>
Net capital assets	<u>\$ 3,141,408</u>	<u>\$ 978,443</u>	<u>\$ -</u>	<u>\$ 4,119,851</u>
<u>Current year depreciation:</u>				
General government				\$ 136,953
Public safety				4,309
Public works				123,211
Total depreciation expense				<u>\$ 264,473</u>

NOTE 6 - SHORT-TERM DEBT

On May 9, 2024, the Town signed a line of credit to provide liquidity for unbudgeted and unforeseen operating expenses caused by the flooding. The line of credit allows principal draws up to \$1,000,000 at a variable interest rate. As of June 30, 2025, the note was paid in full along with interest of \$24,820.

The following is a summary of changes in short-term debt for the year ended June 30, 2025:

	Balance, 7/1/24	Additions	Deletions	Balance, 6/30/25
Current Expense Note	\$ 500,000	\$ -	\$ (500,000)	\$ -

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2025:

	Balance, 7/1/24 (Restated)	Additions	Deletions	Balance, 6/30/25	Current Portion
Bonds payable	\$ 1,174,000	\$ -	\$ (406,000)	\$ 768,000	\$ 32,000
Notes from direct borrowings payable	1,680	7,830	(2,158)	7,352	2,158
	<u>\$ 1,175,680</u>	<u>\$ 7,830</u>	<u>\$ (408,158)</u>	<u>\$ 775,352</u>	<u>\$ 34,158</u>

The following is a summary of the outstanding bonds payable as of June 30, 2025:

Bonds Payable

\$800,000 General Obligation Bond. Annual principal payments of \$32,000 starting in November 2024. Interest is charge semi-annually at a fixed rate of 3.979%. The bond matures in November of 2048.

\$ 768,000

Notes from Direct Borrowings Payable

The Town leases a water cooler under a lease agreement dated March 2, 2023. The lease is for a sixty-month period ending March of 2028. The lease requires quarterly payments of \$120.

\$ 1,200

The town leases a photo copier under a lease agreement dated February 22, 2024. The lease is for a 60 month period ending February 22, 2029. The lease requires monthly payments of \$140.

6,152

Total Notes from Direct Borrowings Payable

\$ 7,352

The following is a summary of outstanding bonds payable principal and interest requirements for the next five fiscal years ending June 30 and in five-year increments thereafter:

TOWN OF PLYMOUTH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 - LONG-TERM DEBT (CONTINUED)

	Bonds Payable		Notes from Direct Borrowings Payable		Total
	Principal	Interest	Principal	Interest	
2026	\$ 32,000	\$ 29,922	\$ 2,158	\$ -	\$ 64,080
2027	32,000	28,649	2,158	-	62,807
2028	32,000	27,376	1,918	-	61,294
2029	32,000	26,102	1,118	-	59,220
2030	32,000	24,829	-	-	56,829
2031-2035	160,000	202,446	-	-	362,446
2036-2040	160,000	73,214	-	-	233,214
2041-2045	160,000	41,382	-	-	201,382
2046-2050	128,000	10,185	-	-	138,185
	<u>\$ 768,000</u>	<u>\$ 464,105</u>	<u>\$ 7,352</u>	<u>\$ -</u>	<u>\$ 1,239,457</u>

All bonds payable are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property located within the Town.

NOTE 8 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of the changes in the other long-term obligations for the year ended June 30, 2025:

	Balance, 7/1/24	Additions	Deletions	Balance, 6/30/25	Current Portion
Accrued compensated absences	11,084	4,210	(898)	14,396	720
Net pension liability	137,451	78,299	(17,525)	198,225	-
Totals	<u>\$ 148,535</u>	<u>\$ 82,509</u>	<u>\$ (18,423)</u>	<u>\$ 212,621</u>	<u>\$ 720</u>

Please see Notes 9 and 16 for detailed information on each of the other long-term obligations.

NOTE 9 - ACCRUED COMPENSATED ABSENCES

The Town's policies regarding vacation and sick time permits employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as a long-term obligation in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2025, the Town's liability for compensated absences is \$14,396.

