

**TOWN OF PLYMOUTH, VERMONT**

**FINANCIAL STATEMENTS**

June 30, 2015

(With Independent Auditors' Report Thereon)

**TOWN OF PLYMOUTH, VERMONT  
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**Graham & Graham, P.C.**  
Certified Public Accountants  
Business Advisors & Management Consultants  

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**The Solution Group**

***INDEPENDENT AUDITORS' REPORT***

To the Selectboard  
Town of Plymouth, Vermont  
Plymouth, Vermont

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Plymouth, Vermont (the "Town") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate

remaining fund information of the Town, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Other Matters**

##### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 - 6 and 28 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.

#### **Other Information**

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements 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 September 1, 2016, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Graham & Graham, P.C.  
Springfield, Vermont  
September 1, 2016  
VT Registration #92-0000282  
NH Registration #659  
ME Registration #FMF 10001129

**TOWN OF PLYMOUTH, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

As management of the Town of Plymouth (the Town), we offer readers of the town's basic financial statements this narrative overview and analysis of the financial activities of the town for the fiscal year ended June 30, 2015.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

The discussion and analysis are intended to serve as an introduction to the town's basic financial statements. The town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements** - The government-wide financial statements are designed to provide readers with a broad overview of the Town of Plymouth's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the town is improving or deteriorating.

The statement of activities presents information showing how the town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Both of the government-wide financial statements distinguish functions of the Town of Plymouth that are principally supported by taxes and intergovernmental revenues. The governmental activities of the town include general government, public safety, public works, health and welfare, community development, and recreation and culture. The government-wide financial statements can be found on pages 8-9 of this report.

**Fund financial statements** - The fund financial statements focus on current available resources and are organized and operated on the basis of funds, each of which is defined as a fiscal and accounting entity with a self balancing set of accounts established for the purpose of carrying on specific or attaining certain objectives in accordance with special regulations, restriction or limitations. The town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The town does not maintain any fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better see and governmental fund statement of revenues, expenditures, and change in fund balances provide an understanding of the long-term effect of the town's near term financial

**TOWN OF PLYMOUTH, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

decisions. Both the governmental fund balance reconciliation to facilitate this comparison between governmental funds and governmental activities.

The town maintains major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, two special revenue funds, and three capital projects funds, all of which are considered non-major funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The town adopts an annual appropriated budget for its general fund, a budgetary comparison statement has been provided for those funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 9-12 of this report.

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 fund financial statements. The notes to the financial statements can be found on pages 15-20 of this report.

Other information - The combining statements referred to earlier in connection with non-major governmental funds can be found immediately following the footnotes. Combining and individual fund statements can be found on pages 23 - 29.

### **FINANCIAL HIGHLIGHTS**

- The town's net position (assets minus liabilities) from governmental activities decreased by 14% (\$382,037) as a result of this year's operations, primarily due to grant reimbursements.
- Capital assets did not increase in the current fiscal year.
- At the close of the current fiscal year, the Town's governmental funds reported total ending fund balances of \$145,917, a decrease of \$327,527 (69%). Key factors in the unfavorable budgeted expenditure outcome are due primarily to the greater than anticipated repairs and maintenance to roads, highways and bridges and Hurricane Irene damage costs in excess of FEMA reimbursements, which contributed to the overall unfavorable loss.
- The General Fund's total fund balance decreased by \$328,389 from a (\$716) deficit to a current deficit of (\$329,105).

By the far the largest portion of the Town's net position (89%) reflects investments in capital assets (e.g., land, buildings, structures, systems, machinery, equipment, infrastructure, and intangible assets), net of any related debt used to acquire those assets that is still outstanding. The Town uses assets to provide services to citizens; consequently, these assets are not available for future spending. A significant percentage of the town's net position (21%) represents resources that are subject to internal and external restrictions on how they can be used.

The remaining unrestricted net position deficit of \$233,044 (10%) may be used to meet the ongoing obligations to citizens and creditors. Government-wide total unrestricted net position decreased \$336,165 (326%). The increase in governmental activities restricted net position is primarily from investment earnings net of expenses.

**TOWN OF PLYMOUTH, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

Governmental Activities - The most significant revenues of the governmental activities are municipal and school taxes (85%). Grants and contributions and fees for service account for the remaining 15%.

Public education costs are the most significant (33%), public works (34%); general government (16%) and public safety (7%). Included in these amounts is depreciation expense, which is 3% of the total expenses for governmental activities.

Governmental revenues decreased 13% in the current year, with the most significant portion of the decline attributable to decreased property tax assessment and Hurricane Irene damage costs in excess of FEMA and other grant funds received by fiscal year end. Governmental activities expenses increased \$345,719 (23%) in the current year. The most significant changes in program expenses were as follows:

- Higher road, highway and bridge infrastructure repair and maintenance costs
- Unreimbursed FEMA disaster buyouts and related infrastructure repairs from damage caused by Hurricane Irene.

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

- Governmental funds. The focus of the town's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.
- Nearly 100% or \$475,884 of the total ending fund balances constituted restricted fund balances, which are considered unavailable for appropriation for general operations. The prior year restricted fund balances totaled \$475,022.
- At the close of the current fiscal year, the town's governmental funds reported total ending fund balances of \$146,779, a decrease of \$327,527 (223%).

**GENERAL FUND BUDGETARY HIGHLIGHTS**

- Key factors in the unfavorable budget expenditure outcome are due primarily to the greater than anticipated law enforcement costs for a total of \$99,591. On the revenue side, greater than anticipated property tax collections and FEMA reimbursements contributed to reducing the overall unfavorable outcome of budget vs. actual expenditures.
- Collectively, the General Fund exceeded budgetary expectation by \$328,389.
- The Town incurred costs of more than \$40,000 to conduct a forensic audit following the discovery that the former Town Clerk and Treasurer Barbara Stone had embezzled funds from the Town.
- The Town paid \$69,000 for the lease of the Plymouth Community Center.
- The Vermont recycling law went into effect on July 1, 2014. Actual recycling costs incurred during the fiscal year amounted to \$15,753.

**TOWN OF PLYMOUTH, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Description	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015
Land, buildings and equipment	\$ 2,633,134	\$ -	\$ -	2,633,134
Accumulated depreciation	(525,381)	(76,407)	-	(601,788)
Total capital assets, net	\$ 2,107,753	\$ (76,407)	\$ -	\$ 2,031,346

**SHORT-TERM LIABILITIES**

Short-term debt provides financing for governmental activities. In June 2015, the Town issued a Tax Anticipation Note with a maximum borrowing amount of \$426,000. This debt was issued for interim financing of General Fund operations. The principal and interest on this Note is payable upon the maturity date of November 2, 2015 with interest payable at 1.86% per annum. In September 2015, the Town repaid the note and accrued interest in full.

The following is a summary of changes in short-term debt for the year ended June 30, 2015:

Description	Balance June 30, 2015
Balance July 1, 2014	\$ -
Increases	100,000
Balance June 30, 2015	\$ 100,000

**LONG-TERM LIABILITIES**

The Town has no long term debt outstanding as of June 30, 2015.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- Municipal expenditures in the General Fund are budgeted to decrease 6.1% from \$1,254,896 to \$1,177,816 as compared to fiscal year 2014. The Town has added no major new major programs or initiatives to the fiscal year 2015 budget. If these estimates are realized, the Town's budgetary general fund balance is expected to reduce \$160,133 by the close of fiscal year 2015.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town's finances for all those interested in governmental finance. Questions concerning any information in the report or requests for additional information should be addressed to Town of Plymouth, 68 Town Office Road, Plymouth, VT 05735.

**TOWN OF PLYMOUTH, VERMONT**  
**STATEMENT OF NET POSITION**  
**June 30, 2015**

**ASSETS**

Current Assets	
Cash and cash equivalents	\$ 168,493
Receivables	301,692
Total current assets	470,185
Noncurrent Assets	
Capital assets, net	2,031,346
Total non-current assets	2,031,346
Total assets	\$ 2,501,531

**DEFERRED OUTFLOWS OF RESOURCES**

Pension related outflows	24,857
Total deferred outflows of resources	24,857

**LIABILITIES**

Current Liabilities	
Accounts Payable	\$ 79,044
Accrued liabilities	66,763
Unearned revenue	4,800
Line of credit	100,000
Total Liabilities	250,607

**DEFERRED INFLOWS OF RESOURCES**

Pension related inflows	1,595
Total deferred inflows of resources	1,595

**NET POSITION**

Investment in capital assets	2,031,346
Restricted	475,884
Unrestricted (deficit)	(233,044)
Total Net Position	\$ 2,274,186