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Town at June 30, 2025:

Invested in capital assets	\$ 6,862,172
Accumulated depreciation	(2,742,321)
Outstanding capital related debt	<u>(775,352)</u>
	<u>\$ 3,344,499</u>

NOTE 11 - RESTRICTED NET POSITION

At June 30, 2025, the Town had the following restricted net position:

Flood 2023 fund	\$ 87,257
Highway and building fund	346,341
Nonmajor permanent funds (Schedule I):	
Public funds - nonspendable principal	97,805
Cemetery fund	44,761
Public funds	<u>49,169</u>
	<u>\$ 625,333</u>

NOTE 12 - NONSPENDABLE FUND BALANCE

At June 30, 2025, the Town had the following nonspendable fund balance:

General fund:	
Prepaid items	\$ 17,115
Nonmajor permanent funds (Schedule I)	<u>97,805</u>
	<u>\$ 114,920</u>

NOTE 13 - RESTRICTED FUND BALANCES

At June 30, 2025, the Town had the following restricted fund balances:

Flood 2023 fund	\$ 87,257
Highway and building fund	346,341
Nonmajor permanent funds (Schedule I)	<u>93,930</u>
	<u>\$ 527,528</u>

TOWN OF PLYMOUTH, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025

NOTE 14 - ASSIGNED FUND BALANCES

At June 30, 2025, the Town had the following assigned fund balances:

Nonmajor special revenue funds (Schedule E)	\$	181,939
Nonmajor capital projects funds (Schedule G)		258,447
	<u>\$</u>	<u>440,386</u>

NOTE 15 - DEFICIT FUND BALANCE

At June 30, 2025, the Town had the following deficit fund balance:

Renovation project fund	<u>\$</u>	<u>83,713</u>
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NOTE 16 - 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, 2023 (the most recent data available), the retirement system consisted of 18,463 participating members.

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - 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 Towns 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:

TOWN OF PLYMOUTH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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
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

TOWN OF PLYMOUTH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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.

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, 2024 are as follows:

VMERS	Group A	Group B	Group C	Group D
Employee Contributions	4.000% of gross salary	6.375% of gross salary	11.500% of gross salary	12.850% of gross salary
Employer Contributions	5.500% of gross salary	7.000% of gross salary	8.750% of gross salary	11.350% 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, 2025 totaled \$15,839. The Town contributed \$17,525 for the year ended June 30, 2025. The Town's total payroll for the year ended June 30, 2025 for all employees covered under this plan was \$248,462.

Pension Liabilities

At June 30, 2025, the Town reported a liability of \$198,225 for its proportionate share of the net pension liabilities for each plan. The net pension liabilities were measured as of June 30, 2024 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of June 30, 2023. 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, 2024, the Town's proportion was 0.05968% for VMERS, which was an increase of 0.01677% from its proportion measured as of June 30, 2023 for VMERS.

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2025, the Town recognized pension expense of \$27,451 for the VMERS plan. At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	VMERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,468	\$ -
Changes of assumptions	1,068	-
Net difference between projected and actual earnings on pension plan investments	4,890	-
Changes in proportion and differences between contributions and proportionate share of contributions	31,854	10,426
Contributions subsequent to the measurement date	17,525	-
Total	\$ 76,805	\$ 10,426

\$17,525 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, 2026. 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:		
2025	\$	13,076
2026		27,103
2027		11,882
2028		(3,207)
2029		-
Thereafter		-

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Significant Actuarial Assumptions and Methods

The total pension liability for the June 30, 2024 measurement date was determined by rolling forward the total pension liability as of June 30, 2023 to June 30, 2024. The total pension liability was calculated using the following actuarial assumptions:

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

Inflation: 2.30%

Projected Salary Increases: Varying service-based rates ranging from 4.07% to 6.21%. Salary increases include an assumed inflation rate of 2.30%.