The accompanying notes are an integral part of these financial statements

**TOWN OF PLYMOUTH, VERMONT**  
**STATEMENT OF ACTIVITIES**  
For The Year Ended June 30, 2015

Function / Programs	Expenses	Charges for Services	Program Revenues		Total	Net (Expense) Revenue and Changes in Net Position
			Operating Grants and Contributions	Capital Grants and Contributions		
<b>Primary Government</b>						
<b>Governmental Activities:</b>						
General government	\$ 451,256	\$ 139,347	\$ -	\$ -	\$ -	(311,909)
Public education	924,807	-	-	-	-	(924,807)
Public safety	202,035	-	-	-	-	(202,035)
Public Works	934,972	-	17,746	-	-	(917,226)
Recreation and free library	1,700	-	-	-	-	(1,700)
Community development	8,403	-	-	-	-	(8,403)
Disaster buyouts	215,133	-	-	213,133	-	(2,000)
Embezzlement loss	45,883	-	-	-	-	(45,883)
Total functions and programs	<u>2,784,189</u>	<u>139,347</u>	<u>17,746</u>	<u>213,133</u>	<u>(2,413,963)</u>	
<b>General Revenues:</b>						
Property taxes and delinquent charges levied						2,031,926
Total general revenues						<u>2,031,926</u>
<b>Change in net position</b>						
Net position, beginning of year, as restated						<u>2,656,223</u>
Net position, end of year						<u>2,274,186</u>

The accompanying notes are an integral part of these financial statements

TOWN OF PLYMOUTH, VERMONT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2015

	General Fund	Cemetery Fund	Reappraisal Fund	Highway and Building Funds	Non-major Funds	Total
<b>ASSETS</b>						
Cash and cash equivalents	-	\$ 85,594	\$ 82,899	-	-	\$ 168,493
Receivables	301,692	-	-	-	-	301,692
Due from other funds	-	61,451	-	189,902	56,038	307,391
<b>TOTAL ASSETS</b>	<u>\$ 301,692</u>	<u>\$ 147,045</u>	<u>\$ 82,899</u>	<u>\$ 189,902</u>	<u>\$ 56,038</u>	<u>\$ 777,576</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 79,044	-	-	-	-	\$ 79,044
Unearned grant revenue	4,800	-	-	-	-	4,800
Accrued liabilities	9,295	-	-	-	-	9,295
Due to other funds	307,391	-	-	-	-	307,391
Line of credit	100,000	-	-	-	-	100,000
<b>TOTAL LIABILITIES</b>	<u>\$ 500,530</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 500,530</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable property taxes, penalties and interest	130,267	-	-	-	-	130,267
Total deferred inflows of resources	<u>130,267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,267</u>
<b>FUND BALANCES</b>						
Restricted:						
Perpetual care	-	147,045	-	-	-	147,045
Highway infrastructure and other purposes	-	-	82,899	189,902	56,038	328,839
Unassigned	(329,105)	-	-	-	-	(329,105)
<b>TOTAL FUND BALANCES</b>	<u>(329,105)</u>	<u>147,045</u>	<u>82,899</u>	<u>189,902</u>	<u>56,038</u>	<u>146,779</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>						
	<u>\$ 301,692</u>	<u>\$ 147,045</u>	<u>\$ 82,899</u>	<u>\$ 189,902</u>	<u>\$ 56,038</u>	<u>\$ 777,576</u>

The accompanying notes are an integral part of these financial statements

**TOWN OF PLYMOUTH, VERMONT**  
**RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO THE**  
**STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES**  
**June 30, 2015**

<b>Total fund balances from previous page</b>	\$ 146,779
Capital assets used in governmental activities are not considered financial resources for fund perspective reporting and, therefore, are not reported in the funds.	2,633,134
Accumulated depreciation has not been included in the governmental fund financial statements.	(601,788)
Net pension liability and related deferred inflows and outflows of resources not due or payable in the current period and, therefore, not reported in the funds	(34,206)
Property taxes are not available to pay for current expenditures and, therefore, are deferred in the funds	<u>130,267</u>
<b>Net position of governmental activities</b>	<b>\$ <u><u>2,274,186</u></u></b>

The accompanying notes are an integral part of these financial statements

**TOWN OF PLYMOUTH, VERMONT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For The Year Ended June 30, 2015**

	General Fund	Cemetery Fund	Reappraisal Fund	Highway and Building Funds	Non-major Funds	Total
<b>REVENUES</b>						
Property taxes - current year	\$ 1,468,320	\$ -	\$ -	\$ -	\$ -	\$ 1,468,320
Property taxes - delinquent	468,257	-	-	-	-	468,257
Interest and penalties on delinquent taxes	25,446	-	-	-	-	25,446
State payments in lieu of taxes	42,339	-	-	-	-	42,339
Traffic and other ordinance fines	126,265	-	-	-	-	126,265
State of Vermont grants	17,746	-	-	-	-	17,746
Licenses, permits and fees for services	11,407	-	1,675	-	-	13,082
Investment income	-	514	-	-	-	514
<b>Total revenues</b>	<u>2,159,780</u>	<u>514</u>	<u>1,675</u>	<u>-</u>	<u>-</u>	<u>2,161,969</u>
<b>EXPENDITURES</b>						
<i>Public schools:</i>						
Payments to/on behalf of Plymouth Town School District	924,807	-	-	-	-	924,807
<i>Public Safety:</i>						
Law enforcement	159,591	-	-	-	-	159,591
Fire protection and emergency services	36,080	-	-	-	-	36,080
<b>Total public safety</b>	<u>195,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,671</u>
<i>Community and municipal infrastructure:</i>						
Road, highway, and bridge infrastructure	825,036	-	-	-	-	825,036
Curb recycling program	15,753	-	-	-	-	15,753
Library support	1,700	-	-	-	-	1,700
Listers	30,058	-	-	-	-	30,058
Taxes and assessments to regional organizations	75,516	-	-	-	-	75,516
Appropriated funds to local community organizations	8,403	-	-	-	-	8,403
<b>Total community and municipal development</b>	<u>956,466</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>956,466</u>
<i>Administration:</i>						
Selectboard and trustees of public funds	4,440	-	-	-	-	4,440
Town clerk and treasurer's office	35,348	-	-	-	-	35,348
Payroll related benefits	113,067	-	-	-	-	113,067
Elections	2,452	-	-	-	-	2,452
Legal and professional fees	37,565	-	-	-	-	37,565
Municipal building operating costs	41,212	1,327	-	-	-	42,539
Planning and zoning	1,094	-	-	-	-	1,094
Insurance	124,204	-	-	-	-	124,204
<b>Total administration</b>	<u>359,382</u>	<u>1,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>360,709</u>
<b>Total expenditures</b>	<u>2,436,326</u>	<u>1,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,437,653</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(276,546)</u>	<u>(813)</u>	<u>1,675</u>	<u>-</u>	<u>-</u>	<u>(275,684)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
FEMA grant revenue	213,133	-	-	-	-	213,133
Disaster buyback program	(215,133)	-	-	-	-	(215,133)
Embezzlement loss	(45,883)	-	-	-	-	(45,883)
Miscellaneous	(3,960)	-	-	-	-	(3,960)
<b>Total other financing sources (uses)</b>	<u>(51,843)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(51,843)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(328,389)</u>	<u>(813)</u>	<u>1,675</u>	<u>-</u>	<u>-</u>	<u>(327,527)</u>
<b>FUND BALANCES, beginning of year</b>	<u>(716)</u>	<u>147,858</u>	<u>81,224</u>	<u>189,902</u>	<u>56,038</u>	<u>474,306</u>
<b>FUND BALANCES, end of year</b>	<u>\$ (329,105)</u>	<u>\$ 147,045</u>	<u>\$ 82,899</u>	<u>\$ 189,902</u>	<u>\$ 56,038</u>	<u>\$ 146,779</u>

The accompanying notes are an integral part of these financial statements

**TOWN OF PLYMOUTH, VERMONT**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES**  
**For The Year Ended June 30, 2015**

<b>Total net change in fund balances - governmental funds</b>	\$	(327,527)
<p>Amounts reported for Governmental Activities in the Statement of  Activities are different because:</p>		
<p>Depreciation expense on capital assets is reported in the government-wide  statement of activities and changes in net position, but they do not require  the use of current financial resources. Therefore, depreciation expense is  not reported as expenditures in governmental funds.</p>		(76,407)
<p>Revenues reported in the statement of activities that do not provide current financial  resources are not reported as revenues in the funds</p>		26,431
<p>Contributions to the pension plan in the current fiscal year are deferred and not  included on the Statement of Activities</p>		<u>(4,534)</u>
<b>NET CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u><u>(382,037)</u></u></b>

The accompanying notes are an integral part of these financial statements

**TOWN OF PLYMOUTH, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Town of Plymouth, Vermont (the "Town") was organized under Vermont Statutes to provide municipal services to the citizens of Plymouth, Vermont. The Selectboard (the "Board") is the basic level of government which has oversight responsibility and control over all activities related to the Town. The Town's major operations include fire and police protection, emergency services, parks and recreation, public works and general administrative services.

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). The more significant accounting policies established in GAAP and used by the Town are discussed below.

**A. REPORTING ENTITY**

The Town, for financial reporting purposes, includes all of the funds relevant to the operations of the Town of Plymouth, Vermont. The financial statements presented herein do not include entities which have been formed under applicable state laws or separate and distinct units of government apart from the Town.

The financial statements of the Town do not include those of separately administered entities that are not controlled by or dependent on the Town. Such control or dependence ("oversight responsibility") is determined on the basis of five basic characteristics; financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

The significant factors for exclusion are: the directors or trustees are elected directly by the registered voters or members; the Town cannot significantly influence the entities' operations; the entities have sole budgetary authority; the entities control surpluses and deficits; the Town is not responsible for the entities debts; and the entities are responsible for fiscal management and fee determination. Based on these criteria, the Town's reporting entity does not include other unreported entities for which the Town exercises no oversight responsibility and has no accountability for fiscal matters.