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 on historical and current demographic data, adjusted to reflect health characteristics of the underlying groups and estimated future experience and professional judgment. The mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Pre-Retirement:

- Groups A/B - 60% PubG-2010 General Employee Amount-Weighted below-median and 40% of PubG-2010 General Employee Amount-Weighted, with generational projection using Scale MP-2021.
- Group C - PubG-2010 General Employee Amount-Weighted above-median, with generational projection using scale MP-2021.
- Group D - PubS-2010 Public Safety Employee Amount-Weighted Below-Median, with generational projection using scale MP-2021.

Healthy Post-Retirement - Retirees:

- Groups A/B - PubG-2010 General Healthy Retiree Amount-Weighted Below Median Table with credibility adjustments of 90% and 87% for the Male and Female tables, respectively, with generational projection using scale MP-2021.
- Group C - PubG-2010 General Healthy Retiree Amount-Weighted Table, with generational projection using scale MP-2021.

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

- Group D - PubS-2010 Public Safety Retiree Amount-Weighted Below-Median Table, with generational projection using scale MP-2021.

Healthy Post-Retirement - Beneficiaries:

- Pub-2010 Contingent Survivor Amount-Weighted Below-Median Table, with generational projection using scale MP-2021.

Disabled Post-Retirement:

- Group A/B/C - PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Table with generational projection using Scale MP-2021.
- Group D - PubS-2010 Safety Disabled Retiree Amount-Weighted Table with generational projection using Scale MP-2021.

Inactive Members: Valuation liability equals 100% of accumulated contributions. Valuation liability for those who are vested is based on accrued benefit and members are assumed to retire 10% of the time each year from their Early Retirement Age until their Normal Retirement Age, then 100% of the time at their Normal Retirement age, with a deferred vested 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.

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 Groups 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, 2025, COLA is expected to be 1.90% for Group A and 1.90% for Groups B, C and D. The January 1, 2024, COLA was 1.10% for Group A and 1.10% for Groups B, C and D.

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Cost Method: Entry age normal cost method.

Amortization Method: Amortization payments calculated to fully fund unfunded actuarial accrued liability with annual increases of 3% over a closed period. The amortization of unfunded actuarial accrued liability (UAAL) within the actuarially determined contribution rate calculation is based on the level percentage of pay required to amortize the UAAL over the 30-year closed period that began on July 1, 2008. As of July 1, 2023, the remaining amortization period is 15 years.

Asset Valuation Method: The amount of the assets for valuation purposes equals the preliminary asset value plus 20% of the difference between market and preliminary asset values. The preliminary asset value is equal to the previous year's asset value (for valuation purposes) adjusted for contributions less benefit payments and expenses plus expected investment income. If necessary, a further adjustment is made to ensure that the valuation assets are within 20% of the market value.

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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US Agg Fixed Income	19.00%	1.70%
TIPS	2.00%	1.70%
Large/Mid Cap US Equity	4.00%	4.20%
Small Cap US Equity	3.00%	4.70%
Developed Large/Mid Cap International Equity	5.00%	5.95%
Global Equity	32.00%	5.25%
Core Real Estate	3.00%	3.45%
Non-Core Real Estate	4.00%	5.70%
Private Credit	11.00%	5.70%
Private Equity	11.00%	7.45%
Private Core Infrastructure	4.00%	4.95%
Agriculture/Farmland	2.00%	3.95%

TOWN OF PLYMOUTH, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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:

	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	\$ 303,057	\$ 198,225	\$ 112,182

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).

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17 - 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 18 - 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.

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.

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 18 - RISK MANAGEMENT (CONTINUED)

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.

NOTE 19 - RELATED PARTIES

The Town contracts with two vendors that are related to the road foreman, A.B.L.E. Waste Management and Mike Lynds Excavation. For the year ended June 30, 2025, the Town paid A.B.L.E. Waste Management \$50,874 and Mike Lynds Excavation was paid \$81,880.

NOTE 20 - EXPENDITURES OVER APPROPRIATIONS

The Town was non-compliant with the legally adopted budget, overexpending the entire allowed appropriation of \$1,916,409 by \$384,919 at June 30, 2025. The Town received \$515,143 in additional revenues to offset the expenditures over appropriations.