**B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE 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 either governmental or business type.

The Town's police, fire protection, emergency services, parks and recreation, public works, and general administrative services are classified as governmental activities. The Town does not have any business-type activities to report in these financial statements.

**TOWN OF PLYMOUTH, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (fire, public works, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental 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 (public works, community and youth services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.).

The Town does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.). All inter-fund activity has been eliminated in the basic financial statements.

This 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.

**C. BASIC FINANCIAL STATEMENTS-FUND FINANCIAL STATEMENTS**

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Town electively added funds, as major funds, which either had debt outstanding or specific community focus. The non-major funds are combined in a column in the fund financial statements.

**1. Governmental Funds:**

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

**TOWN OF PLYMOUTH, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The Town reports these major governmental funds and fund types:

- a. The general fund is the Town's primary operating fund. It is used to account for and report all financial resources except those required to be accounted for in another fund.
- b. Cemetery Fund, Reappraisal Fund and Highway and Building Fund.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

**D. BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**1. Accrual:**

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other non-exchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

**2. Modified Accrual:**

The governmental funds 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 within 60 days after year end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred.

Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

**E. FINANCIAL STATEMENT AMOUNTS**

**1. Cash:**

Cash balances of most Town funds are deposited with and invested by the Town Treasurer and Clerk. The Town considers all investments with an original maturity of three (3) months or less to be cash equivalents. The Town has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agent.

**TOWN OF PLYMOUTH, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2. Receivables:**

All receivables are reported net of estimated uncollectible amounts.

**3. Capital Assets:**

Capital assets are reported at actual cost or estimated historical cost based on appraisals or deflated current replacement cost if purchased or constructed. Contributed assets are recorded at their estimated fair value at the time received. Major outlays for capital assets and improvements are capitalized as constructed. Interest incurred during the construction phase for proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of any interest earned on the invested proceeds during the same period. Interest is not capitalized during the construction phase of capital assets used in governmental activities. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's useful life are not capitalized. Infrastructure assets are reported starting with the fiscal year ended December 31, 2004. The Town has elected not to report major general infrastructure assets retroactively.

Capital assets include land, improvements to land, buildings, building improvements, vehicles, machinery, equipment, infrastructure and all other tangible or intangible assets that are used in operations and have initial useful lives beyond a single reporting period. Capital assets that are being depreciated are reported net of accumulated depreciation in the statement of net position. Capital assets that are not being depreciated, such as land, are reported separately. Capital assets are depreciated over their estimated useful lives. Depreciation expense is reported in the statement of activities by allocating the net cost over the estimated useful life of the asset. Assets are depreciated on an individual basis for equipment and buildings.

The Board maintains a threshold level of \$5,000 or more for capitalizing capital assets. Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. All capital assets, other than land, are depreciated using the straight line method over the following useful lives:

Description	Estimated Useful Lives
Land improvements	10 – 25 years
Buildings and building improvements	25 – 50 years
Furniture, fixtures and equipment	5 – 10 years

**4. Deferred Outflows of Resources**

The Town reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. Deferred outflows of resources reported in this year's financial statements include (1) a deferred amount arising from the refunding of enterprise fund bonds, (2) a deferred outflow of resources for contributions made to the Town's defined benefit pension plans between the measurement date of the net pension liabilities from those plans and the end of the Town's fiscal year, and (3) deferred outflows of resources related to the differences between the expected and actual demographics for the Town's single-employer defined benefit fund.

**TOWN OF PLYMOUTH, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The deferred refunding amount is being amortized over the remaining life of the refunding bonds as part of interest expense. Deferred outflows for pension contributions will be recognized in the subsequent fiscal year. The deferred amount related to the actuarial assumptions for demographic factors in the pension fund will be recognized over a closed period equal to the average of the expected remaining service lives of all employees participating in the plan. No deferred outflows of resources affect the governmental funds financial statements in the current year.

**5. Deferred Inflows of Resources:**

The Town's statements of net position and its governmental fund balance sheet report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net assets that applies to a future period(s). Deferred inflows of resources are reported in the Town's various statements of net position for actual pension plan investment earnings in excess of the expected amounts included in determining pension expense. This deferred inflow of resources is attributed to pension expense over a total of one (1) year, including the current year. In its governmental funds, the only deferred inflow of resources is for revenues that are not considered available. The Town will not recognize the related revenues until they are available (collected not later than 60 days after the end of the Town's fiscal year) under the modified accrual basis of accounting. Accordingly, unavailable revenues from property taxes and grants are reported in the governmental funds balance sheet.

**6. Property Tax Calendar and Revenues:**

Property taxes are levied (and the related tax rate is set) in July of its fiscal year, based upon the grand list of the Town Assessor as of April 1<sup>st</sup> of the previous fiscal year. The property tax due date calendar for these taxes is the 1<sup>st</sup> day of the months of September and February of the fiscal year assessed.

Property tax revenues are recognized in the fiscal year for which taxes have been levied to the extent that they become available, i.e., due or receivable, within the current fiscal year and collected within the current period or within 60 days of year-end.

Property taxes collected before the due date, and in advance of the year for which they are levied, are recorded as a prepaid tax liability as they are intended to finance the subsequent year's budget.

The tax rates for the fiscal year were as follows:

	<u>Non-Residential</u>	<u>Residential</u>
Education	\$ 1.53	\$ 1.72
Municipal	0.41	0.41
Total Tax Rate per \$100 Assessed Value	<u>\$ 1.94</u>	<u>\$ 2.13</u>

**TOWN OF PLYMOUTH, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**7. Government-wide and Proprietary Fund Net Position:**

Government-wide and proprietary fund net positions are divided into three components:

- Net investment in capital assets-consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted net position-consist of assets that are restricted by the Town's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors (including those who have donated to the Town's parks endowment less related liabilities and deferred inflows of resources).
- Unrestricted-all other net position is reported in this category.

**8. Governmental Fund Balances:**

In the governmental fund financial statements, fund balances are classified as follows:

- **Non-spendable**-Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
- **Restricted**-Amounts that can be spent only for specific purposes because of the Town Charter, the Town Code, state or federal laws, or externally imposed conditions by grantors or creditors.
- **Committed**-Amounts that can be used only for specific purposes determined by a formal action by Town's Board of Trustees.
- **Assigned**-Amounts that are designated by management of the Town for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by the Board of Trustees.
- **Unassigned**-All amounts not included in other spendable classifications.

**9. Use of Restricted Resources:**

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Town's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Town's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications committed and then assigned fund balances before using unassigned fund balances.

**TOWN OF PLYMOUTH, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**10. Inter-fund Activity:**

Inter-fund activity is reported as loans, services provided, and reimbursements or transfers. Loans are reported as inter-fund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other inter-fund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. BUDGETARY INFORMATION**

The Town adopts a legal budget for its general fund. A public hearing on the budget is held before its final adoption by the Select board. Notice of the public hearing, together with a summary of the budget as submitted, is published at least one week in advance by the Town Manager.

**B. BUDGETARY BASIS**

The General Fund final appropriation appearing on the "Budget and Actual" page of the fund financial statements represents the final amended budget after all reserve fund transfers and supplemental appropriations.

**C. BUDGET DEFICIT**

The Town budgeted a current year's deficit in the General Fund of \$708,186. This is reflected as a budgeted deficiency of revenues over expenditures on the Budget and Actual Schedule - General Fund.

**NOTE 3 - CASH**

Custodial credit risk

It is the risk that in the event of bank failure, the Town's deposits may not be returned to it. The Town's deposits are fully collateralized for the amounts in excess of FDIC insurance coverage.

**TOWN OF PLYMOUTH, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 3 – CASH (CONTINUED)**

The cash deposits in the Town's accounts as of June 30, 2015 consisted of the following, and are organized by the following risk categories: Category 1: FDIC Insured deposits or collateralized deposits with securities held in the Depositor's name; Category 2: Collateralized deposits held with the financial institution's name; Category 3: Uncollateralized deposits (such as cash on hand).

Description	Book Balance	Bank Balance
Insured (FDIC Category 1)	\$ 168,493	\$ 172,312
Uninsured, uncollateralized (Category 3)	-	-
Uninsured, collateralized by Bank, secured by eligible securities including Federal agency and U.S. Treasury notes	-	-
Totals	<u>\$ 168,493</u>	<u>\$ 172,312</u>

The difference between the bank balance and the book balance is due to reconciling items, such as outstanding checks and deposits in transit.

**NOTE 4 – PROPERTY TAXES RECEIVABLE**

The following summarizes tax collections during the fiscal year ended June 30, 2015:

	Totals
Balance – July 1, 2014	\$ 109,085
Gross tax levy, current fiscal year	5,573,516
Tax collections and credits	<u>(5,458,291)</u>
Balance – June 30, 2015	<u>\$ 224,310</u>

Amounts reported as unavailable revenue are taxes that were not collected as of August 31, 2015 in the amount of \$130,267. The difference between the receivable and the unavailable revenue amount of \$94,043 represents taxes collected in July and August 2015, and is recognized as revenue in the governmental fund financial statements at June 30, 2015.

**Note 5- DUE/TO FROM OTHER FUNDS**

The following schedule details items (due to) or due from between the governmental funds as of the balance sheet date:

Fund	General Fund	Other Governmental
Highway equipment reserve	\$ (189,902)	\$ 189,902
Office equipment reserve	(5,396)	5,396
Emergency fund	(35,000)	35,000
Record restoration reserve	(15,038)	15,038
Ancient roads/Plymouth Press	(604)	604
Cemetery funds	(61,451)	61,451
Total	<u>\$ (307,391)</u>	<u>\$ 307,391</u>

**TOWN OF PLYMOUTH, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 6 – CAPITAL ASSETS**

The following schedule details the changes in the Town's capital assets:

Description	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015
Land, buildings and equipment	\$ 2,633,134	\$ -	\$ -	\$ 2,633,134
Accumulated depreciation	(525,381)	(76,407)	-	(601,788)
Total capital assets, net	\$ 2,107,753	\$ (76,407)	\$ -	\$ 2,031,346

Depreciation expense was charged to governmental functions as follows:

	Totals
General government	\$ 926
Public safety	6,363
Public works	69,118
Balance – June 30, 2015	\$ 76,407

**Note 7 – RISK MANAGEMENT/COMMITMENTS AND CONTINGENCIES**

The Town is exposed to various risks of loss related to torts; theft, damage and destruction of its assets; injuries to employees and others; and natural disasters. These risks are provided for in various insurance contracts with the Vermont League of Cities and Towns' Property and Casualty Fund and Unemployment Insurance Trust.

Any claims under these policies have not exceeded coverage in any of the immediately preceding three fiscal years. If the insurance funds noted above should ever become insolvent, the Town could be liable for a proportionate share of the Fund's liabilities.

The Town receives grant support from various State, Local and Federal sources. These programs are subject to financial and compliance audits by these grantors. Management believes that any possible disallowed costs, if any, would not be material to these financial statements.

**NOTE 8 – PENSION PLAN**

Summary of Significant Accounting Policies

*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), and additions to/deductions from VMERS's fiduciary net position have been determined on the same basis as they are reported by VMERS.

**TOWN OF PLYMOUTH, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 8 – PENSION PLAN (Continued)**

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.

General Information about the Pension Plan

*Plan Description*

The Vermont Municipal Employees' Retirement System is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for school districts and other municipal employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds.

An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. During the year ended June 30, 2015, the retirement system consisted of 437 participating employers. The plan was established effective July 1, 1975, and is governed by Title 24, V.S.A. Chapter 125.

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.

**Summary of System Provisions**

Membership	Full-time employees of participating municipalities. Municipality elects coverage under Groups A, B, C or D provisions.
Creditable service	Service as a member plus purchased service
Average Final Compensation (AFC)	Group A – average annual compensation during the highest 5 consecutive years. Group B and C – average annual compensation during highest 3 consecutive years. Group D – average annual compensation during highest 2 consecutive years.
Service Retirement Allowance Eligibility	Group A – the earlier of age 65 with 5 years of service or age 55 with 35 years of service. Group B – the earlier of age 62 with 5 years of service or age 55 with 30 years of service.

**TOWN OF PLYMOUTH, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

Groups C and D – age 55 with 5 years of service.

Amount	Group A – 1.4% of AFC x service
	Group B – 1.7% of AFC x service as Group B member plus percentage earned as Group A member x AFC.
	Group C – 2.5% of AFC x service as a Group C member plus percentage earned as a Group A or B member x AFC.
	Group D – 2.5% of AFC x service as a Group D member plus percentage earned as a Group A, B, or C member x AFC
	Maximum benefit is 60% of AFC for Groups A and B and 50% of AFC for Groups C and D. The above includes the portion of the allowance provided by member contributions.
Early Retirement Allowance	
Eligibility	Age 55 with 5 years of service for Groups A and B; age 50 with 20 years of service for Group D.
Amount	Normal allowance based on service and AFC at early retirement, reduced by 6% for each year commencement proceeds Normal Retirement Age for Group A and B members, and payable without reduction to Group D members.
Vested Retirement Allowance	
Eligibility	5 years of service.
Amount	Allowance beginning at normal retirement age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on “Post-Retirement Adjustments” described below.
Disability Retirement Allowance	
Eligibility	5 years of service and disability as determined by Retirement Board.
Amount	Immediate allowance based on AFC and service to date of disability; children’s benefit of 10% of AFC payable to up to three minor children (or children up to age 23 if enrolled in full-time studies) of a disabled Group D member.
Death Benefit	
Eligibility	Death after 5 years of service.
Amount	For Groups A, B, C, reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor’s benefits under disability annuity computed as of date of death. For Group D, 70% of the unreduced accrued benefit plus children’s benefit.
Optional Benefit and Death after Retirement	For Groups A, B, C, lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee. For Group D, lifetime allowance or 70% contingent annuitant option with no reduction.
Refund of Contribution	Upon termination, if the member so elects or if no other benefit is payable, the member’s accumulated contributions are refunded.
Post-Retirement Adjustments	Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in consumer price index but not more than 2% for Group A and 3% for Groups B, C and D.
Member Contributions	Group A – 2.5% effective July 1, 2000 (reduced from 3.0%)  Group B – 4.75% effective July 1, 2014 (increased from 4.625%)

**TOWN OF PLYMOUTH, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

Group C – 9.625% effective July 1, 2014 and 9.75% effective January 1, 2015 (increased from 9.5%)

Group D – 11.25% effective July 1, 2014 (increased from 11.25%)

Employer Contributions

Group A – 4.0%

Group B – 5.375% (changed from 5.125%) effective July 1, 2014

Group C – 6.875% from July 1, 2014 to December 31, 2014 (changed from 6.625% and then 7.0% effective January 1, 2015)

Group D – 9.75% effective July 1, 2014 (increased from 9.625%)

Retirement Stipend

\$25 per month payable at the option of the Board of Retirees.

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

At June 30, 2015, the Town reported a liability of \$57,468 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2015 and the total pension liability used to calculate the Net Pension Obligation was determined by an actuarial valuation as of that date. The Town's proportion of the Net Pension Liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Town's proportion was 0.07454%, which was an increase of .00165% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2015, the Town recognized pension expense of \$15,334.

At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	1,817	\$	-
Change of assumptions		11,445		-
Net difference between projected and actual earnings on pension plan investments		11,102		-
Changes in proportion and differences between Town contributions and proportionate share of contributions		493		(1,595)
Town contributions subsequent to the measurement date		-		-
Total	\$	<u>24,857</u>	\$	<u>(1,595)</u>

**TOWN OF PLYMOUTH, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 7 – PENSION PLAN (continued)**

\$24,857 was 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, 2015. \$1,595 was reported as deferred inflows of resources related to pensions resulting from various pension related deferral items. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:		
2016	\$	4,371
2017		4,371
2018		4,371
2019		10,148
Thereafter		-

The Town's contribution history is as follows:

FY2015	FY2014	FY2013
\$ 10,420	\$ 9,402	\$ 9,626

**Significant Actuarial Assumptions and Methods**

**Interest Rate:** A select-and-ultimate interest rate set, specified below. The interest rate set is restarted every year:

Year 1: 6.25%	Year 10: 8.50%
Year 2: 6.75%	Year 11: 8.50%
Year 3: 7.00%	Year 12: 8.50%
Year 4: 7.50%	Year 13: 8.50%
Year 5: 7.75%	Year 14: 8.50%
Year 6: 8.25%	Year 15: 8.50%
Year 7: 8.25%	Year 16: 8.50%
Year 8: 8.25%	Year 17 and Later: 9.00%
Year 9: 8.50%	

**Salary Increases:** 5% per year.

**Deaths:**

Active Participants – 50% of the probabilities in the 1995 Buck Mortality Tables for males and females.

Non-disabled retirees and terminated vested participants – the 1995 Buck Mortality Tables with no set-back for males and one-year set-back for females.

Disabled retirees – RP-2000 Disabled Life Tables.

Beneficiaries – 1995 Buck Mortality Tables for males and females.

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

**TOWN OF PLYMOUTH, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 7 – PENSION PLAN (continued)**

*Cost-of-living Adjustments to Benefits Terminated Vested and Retired Participants:* Assumed to occur at the rate of 1.5% per annum for Group A members and 1.8% per annum for members of Groups B, C and D.

*Actuarial Cost Method:* Entry Age Normal – Level Percentage of Pay.

*Asset Valuation Method:* Invested assets are reported at fair value.

Note – for funding purposes – a smoothing method is used, under which the value of assets for actuarial purposes equals market value less a five-year phase-in of the differences between actual and assumed investment return. The value of assets for actuarial purposes may not differ from the market value of assets by more than 20%.

*Inflation:* The separately stated assumptions for investment return, salary increases and cost of living adjustments are consistent with an expected annual inflation rate of 3.00% to 3.25% per year.

The long-term expected rate of return on System investments was determined using best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) developed for each major asset class using an econometric model that forecasts a variety of economic environments and then calculates asset class returns based on functional relationships between the economic variable and the asset classes. These best estimate ranges were combined to produce forecasts of the short, intermediate, and longer term horizons by weighting the expected future nominal rates of return by the target asset allocation percentage.