NOTE 21 - SUBSEQUENT EVENT

The Town purchased a fire truck with cash in July 2025 for \$509,970.

NOTE 22 - RESTATEMENT

During the fiscal year 2025, the Town determined that a fund balance correction was required for the Renovation fund to reflect a receivable of \$200,000. Certain other corrections which increased notes from direct borrowings payable by \$1,680 were required which impacted governmental activities. These changes resulted in adjustments to and restatements of net position and fund balance as follows:

TOWN OF PLYMOUTH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 22 - RESTATEMENT (CONTINUED)

	6/30/24 As Previously Reported	Fund Balance Correction	Net Position Correction	6/30/24 As Restated
Government-Wide				
Governmental Activities	\$ 1,977,728	\$ 200,000	\$ (1,680)	\$ 2,176,048
Governmental Funds				
Major Funds:				
General Fund	\$ 852,255	\$ -	\$ -	\$ 852,255
Renovation Fund	114,767	200,000	-	314,767
Flood 2023 Fund	(1,658,587)	-	-	(1,658,587)
Highway Equipment Fund	216,785	-	-	216,785
Other Governmental Funds	517,101	-	-	517,101
Total Governmental Funds	<u>\$ 42,321</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 242,321</u>

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

TOWN OF PLYMOUTH, VERMONT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 852,255	\$ 852,255	\$ 852,255	\$ -
Resources (Inflows):				
Property taxes	1,621,159	1,621,159	1,657,920	36,761
Intergovernmental	228,000	228,000	612,660	384,660
Permits and licenses	38,250	38,250	68,953	30,703
Interest income	5,000	5,000	47,281	42,281
Other revenue	21,000	21,000	41,738	20,738
Amounts Available for Appropriation	<u>2,765,664</u>	<u>2,765,664</u>	<u>3,280,807</u>	<u>515,143</u>
Charges to Appropriations (Outflows):				
General government	690,925	690,925	988,112	(297,187)
Public safety	144,500	144,500	144,804	(304)
Public works	708,465	708,465	802,906	(94,441)
Community development	13,491	13,491	13,491	-
Debt service	95,028	95,028	88,015	7,013
Transfers to other funds	264,000	264,000	264,000	-
Total Charges to Appropriations	<u>1,916,409</u>	<u>1,916,409</u>	<u>2,301,328</u>	<u>(384,919)</u>
Budgetary Fund Balance, June 30	<u>\$ 849,255</u>	<u>\$ 849,255</u>	<u>\$ 979,479</u>	<u>\$ 130,224</u>
Utilization of unassigned fund balance	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ (3,000)</u>

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

TOWN OF PLYMOUTH, VERMONT

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>VMERS:</u>										
Proportion of the net pension liability	0.06%	0.04%	0.05%	0.06%	0.06%	0.05%	0.06%	0.06%	0.07%	0.07%
Proportionate share of the net pension liability	\$ 198,225	\$ 137,451	\$ 140,994	\$ 81,548	\$ 140,423	\$ 94,261	\$ 81,080	\$ 71,321	\$ 88,764	\$ 57,468
Covered payroll	\$ 291,234	\$ 188,185	\$ 160,367	\$ 205,311	\$ 200,072	\$ 185,578	\$ 183,550	\$ 174,793	\$ 189,455	\$ 170,945
Proportionate share of the net pension liability as a percentage of its covered payroll	68.06%	73.04%	87.92%	39.72%	70.19%	50.79%	44.17%	40.80%	46.85%	33.62%
Plan fiduciary net position as a percentage of the total pension liability	75.22%	74.01%	73.60%	86.29%	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%

* The amounts presented for each fiscal year were determined as of June 30.