The various time horizons in the forecast are intended to capture more recent economic and capital market conditions as well as other plausible environments that could develop in the future over economic cycles. To reflect this in the rate-of-return assumption, a Select and Ultimate assumption setting approach, which is cited in Section 3.8.4 of Actuarial Standard of Practice No. 27 as an alternative to a single assumed rate of return, is employed.

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2015 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Equity	31.50%	8.61%
Fixed Income	33.00%	1.91%
Alternatives	15.50%	6.93%
Multi-strategy	20.00%	4.88%

**TOWN OF PLYMOUTH, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 7 – PENSION PLAN (continued)**

**Discount rate**

The discount rate used to measure the total pension liability was 7.95% to be made in accordance with the current funding policy. 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 Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the entity's proportionate share of the net pension liability calculated using the discount rate of 7.95%, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.95%) or one percent higher (8.95%):

	<b>1% Decrease (6.95%)</b>	<b>Current Discount Rate (7.95%)</b>	<b>1% Decrease (8.95%)</b>
Town’s proportionate share of the net pension liability	\$ 114,789	\$ 57,468	\$ 9,417

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan’s fiduciary net position is available as a part of the State of Vermont’s Comprehensive Annual Financial Report (CAFR). The CAFR can be viewed on the State’s Department of Finance & Management website at:

[http://finance.vermont.gov/reports\\_and\\_publications/CAFR](http://finance.vermont.gov/reports_and_publications/CAFR)

**NOTE 8 - RESTATEMENT OF NET POSITION**

Net position as originally reported as of June 30, 2014 has been restated as a result of the Town implementing GASB Statement No. 68, “Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 27” as follows:

	<b>General Fund</b>
As originally reported	2,685,896
Restatements:	
GASB 68 implementation	\$ (29,673)
Restated amount	\$ 2,656,223

**NOTE 9 - SUBSEQUENT EVENTS**

The Town has evaluated subsequent events through September 1, 2016, the date on which the financial statements were available to be issued.

# Graham & Graham, P.C.

Certified Public Accountants

Business Advisors & Management Consultants

**The Solution Group**

## 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

To the Selectboard  
Town of Plymouth, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Plymouth, Vermont (the "Town"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated September 1, 2016.

### Internal Control over Financial Reporting

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

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

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 identified deficiencies in internal control that we consider to be material weaknesses.

### Compliance and Other Matters

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

15 North Main Street, Suite 204, Concord, NH 03301 • (603) 225-2944 Fax: (603) 856-7635  
174 Court Street, PO Box 1661, Laconia, NH 03247 • (603) 527-8721 Fax: (603) 527-8187  
PO Box 886, 6 Main St., Springfield, VT 05156 • (802) 885-5340 Fax: (802) 885-4999  
162 North Main Street, Suite 206, Barre, VT 05641 • (802) 356-2423  
Website: [www.grahamcpa.com](http://www.grahamcpa.com)

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*.

### **Purpose of this Report**

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

*Graham & Graham, P.C.*

Graham & Graham, P.C.

Springfield, Vermont

September 1, 2016

VT Registration #92-0000282

NH Registration #659

ME Registration #FMF 10001129

**TOWN OF PLYMOUTH, VERMONT**  
**BUDGET AND ACTUAL (NON-GAAP BASIS) SCHEDULE**  
**GENERAL FUND**  
**For The Year Ended June 30, 2015**  
(Unaudited)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Property taxes - current year	\$ 1,098,889	\$ 1,468,320	\$ 369,431
Property taxes - delinquent	468,257	468,257	-
Interest and penalties on delinquent taxes	-	25,446	25,446
State payments in lieu of taxes	-	42,339	42,339
Traffic and other ordinance fines	-	126,265	126,265
State of Vermont grants	-	17,746	17,746
Licenses, permits and fees for services	-	11,407	11,407
Total revenues	<u>1,567,146</u>	<u>2,159,780</u>	<u>592,634</u>
<b>EXPENDITURES</b>			
<i>Public schools:</i>			
Payments to/on behalf of Plymouth Town School District	<u>64,000</u>	<u>924,807</u>	<u>(860,807)</u>
<i>Public Safety:</i>			
Law enforcement	60,000	159,591	(99,591)
Fire protection and emergency services	61,550	36,080	25,470
Total public safety	<u>121,550</u>	<u>195,671</u>	<u>(74,121)</u>
<i>Community and municipal infrastructure:</i>			
Road, highway, and bridge infrastructure	539,473	825,036	(285,563)
Curb recycling program	16,000	15,753	247
Library support	1,700	1,700	-
Listers	35,000	30,058	4,942
Taxes and assessments to regional organizations	60,000	75,516	(15,516)
Appropriated funds to local community organizations	10,833	8,403	2,430
Total community and municipal development	<u>663,006</u>	<u>956,466</u>	<u>(293,460)</u>
<i>Administration:</i>			
Selectboard and trustees of public funds	4,200	4,440	(240)
Town clerk and treasurer's office	40,932	35,348	5,584
Payroll related benefits	110,961	113,067	(2,106)
Elections	3,500	2,452	1,048
Legal and professional fees	5,500	37,565	(32,065)
Municipal building operating costs	71,700	41,212	30,488
Planning and zoning	5,000	1,094	3,906
Insurance	97,000	124,204	(27,204)
Total administration	<u>338,793</u>	<u>359,382</u>	<u>(20,589)</u>
Total expenditures	<u>1,187,349</u>	<u>2,436,326</u>	<u>(1,248,977)</u>
Excess (deficiency) of revenues over (under) expenditures	379,797	(276,546)	(656,343)
<b>NON-OPERATING INCOME (EXPENSE)</b>			
FEMA grant revenue	-	213,133	(213,133)
Disaster buyback program	-	(215,133)	215,133
Embezzlement loss	-	(45,883)	45,883
Miscellaneous	-	(3,960)	3,960
Total non-operating income (expense)	<u>-</u>	<u>(51,843)</u>	<u>51,843</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 379,797</u>	<u>(328,389)</u>	<u>\$ (708,186)</u>
<b>FUND BALANCES, beginning of year</b>		<u>(716)</u>	
<b>FUND BALANCES, end of year</b>		<u>\$ (329,105)</u>	

The accompanying notes are an integral part of these financial statements

TOWN OF PLYMOUTH, VERMONT  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 June 30, 2015

	Office Equipment Reserve	Emergency Fund	Miscellaneous Funds	Record Restoration Fund	Total
<b>ASSETS</b>					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	5,396	35,000	604	15,038	56,038
<b>TOTAL ASSETS</b>	<u>\$ 5,396</u>	<u>\$ 35,000</u>	<u>\$ 604</u>	<u>\$ 15,038</u>	<u>\$ 56,038</u>
<b>LIABILITIES</b>					
Due to other funds	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted:					
Perpetual care	-	-	-	-	-
Highway infrastructure and other purposes	-	-	-	-	-
Unassigned	5,396	35,000	604	15,038	56,038
<b>TOTAL FUND BALANCES</b>	<u>5,396</u>	<u>35,000</u>	<u>604</u>	<u>15,038</u>	<u>56,038</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 5,396</u>	<u>\$ 35,000</u>	<u>\$ 604</u>	<u>\$ 15,038</u>	<u>\$ 56,038</u>

See Independent Auditor's Report

TOWN OF PLYMOUTH, VERMONT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 For The Year Ended June 30, 2015

	Office Equipment Reserve	Emergency Fund	Miscellaneous Funds	Record Restoration Fund	Total
<b>REVENUES</b>					
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and fees for services	-	-	-	-	-
Total revenues	-	-	-	-	-
<b>EXPENDITURES</b>					
Equipment leases	-	-	-	-	-
Operations and equipment	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
FUND BALANCES, beginning of year	5,396	35,000	604	15,038	56,038
FUND BALANCES, end of year	\$ 5,396	\$ 35,000	\$ 604	\$ 15,038	\$ 56,038

See Independent Auditor's Report

Prepared by _____		Town of Plymouth, Vermont					8425	
Reviewed by _____		Adjusting Journal Entries					Page 1	
Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper	
AJE01	Adjusting	06/30/15						
		1-01-1-6-03-99.00	MISCELLANEOUS		761,144.68			
		1-01-1-2-00-30.00	Line of Credit - Citizens I		100,000.00			
		1-01-1-6-03-10.00	REIMBURSEMENTS		487.83			
		1-01-1-6-02-01.00	CLERK FEES		361.00			
		1-01-1-7-25-80.02	School Tax Payments	837,934.00				
		1-01-1-6-01-01.00	CURRENT TAXES		21,823.01			
		1-01-1-7-15-50.00	Embezzlement Loss	45,882.52				
			To reclassify transactions posted to miscellaneous income account			(100,000.00)	10001.01	
AJE02	Adjusting	06/30/15						
		1-01-1-2-00-02.00	FWT		896.30			
		1-01-1-7-25-11.00	SOCIAL SECURITY TA	896.30				
			To correct account balances			(896.30)	10001.02	
AJE03	Adjusting	06/30/15						
		1-01-1-2-00-04.00	FICA/MEDI		437.78			
		1-01-1-7-25-11.00	SOCIAL SECURITY TA	437.78				
			To correct balances			(437.78)	10001.02	

Prepared by _____		Town of Plymouth, Vermont				8425	
Reviewed by _____		Adjusting Journal Entries				Page 2	
Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
AJE04	Adjusting	06/30/15					
		1-01-1-2-00-07.01	EYE-MED		490.11		
		1-01-1-7-25-12.00	RETROACTIVE PAY	490.11			
			To correct balances			(490.11)	10001.02
AJE05	Adjusting	06/30/15					
		1-01-1-2-00-21.00	St Of VT - MARRIAGE		10.00		
		1-01-1-6-02-04.00	MARRIAGE LICENSES	10.00			
			To correct balances			(10.00)	10001.02
AJE06	Adjusting	06/30/15					
		1-01-1-2-00-25.00	Del Tax Collector Fees		5,095.54		
		1-01-1-7-25-85.00	DELINQUENT TAX CO	5,095.54			
			To correct balances			(5,095.54)	10001.02

Prepared by _____		Town of Plymouth, Vermont				8425	
Reviewed by _____		Adjusting Journal Entries				Page 3	
Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
AJE07	Adjusting	06/30/15					
		1-01-1-2-00-29.00	CRYSTAL ROCK		286.69		
		1-01-1-7-15-20.00	OFFICE SUPPLIES	507.09			
		1-01-1-2-00-29.01	MAGEE COFFEE		220.40		
		1-01-1-2-00-09.00	BCBCVT		21,045.01		
		1-01-1-7-25-48.00	INSURANCE	21,045.01			
			To correct balances			(21,552.10)	10001.02
AJE08	Adjusting	06/30/15					
		1-01-1-6-02-08.00	REG RENEWALS		11.00		
		1-01-1-6-01-04.00	St Of VT -HIGHWAY A	11.00			
			To correct balances			0.00	10001.02
AJE09	Adjusting	06/30/15					
		1-01-1-6-03-01.00	ZBA FEES		147.09		
		1-01-1-7-25-70.00	ZONING/PLANNING C	147.09			
			To correct balances			0.00	10001.02

Prepared by _____		Town of Plymouth, Vermont					8425	
Reviewed by _____		Adjusting Journal Entries					Page 4	
Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper	
AJE10	Adjusting	06/30/15						
		1-01-1-6-03-10.00	REIMBURSEMENTS		37.71			
		1-01-1-6-01-04.00	St Of VT -HIGHWAY A	37.71				
			To correct account balances			0.00	10001.02	
AJE11	Adjusting	06/30/15						
		1-01-1-6-01-01.00	CURRENT TAXES	167,131.38				
		1-01-1-6-03-13.00	FEMA DEC 2014 PROJ		22,785.75			
		1-01-1-6-03-14.00	ALTERNATIVE PROJE		190,346.95			
		1-01-1-7-51-61.03	SUMMER CLASS 3 MA	46,001.32				
			To correct account balances			0.00	10001.02	
AJE12	Adjusting	06/30/15						
		1-01-1-7-15-55.00	Miscellaneous	3,959.59				
		1-01-1-7-10-99.10			3,959.59			
			To correct balance			0.00	10001.02	

Prepared by _____		Town of Plymouth, Vermont				8425	
Reviewed by _____		Adjusting Journal Entries				Page 5	
Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
AJE13	Adjusting	06/30/15					
		1-01-1-3-00-00.00	Fund Balance	504.00			
		1-01-1-7-15-20.00	OFFICE SUPPLIES		504.00		
			To correct the opening fund balance to agree to FY 2014 audited financial report			504.00	
AJE14	Adjusting	06/30/15					
		1-01-1-1-00-16.00	Property Taxes Receivabl	224,309.81			
		1-01-1-2-00-08.20	Unavailable Revenue		130,267.10		
		1-01-1-6-01-01.00	CURRENT TAXES		94,042.71		
			To adjust property taxes receivable as of 6/30/15 to actual balance per summary PBC			94,042.71	3103
			<b>TOTAL</b>	<u>1,354,400.25</u>	<u>1,354,400.25</u>	<u>(33,935.12)</u>	

Town of Plymouth Vermont  
Proposed Adjusting Journal Entries  
As of June 30 2015

GENERAL FUND

ACCOUNT NAME	ACCT #.	DEBIT	CREDIT
MISCELLANEOUS LINE OF CREDIT - CITIZENS BANK	1-6-03-99.00	100000.00	100000.00
TO CORRECT ORIGINAL POSTING TO WRONG ACCOUNT			
MISCELLANEOUS STATE REIMBURSEMENTS		487.83	487.83
TO REALLOCATE TO CORRECT ACCOUNT			
MISCELLANEOUS TOWN CLERK AND COPY FEE		361.00	361.00
TO ADJUST BALANCES TO CORRECT ACCOUNTS			
SCHOOL PAYMENTS MISCELLANEOUS		837924.00	837924.00
TO REALLOCATE TO CORRECT ACCOUNT			
MISCELLANEOUS PROPERTY TAX REVENUES		21823.01	21823.01
TO ALLOCATE TO CORRECT ACCOUNT			
MISCELLANEOUS NON OPERATING EXPENSES NET		45892.52	45892.52
TO ADJUST BALANCE AND TO SHOW PRIOR PERIOD ADJUSTMENTS AS NON OPERATING ITEMS			

TOWN OF PLYMOUTH VT  
 TRIAL BALANCE ADJUSTMENTS  
 AS OF JUNE 30 2015

GENERAL FUND

ACCOUNT	ACCT #	DEBIT	CREDIT
FWT	1-2-00-02.00		896.30
PAYROLL TAXES	1-7-25-11.00	896.30	
TO CORRECT ACCOUNT BALANCES			
FICA/MEDI	1-2-00-04.00		437.78
PAYROLL TAXES	1-7-25-11.00	437.78	
TO CORRECT ACCOUNT BALANCES			
EYE - MED	1-2-00-07.01		490.11
ELECTIVE HEALTH COST PROGRAMS	1-7-25-15.00	490.11	
TO CORRECT ACCOUNT BALANCES			
STATE OF VERMONT - MARRIAGE LICENSE	1-2-00-21.00		10.00
STATE OF VERMONT - MARRIED FEES	1-6-02-04.00	10.00	
TO CORRECT ACCOUNT BALANCES			
DLQT TAX COLLECTOR FEES	1-2-00-25.00		5095.54
DLQT TAX COLLECTOR FEES	1-7-10-99.10	5095.54	
TO CORRECT ACCOUNT BALANCES	AND TO PLACE A NAME ON THE ACCOUNT		
CRYSTAL ROCK	1-2-00-29.00		286.69
OFFICE SUPPLIES	1-7-15-20.00	507.09	
MAGEE COFFEE	1-2-00-29.01		220.40
BCBSVT	1-2-00-09.00		21045.01
HEALTH INSURANCE	1-7-25-48.00	21045.01	
TO CORRECT ACCOUNT BALANCES			
REG RENEWALS	1-6-02-08.00		11.00
STATE OF VERMONT MOTOR VEHICLE COSTS	1-6-01-04.00	11.00	
TO CORRECT ACCOUNT BALANCES			
ZBA FEES	1-6-03-01.00		147.09
ZONING PLANNING COMMISSION	1-7-25-70.00	147.09	
TO CORRECT ACCOUNT BALANCES			
REIMBURSEMENTS	1-6-03-11.00		37.71
STATE OF VT - HIGHWAY AID	1-6-01-04.00	37.71	
TO CORRECT ACCOUNT BALANCES			

TOWN OF PLYMOUTH VT  
TRIAL BALANCE ADJUSTMENTS  
AS OF JUNE 30 2015

GENERAL FUND

ACCOUNT	ACCT #	DEBIT	CREDIT
CURRENT TAXES	1-6-01-01.00	167131.38	
FEMA DEC 2014 PROJECTS	1-6-03-13.00		22785.75
ALTERNATE PROJECTS	1-6-03-14.00		190346.95
SUMMER CLASS 3 MATERIALS	1-7-51-61.03	46001.32	
TO CORRECT ACCOUNT BALANCES			
NO NAME ACCOUNT	1-7-10-99.10		3959.59
NON OPERATING EXPENSES	NEWACCOUNT	3959.59	
TO CORRECT ACCOUNT BALANCE LOCATION			