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

TOWN OF PLYMOUTH, VERMONT

SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>VMERS:</u>										
Contractually required contribution	\$ 17,525	\$ 19,658	\$ 12,232	\$ 10,023	\$ 12,319	\$ 11,504	\$ 10,439	\$ 10,095	\$ 9,614	\$ 10,420
Contributions in relation to the contractually required contribution	<u>(17,525)</u>	<u>(19,658)</u>	<u>(12,232)</u>	<u>(10,023)</u>	<u>(12,319)</u>	<u>(11,504)</u>	<u>(10,439)</u>	<u>(10,095)</u>	<u>(9,614)</u>	<u>(10,420)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 248,462	\$ 291,234	\$ 188,185	\$ 160,367	\$ 205,311	\$ 200,072	\$ 185,578	\$ 183,550	\$ 174,793	\$ 189,455
Contributions as a percentage of covered payroll	7.05%	6.75%	6.50%	6.25%	6.00%	5.75%	5.63%	5.50%	5.50%	5.50%

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

TOWN OF PLYMOUTH, VERMONT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

Changes of Assumptions

VMERS Pension Plan:

No changes in actuarial assumptions/methods effective for the June 30, 2024, actuarial valuation that impact GASB.

See accompanying independent auditor's 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

TOWN OF PLYMOUTH, VERMONT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND REVENUES
 FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Property taxes:				
Current real property taxes	\$ 1,621,159	1,621,159	\$ 1,631,977	\$ 10,818
Penalties and interest	-	-	25,943	25,943
Intergovernmental revenues:				
State aid to highways	76,000	76,000	81,143	5,143
State pilot program	120,000	120,000	118,664	(1,336)
Other intergovernmental revenue	32,000	32,000	412,853	380,853
Permits and licenses:				
Dog licenses	300	300	185	(115)
Liquor licenses	250	250	185	(65)
Marriage licenses	-	-	70	70
Clerk fees	22,000	22,000	23,043	1,043
Debt collector fees	-	-	31,865	31,865
ZBA fees	5,000	5,000	3,889	(1,111)
Local fines	10,000	10,000	9,491	(509)
Charges for services:				
Public works	700	700	225	(475)
Investment income	5,000	5,000	47,281	42,281
Other income:				
Other income	21,000	21,000	41,738	20,738
Amounts Available for Appropriation	<u>\$ 1,913,409</u>	<u>\$ 1,913,409</u>	<u>\$ 2,428,552</u>	<u>\$ 515,143</u>

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

TOWN OF PLYMOUTH, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
General government:					
Administration	\$ 354,300	\$ -	\$ 354,300	\$ 655,651	\$ (301,351)
Town clerk/treasurer	55,000	-	55,000	68,890	(13,890)
Assistant town clerk	45,000	-	45,000	24,149	20,851
BCA appeals	-	-	-	270	(270)
Auditors	9,500	-	9,500	9,970	(470)
Selectboard	4,800	-	4,800	5,400	(600)
Listers	68,000	-	68,000	28,058	39,942
Municipal building	61,825	-	61,825	61,824	1
Office expenses	79,000	-	79,000	130,537	(51,537)
Other	13,500	-	13,500	3,363	10,137
Totals	690,925	-	690,925	988,112	(297,187)
Public safety:					
Law enforcement	68,000	-	68,000	67,999	1
Ambulance	42,500	-	42,500	38,430	4,070
Fire	34,000	-	34,000	38,375	(4,375)
Totals	144,500	-	144,500	144,804	(304)
Public works:					
Garage operations	86,700	-	86,700	113,078	(26,378)
Summer maintenance	290,000	-	290,000	300,624	(10,624)
Winter maintenance	95,000	-	95,000	92,204	2,796
Winter sand	145,000	-	145,000	145,828	(828)
Bridges	91,765	-	91,765	151,172	(59,407)
Totals	708,465	-	708,465	802,906	(94,441)
Community development:					
Appropriations	13,491	-	13,491	13,491	-
Totals	13,491	-	13,491	13,491	-
Debt Service					
Principal	95,028	-	95,028	63,195	31,833
Interest	-	-	-	24,820	(24,820)
Totals	95,028	-	95,028	88,015	7,013
Transfers to other funds	264,000	-	264,000	264,000	-
TOTAL DEPARTMENTAL OPERATIONS	\$ 1,916,409	\$ -	\$ 1,916,409	\$ 2,301,328	\$ (416,752)