**Town of Plymouth, Vermont  
Working Trial Balance Report**

Account	Description	Report 6/30/2014	Unadjusted 6/30/2015	Adjusted JE 6/30/2015	Adjusted 6/30/2015
01-1-1-00-01.00	CHECKING 401-006183-1 COB	-	60,589.72	-	60,589.72
01-1-1-00-04.00	COB 491-001365-9	-	25,003.76	-	25,003.76
01-1-1-00-15.01	COB REAPP. 491-007575-2	-	82,899.35	-	82,899.35
01-1-1-00-16.00	Property Taxes Receivable	-	-	224,309.81	224,309.81
01-1-1-00-17.00	DUE FROM RWSU	-	77,382.53	-	77,382.53
01-1-1-00-18.00	Deferred Outflows - Pension related	-	-	-	-
01-1-1-00-20.00	Fire Equipment	-	-	-	-
01-1-1-00-20.01	FEMA Grant - Infrastructure	-	-	-	-
01-1-1-00-20.02	Highway Buildings, Vehicles and Equipment	-	-	-	-
01-1-1-00-20.03	Town Office Furniture and Equipment	-	-	-	-
01-1-1-00-20.09	Accumulated Depreciation	-	-	-	-
01-1-2-00-00.00	Accounts Payable	-	(79,044.10)	-	(79,044.10)
01-1-2-00-02.00	FWT	-	896.30	(896.30)	-
01-1-2-00-03.00	SWT	-	(3,491.99)	-	(3,491.99)
01-1-2-00-04.00	FICA/MEDI	-	437.78	(437.78)	-
01-1-2-00-05.00	VEMERS	-	(2,479.74)	-	(2,479.74)
01-1-2-00-07.00	AFLAC DEDUCTION	-	(81.41)	-	(81.41)
01-1-2-00-07.01	EYE-MED	-	490.11	(490.11)	-
01-1-2-00-08.00	Net Pension Liability	-	-	-	-
01-1-2-00-08.10	Deferred Inflows - Pension related	-	-	-	-
01-1-2-00-08.20	Unavailable Revenue	-	-	(130,267.10)	(130,267.10)
01-1-2-00-09.00	BCBCVT	-	21,045.01	(21,045.01)	-
01-1-2-00-15.01	COB REAPP. #491-007575-2	-	(82,899.44)	-	(82,899.44)
01-1-2-00-16.00	EQUIP. RENTAL RESERVE	-	(189,901.93)	-	(189,901.93)
01-1-2-00-17.00	OFFICE EQUIP. RESERVE	-	(55,719.22)	-	(55,719.22)
01-1-2-00-18.00	Records Restoration Resrv	-	(16,184.93)	-	(16,184.93)
01-1-2-00-20.00	OVERPAYMENTS	-	(1,213.90)	-	(1,213.90)
01-1-2-00-21.00	St Of VT - MARRIAGE	-	10.00	(10.00)	-
01-1-2-00-21.01	Victim's Compensation Fun	-	(500.00)	-	(500.00)
01-1-2-00-22.00	St Of VT - DOG LIC.	-	(552.00)	-	(552.00)
01-1-2-00-25.00	Del Tax Collector Fees	-	5,095.54	(5,095.54)	-
01-1-2-00-26.00	ZONING FEES	-	(347.15)	-	(347.15)
01-1-2-00-27.00	PLANNING GRANT	-	(4,800.00)	-	(4,800.00)
01-1-2-00-27.01	ANCIENT ROADS	-	(252.66)	-	(252.66)

**Town of Plymouth, Vermont  
Working Trial Balance Report**

Account	Description	Report 6/30/2014	Unadjusted 6/30/2015	Adjusted JE 6/30/2015	Adjusted 6/30/2015
01-1-2-00-29.00	CRYSTAL ROCK	-	286.69	(286.69)	-
01-1-2-00-29.01	MAGEE COFFEE	-	220.40	(220.40)	-
01-1-2-00-30.00	Line of Credit - Citizens Bank	-	-	(100,000.00)	(100,000.00)
01-1-2-00-40.00	PLYMOUTH PRESS	-	(375.76)	-	(375.76)
01-1-3-00-00.00	Fund Balance	-	(130,104.73)	504.00	(129,600.73)
01-1-6-01-01.00	CURRENT TAXES	-	(1,520,204.49)	51,265.66	(1,468,938.83)
01-1-6-01-02.00	DELINQUENT TAXES	-	(468,257.45)	-	(468,257.45)
01-1-6-01-03.00	INT. ON DEL. TAXES	-	(25,959.54)	-	(25,959.54)
01-1-6-01-04.00	St Of VT -HIGHWAY AID	-	(17,794.55)	48.71	(17,745.84)
01-1-6-01-05.00	St Of VT - PILOT PROGRAM	-	(42,338.86)	-	(42,338.86)
01-1-6-02-01.00	CLERK FEES	-	(10,624.00)	(361.00)	(10,985.00)
01-1-6-02-02.00	DOG LICENSE	-	(442.00)	-	(442.00)
01-1-6-02-03.00	LIQUOR LICENSES	-	(830.00)	-	(830.00)
01-1-6-02-04.00	MARRIAGE LICENSES	-	(40.00)	10.00	(30.00)
01-1-6-02-06.00	GREEN MTN. PASSPORT	-	(2.00)	-	(2.00)
01-1-6-02-08.00	REG RENEWALS	-	11.00	(11.00)	-
01-1-6-03-01.00	ZBA FEES	-	147.09	(147.09)	-
01-1-6-03-02.00	HIGHWAY PERMITS	-	(155.00)	-	(155.00)
01-1-6-03-03.00	LOCAL FINES	-	(126,265.00)	-	(126,265.00)
01-1-6-03-05.00	ACCESS PERMITS	-	(150.00)	-	(150.00)
01-1-6-03-10.00	REIMBURSEMENTS	-	37.71	(525.54)	(487.83)
01-1-6-03-13.00	FEMA DEC 2014 PROJECT REVENUE	-	-	(22,785.75)	(22,785.75)
01-1-6-03-14.00	ALTERNATIVE PROJECTS GRANT REVENUE	-	-	(190,346.95)	(190,346.95)
01-1-6-03-99.00	MISCELLANEOUS	-	761,763.50	(761,144.68)	618.82
01-1-7-10-10.01	TOWN CLERK/TREASURER	-	29,858.75	-	29,858.75
01-1-7-10-10.02	ASST TOWN CLERK	-	33,887.96	-	33,887.96
01-1-7-10-10.04	SELECTMEN	-	2,400.00	-	2,400.00
01-1-7-10-10.06	LISTERS	-	30,057.58	-	30,057.58
01-1-7-10-10.07	CONSTABLE	-	195.00	-	195.00
01-1-7-10-10.08	BCA APPEALS	-	122.00	-	122.00
01-1-7-10-10.09	SELECTBOARD CLERK	-	2,040.00	-	2,040.00
01-1-7-10-10.11	ADMINISTRATIVE ASST	-	396.37	-	396.37
01-1-7-10-99.10		-	3,959.59	(3,959.59)	-
01-1-7-15-20.00	OFFICE SUPPLIES	-	4,932.77	3.09	4,935.86
01-1-7-15-20.01	LISTER SUPPLIES	-	182.44	-	182.44

**Town of Plymouth, Vermont  
Working Trial Balance Report**

Account	Description	Report 6/30/2014	Unadjusted 6/30/2015	Adjusted JE 6/30/2015	Adjusted 6/30/2015
01-1-7-15-21.00	POSTAGE	-	3,714.20	-	3,714.20
01-1-7-15-24.00	PRINTING	-	1,676.63	-	1,676.63
01-1-7-15-26.00	COMPUTER EXPENSES	-	2,084.74	-	2,084.74
01-1-7-15-27.00	TRAINING/SEMINARS	-	1,750.00	-	1,750.00
01-1-7-15-27.02	COPIER CONTRACT	-	1,623.49	-	1,623.49
01-1-7-15-27.03	TDS LEASING	-	1,043.70	-	1,043.70
01-1-7-15-28.00	ELECTION EXPENSES	-	2,451.95	-	2,451.95
01-1-7-15-29.00	MILEAGE	-	1,133.31	-	1,133.31
01-1-7-15-30.00	TELEPHONE	-	2,878.15	-	2,878.15
01-1-7-15-40.00	PROFESSIONAL SERVICES	-	37,565.01	-	37,565.01
01-1-7-15-40.01	FEMA BUYOUTS	-	2,000.00	-	2,000.00
01-1-7-15-50.00	Embezzlement Loss	-	-	45,882.52	45,882.52
01-1-7-15-55.00	Miscellaneous	-	-	3,959.59	3,959.59
01-1-7-20-31.00	ELECTRICITY	-	6,869.31	-	6,869.31
01-1-7-20-32.00	PROPANE HEAT	-	21,287.41	-	21,287.41
01-1-7-20-33.00	RUBBISH	-	2,632.08	-	2,632.08
01-1-7-20-34.00	CUSTODIAN	-	1,511.76	-	1,511.76
01-1-7-20-35.00	MUN BLDG SUPPLIES	-	808.13	-	808.13
01-1-7-20-62.00	MAINTENANCE	-	9,430.73	-	9,430.73
01-1-7-25-11.00	SOCIAL SECURITY TAXES	-	21,453.75	1,334.08	22,787.83
01-1-7-25-12.00	RETROACTIVE PAY	-	72.75	490.11	562.86
01-1-7-25-15.00	RETIREMENT BENIFIT	-	10,799.62	-	10,799.62
01-1-7-25-41.00	COMMUNICATIONS	-	997.68	-	997.68
01-1-7-25-42.00	MEMBERSHIP DUES	-	5,191.50	-	5,191.50
01-1-7-25-48.00	INSURANCE	-	103,158.50	21,045.01	124,203.51
01-1-7-25-48.01	UNEMPLOYMENT COMP INS.	-	1,187.11	-	1,187.11
01-1-7-25-69.00	ZBA CLERK	-	43.68	-	43.68
01-1-7-25-70.00	ZONING/PLANNING COMM.	-	947.35	147.09	1,094.44
01-1-7-25-71.01	VT SOLID WASTE	-	40,819.34	-	40,819.34
01-1-7-25-72.00	WINDSOR COUNTY TAX	-	34,697.10	-	34,697.10
01-1-7-25-73.00	WINDSOR COUNTY SHERIFF	-	159,590.60	-	159,590.60
01-1-7-25-74.00	AMBULANCE SERVICES	-	1,083.60	-	1,083.60
01-1-7-25-74.01	LUDLOW AMBULANCE	-	4,000.00	-	4,000.00
01-1-7-25-74.02	LUDLOW FIRE DISPATCH	-	3,157.00	-	3,157.00
01-1-7-25-74.03	WOODSTOCK AMBULANCE	-	11,961.00	-	11,961.00

**Town of Plymouth, Vermont  
Working Trial Balance Report**

act	Description	Report 6/30/2014	Unadjusted 6/30/2015	Adjusted JE 6/30/2015	Adjusted 6/30/2015
01-1-7-25-74.04	PROVAL/MANATRON	-	2,698.58	-	2,698.58
01-1-7-25-74.06	NEMRC SUPPORT	-	1,253.75	-	1,253.75
01-1-7-25-74.07	NEMRC DISASTER RECOVERY	-	633.39	-	633.39
01-1-7-25-74.08	CARTOGRAPHIC	-	2,314.00	-	2,314.00
01-1-7-25-75.00	FIRE DEPT.	-	15,000.00	-	15,000.00
01-1-7-25-76.00	RECYCLING	-	15,752.88	-	15,752.88
01-1-7-25-77.00	E911	-	879.22	-	879.22
01-1-7-25-78.00	COALITION DUES	-	-	-	-
01-1-7-25-78.01	Depreciation Expense - Town Office	-	-	-	-
01-1-7-25-79.00	SCHOOL COORDINATOR	-	8,441.65	-	8,441.65
01-1-7-25-80.00	SCHOOL BLDG. MAINT.	-	17,873.20	-	17,873.20
01-1-7-25-80.01	SCHOOL LEASE	-	69,000.00	-	69,000.00
01-1-7-25-80.02	School Tax Payments	-	-	837,934.00	837,934.00
01-1-7-25-85.00	DELINQUENT TAX COLLECTOR FEES	-	-	5,095.54	5,095.54
01-1-7-25-99.00	MISCELLANEOUS	-	926.06	-	926.06
01-1-7-25-99.03	FEMA-DEC 2014 STORM	-	22,785.75	-	22,785.75
01-1-7-25-99.04	FEMA-ALTERNATE PROJECTS	-	190,346.95	-	190,346.95
01-1-7-50-08.00	ROAD FOREMAN ADMINISTRAT	-	22.13	-	22.13
01-1-7-50-09.00	UNIFORM ALLOWANCE	-	300.00	-	300.00
01-1-7-50-10.00	GARAGE LABOR/REPAIRS	-	16,737.10	-	16,737.10
01-1-7-50-10.02	TRUCK LABOR/REPAIRS	-	70,826.62	-	70,826.62
01-1-7-50-10.03	PLOW LABOR/REPAIRS	-	1,811.79	-	1,811.79
01-1-7-50-10.04	SANDER LABOR/REPAIRS	-	4,518.50	-	4,518.50
01-1-7-50-10.05	GRADER LABOR/REPAIRS	-	2,792.26	-	2,792.26
01-1-7-50-10.06	LOADER LABOR/REPAIRS	-	8,911.33	-	8,911.33
01-1-7-50-10.07	TRACTOR LABOR/REPAIRS	-	3,500.28	-	3,500.28
01-1-7-50-30.00	GARAGE TELEPHONE	-	69.66	-	69.66
01-1-7-50-51.01	GARAGE SUPPLIES	-	4,773.34	-	4,773.34
01-1-7-50-52.00	EQUIP. FUEL	-	47,892.24	-	47,892.24
01-1-7-50-53.00	Depreciation Expense - Highway	-	-	-	-
01-1-7-51-10.02	SUMMER CLASS 2	-	10,813.21	-	10,813.21
01-1-7-51-10.03	SUMMER CLASS 3	-	152,448.25	-	152,448.25
01-1-7-51-44.03	SUMMER CLASS 3 HIRED EQ	-	1,170.00	-	1,170.00
01-1-7-51-61.02	SUMMER CLASS 2 MATERIALS	-	4,073.20	-	4,073.20
01-1-7-51-61.03	SUMMER CLASS 3 MATERIALS	-	(46,001.32)	46,001.32	-

**Town of Plymouth, Vermont  
Working Trial Balance Report**

Account	Description	Report 6/30/2014	Unadjusted 6/30/2015	Adjusted JE 6/30/2015	Adjusted 6/30/2015
01-1-7-51-61.04	SUMMER CLASS 4 MATERIALS	-	465.48	-	465.48
01-1-7-51-63.02	RETREATMENT CLASS 2	-	15,000.00	-	15,000.00
01-1-7-51-63.03	RETREATMENT CLASS 3	-	232,194.09	-	232,194.09
01-1-7-51-63.04	EQUIPMENT FUND	-	101,467.74	-	101,467.74
01-1-7-52-10.02	WINTER CLASS 2	-	(1,498.76)	-	(1,498.76)
01-1-7-52-10.03	WINTER CLASS 3	-	50,917.62	-	50,917.62
01-1-7-53-60.00	WINTER SALT	-	44,184.35	-	44,184.35
01-1-7-53-61.00	WINTER SAND	-	44,999.45	-	44,999.45
01-1-7-54-61.00	BRIDGE MATERIAL	-	6,645.22	-	6,645.22
01-1-8-90-95.01	VISITING NURSE ALLIANCE	-	2,050.00	-	2,050.00
01-1-8-90-95.03	MENTAL HEALTH SERVICES	-	568.00	-	568.00
01-1-8-90-95.04	RED CROSS	-	250.00	-	250.00
01-1-8-90-95.05	BLACK RIVER SENIOR CENTE	-	2,000.00	-	2,000.00
01-1-8-90-95.06	VT CTR FOR IND LIVING	-	175.00	-	175.00
01-1-8-90-95.07	WINDSOR COUNTY PARTNERS	-	500.00	-	500.00
01-1-8-90-95.08	GREEN MTN ECO DEV CORP	-	309.50	-	309.50
01-1-8-90-95.13	MARTHA LUSSIER SERVICE	-	200.00	-	200.00
01-1-8-90-95.15	GREEN UP VERMONT	-	50.00	-	50.00
01-1-8-90-95.16	BLACK RIVER GOOD NEIGHBO	-	300.00	-	300.00
01-1-8-90-95.19	FLETCHER MEMORIAL LIBRAR	-	1,200.00	-	1,200.00
01-1-8-90-95.20	PLYMOUTH PRESS	-	50.00	-	50.00
01-1-8-90-95.21	TYSON LIBRARY	-	500.00	-	500.00
01-1-8-90-95.22	BLACK RIVER AREA COMM.	-	500.00	-	500.00
01-1-8-90-95.23	VT TRAILS & GREENWAYS	-	30.00	-	30.00
01-1-8-90-95.24	LPC-TV	-	600.00	-	600.00
01-1-8-90-95.25	HISTORICAL SOCIETY	-	570.01	-	570.01
01-1-8-90-95.26	PLYMOUTH MEMORY TREE	-	250.00	-	250.00
<b>Working Trial Balance Report Total</b>		-	<b>0.00</b>	<b>(0.00)</b>	<b>0.00</b>

**Net (increase) decrease in fund balance/net position** **293,591.77** **327,526.89**

Town of Plymouth, VT  
 SB 34 CALCULATION OF MAJOR FUNDS  
 as of 12/31/2015

Note: Revenue includes operating and nonoperating but not other financing sources. Amounts should be taken from the fund statements instead of the government-wide.

Type of Fund	Computes "X" if Meets			Computes "X" if Meets			Computes "X" if Meets			Expenses/	Computes "X" if Meets
	Assets	10% Rule	5% Rule	Liabilities	10% Rule	5% Rule	Revenue	10% Rule	5% Rule		
General Fund	470,185	N/A	N/A	668,111	N/A	N/A	2,336,825	N/A	N/A	2,638,640	N/A
Special Revenue Funds:											
Cemetery Operating Funds	147,045	X	X	0	-	-	535	-	-	0	-
Reappraisal Fund	82,899	-	X	0	-	-	11,239	-	-	1,676	-
Highway and building funds	189,902	X	X	0	-	-	0	-	-	33,056	-
Office Equipment Reserve	5,396	-	-	0	-	-	2,519	-	-	6,470	-
Emergency Fund	35,000	-	-	0	-	-	0	-	-	0	-
Miscellaneous Funds	604	-	-	0	-	-	1	-	-	0	-
Record Restoration Fund	15,037	-	-	0	-	-	1,196	-	-	0	-
<b>Total Governmental Funds</b>	<u>946,068</u>			<u>668,111</u>			<u>2,352,315</u>			<u>2,679,842</u>	
<b>% of Total Governmental Funds</b>	<u>94,607</u>			<u>66,811</u>			<u>235,232</u>			<u>267,984</u>	
<b>Total Governmental &amp; Enterprise Funds</b>	<u>946,068</u>			<u>668,111</u>			<u>2,352,315</u>			<u>2,679,842</u>	
<b>% of Total Governmental &amp; Enterprise Funds</b>	<u>47,303</u>			<u>33,406</u>			<u>117,616</u>			<u>133,992</u>	