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

TOWN OF PLYMOUTH, VERMONT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 132,831	\$ 132,831
Investments	-	-	61,931	61,931
Due from other funds	185,044	258,447	13	443,504
TOTAL ASSETS	\$ 185,044	\$ 258,447	\$ 194,775	\$ 638,266
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 3,040	\$ 3,040
TOTAL LIABILITIES	-	-	3,040	3,040
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	3,105	-	-	3,105
TOTAL DEFERRED INFLOWS OF RESOURCES	3,105	-	-	3,105
FUND BALANCES				
Nonspendable	-	-	97,805	97,805
Restricted	-	-	93,930	93,930
Committed	-	-	-	-
Assigned	181,939	258,447	-	440,386
Unassigned	-	-	-	-
TOTAL FUND BALANCES	181,939	258,447	191,735	632,121
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 185,044	\$ 258,447	\$ 194,775	\$ 638,266

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

TOWN OF PLYMOUTH, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Interest income	\$ -	\$ -	\$ 24	\$ 24
Other income	13,160	-	2,125	15,285
TOTAL REVENUES	<u>13,160</u>	<u>-</u>	<u>2,149</u>	<u>15,309</u>
EXPENDITURES				
General government	9,084	-	-	9,084
Other	-	-	25,205	25,205
TOTAL EXPENDITURES	<u>9,084</u>	<u>-</u>	<u>25,205</u>	<u>34,289</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,076</u>	<u>-</u>	<u>(23,056)</u>	<u>(18,980)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	110,000	14,000	134,000
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>10,000</u>	<u>110,000</u>	<u>14,000</u>	<u>134,000</u>
NET CHANGE IN FUND BALANCES	14,076	110,000	(9,056)	115,020
FUND BALANCES - JULY 1	<u>167,863</u>	<u>148,447</u>	<u>200,791</u>	<u>517,101</u>
FUND BALANCES - JUNE 30	<u>\$ 181,939</u>	<u>\$ 258,447</u>	<u>\$ 191,735</u>	<u>\$ 632,121</u>

See accompanying independent auditor's 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, 2025

	Office Equipment	Reappraisal	Record Restoration	ARPA Grant	Total
ASSETS					
Due from other funds	\$ 38,726	\$ 129,172	\$ 14,041	\$ 3,105	\$ 185,044
TOTAL ASSETS	\$ 38,726	\$ 129,172	\$ 14,041	\$ 3,105	\$ 185,044
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue	-	-	-	3,105	3,105
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	3,105	3,105
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	38,726	129,172	14,041	-	181,939
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	38,726	129,172	14,041	-	181,939
TOTAL LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES AND FUND BALANCES	\$ 38,726	\$ 129,172	\$ 14,041	\$ 3,105	\$ 185,044

See accompanying independent auditor's 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, 2025

	Office Equipment	Reappraisal	Record Restoration	ARPA Grant	Total
REVENUES					
Other income	\$ 2,454	\$ 9,775	\$ 931	\$ -	\$ 13,160
TOTAL REVENUES	<u>2,454</u>	<u>9,775</u>	<u>931</u>	<u>-</u>	<u>13,160</u>
EXPENDITURES					
Other	-	-	9,084	-	9,084
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>9,084</u>	<u>-</u>	<u>9,084</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,454</u>	<u>9,775</u>	<u>(8,153)</u>	<u>-</u>	<u>4,076</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	10,000	-	-	10,000
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
NET CHANGE IN FUND BALANCES	2,454	19,775	(8,153)	-	14,076
FUND BALANCES - JULY 1	<u>36,272</u>	<u>109,397</u>	<u>22,194</u>	<u>-</u>	<u>167,863</u>
FUND BALANCES - JUNE 30	<u>\$ 38,726</u>	<u>\$ 129,172</u>	<u>\$ 14,041</u>	<u>\$ -</u>	<u>\$ 181,939</u>

See accompanying independent auditor's 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, 2025

	Fire Truck Reserve	Building Maintenance	Bridge Fund	Total
ASSETS				
Due from other funds	\$ 200,000	\$ 51,563	\$ 6,884	\$ 258,447
TOTAL ASSETS	\$ 200,000	\$ 51,563	\$ 6,884	\$ 258,447
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	200,000	51,563	6,884	258,447
Unassigned	-	-	-	-
TOTAL FUND BALANCES	200,000	51,563	6,884	258,447
TOTAL LIABILITIES AND FUND BALANCES	\$ 200,000	\$ 51,563	\$ 6,884	\$ 258,447

See accompanying independent auditor’s 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, 2025

	Fire Truck Reserve	Building Maintenance	Bridge Fund	Total
REVENUES				
Intergovernmental	\$ -	\$ -	-	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Other	-	-	-	-
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	10,000	-	110,000
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>100,000</u>	<u>10,000</u>	<u>-</u>	<u>110,000</u>
NET CHANGE IN FUND BALANCES	100,000	10,000	-	110,000
FUND BALANCES - JULY 1	<u>100,000</u>	<u>41,563</u>	<u>6,884</u>	<u>148,447</u>
FUND BALANCES - JUNE 30	<u>\$ 200,000</u>	<u>\$ 51,563</u>	<u>\$ 6,884</u>	<u>\$ 258,447</u>

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, 2025

	<u>Cemetery</u>	<u>Public Funds</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 47,788	\$ 85,043	\$ 132,831
Investments	-	61,931	61,931
Due from other funds	13	-	13
TOTAL ASSETS	<u>\$ 47,801</u>	<u>\$ 146,974</u>	<u>\$ 194,775</u>
LIABILITIES			
Accounts payable	\$ 3,040	\$ -	\$ 3,040
TOTAL LIABILITIES	<u>3,040</u>	<u>-</u>	<u>3,040</u>
FUND BALANCES			
Nonspendable	-	97,805	97,805
Restricted	44,761	49,169	93,930
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>44,761</u>	<u>146,974</u>	<u>191,735</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 47,801</u>	<u>\$ 146,974</u>	<u>\$ 194,775</u>

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

TOWN OF PLYMOUTH, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	Cemetery	Public Funds	Total
REVENUES			
Interest income	\$ 24	\$ -	\$ 24
Other income	2,125	-	2,125
TOTAL REVENUES	<u>2,149</u>	<u>-</u>	<u>2,149</u>
EXPENDITURES			
Other	25,205	-	25,205
TOTAL EXPENDITURES	<u>25,205</u>	<u>-</u>	<u>25,205</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(23,056)</u>	<u>-</u>	<u>(23,056)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	14,000	-	14,000
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>14,000</u>	<u>-</u>	<u>14,000</u>
NET CHANGE IN FUND BALANCES	(9,056)	-	(9,056)
FUND BALANCES - JULY 1	<u>53,817</u>	<u>146,974</u>	<u>200,791</u>
FUND BALANCES - JUNE 30	<u>\$ 44,761</u>	<u>\$ 146,974</u>	<u>\$ 191,735</u>

See accompanying independent auditor's 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, 2025

	Land and Non-depreciable Assets	Buildings, Building and Land Improvements	Fixtures, Equipment and Vehicles	Infrastructure	Total
General government	\$ 2,672,638	\$ 2,632,688	\$ 27,209	\$ -	\$ 5,332,535
Public safety	-	-	383,754	-	383,754
Public works	-	-	1,119,121	26,762	1,145,883
Total General Capital Assets	2,672,638	2,632,688	1,530,084	26,762	6,862,172
Less: Accumulated Depreciation	-	(1,961,814)	(775,155)	(5,352)	(2,742,321)
Net General Capital Assets	<u>\$ 2,672,638</u>	<u>\$ 670,874</u>	<u>\$ 754,929</u>	<u>\$ 21,410</u>	<u>\$ 4,119,851</u>

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

TOWN OF PLYMOUTH, VERMONT

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2025

	General Capital Assets 7/1/24	Additions	Deletions	General Capital Assets 6/30/25
General government	\$ 4,248,129	\$ 1,084,406	\$ -	\$ 5,332,535
Public safety	230,144	158,510	(4,900)	383,754
Public works	1,145,883	-	-	1,145,883
Total General Capital Assets	5,624,156	1,242,916	(4,900)	6,862,172
Less: Accumulated Depreciation	(2,482,748)	(264,473)	4,900	(2,742,321)
Net General Capital Assets	<u>\$ 3,141,408</u>	<u>\$ 978,443</u>	<u>\$ -</u>	<u>\$ 4,119,851</u>

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

Federal Compliance

Federal compliance includes financial information and reports that are required in accordance with *Government Auditing Standards* and/or the Uniform Guidance in accordance with 2 CFR § 515. Such financial information and reports include:

- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Independent Auditor's 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*
- Independent Auditor's Report on Compliance or Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
- Schedule of Findings and Questioned Costs

TOWN OF PLYMOUTH, VERMONT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor Pass Through Grantor Program or Cluster Title	Federal AL Number	Pass Through Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Treasury Department, passed through the State of Vermont				
Department of Public Safety:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	02140-33500-055	\$ 404,979	\$ -
Total U.S. Treasury Department			<u>404,979</u>	<u>-</u>
U.S. Department of Homeland Security, passed through State of Vermont Department of Public Safety:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	02140-84720-116	1,714,404	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	02140-84762-018	<u>215,067</u>	<u>-</u>
			<u>1,929,471</u>	<u>-</u>
Direct:				
Assistance to Firefighters Grant	97.044	EMW-2023-FG-03468	<u>284,417</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>2,213,888</u>	<u>-</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 2,618,867</u>	<u>\$ -</u>

TOWN OF PLYMOUTH, VERMONT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Plymouth, Vermont under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Plymouth, Vermont, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town of Plymouth, Vermont.

2. Summary of Significant Accounting Policies

- a. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b. The Town of Plymouth, Vermont has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.



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INDEPENDENT AUDITOR'S 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, discretely presented component unit and the aggregate remaining fund information of the Town of Plymouth, Vermont as of and for the year ended June 30, 2025 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 March 19, 2026.

Report on 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) as a basis for designing 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 organization'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.

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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 or significant deficiencies may exist that have not been identified.

Report on 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 financial statements. 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*.

Additionally, as part of obtaining reasonable assurance about whether the Town of Plymouth, Vermont's financial statements are free of material misstatement, we considered the Town of Plymouth, Vermont's internal controls. We did this for the purpose of determining our auditing procedures but not for the purpose of expressing an opinion on the effectiveness of the Town of Plymouth, Vermont's internal control over financial reporting or compliance. We provided a separate letter reporting the results of our consideration of internal control to the management of the Town of Plymouth, Vermont dated March 19, 2026.

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000967
March 19, 2026



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

Selectboard
Town of Plymouth
Plymouth, Vermont

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Plymouth, Vermont's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Plymouth, Vermont's major federal programs for the year ended June 30, 2025. The Town of Plymouth, Vermont's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Plymouth, Vermont complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Plymouth, Vermont and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Plymouth, Vermont's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town of Plymouth, Vermont's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error and express an opinion on the Town of Plymouth, Vermont's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Plymouth, Vermont's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town of Plymouth, Vermont's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Plymouth, Vermont's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Plymouth, Vermont's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
March 19, 2026

TOWN OF PLYMOUTH, VERMONT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported
in accordance with §200.516 of Uniform Guidance? yes no

Identification of major programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
97.036	Disaster Grants - Public Assistance

Dollar threshold used to distinguish between type A and B: \$750,000

Auditee qualified as low-risk auditee? yes no

Section II - Financial Statement Findings

None

Section III - Federal Awards Findings and Questioned Costs

None