

ROSELLI, CLARK & ASSOCIATES
Certified Public Accountants

**PLYMOUTH GROWTH & DEVELOPMENT
CORPORATION**

(A Component Unit of the
Town of Plymouth, Massachusetts)

Report on Examination of
Basic Financial Statements
And Additional Information
Year Ended December 31, 2025



PLYMOUTH GROWTH & DEVELOPMENT CORPORATION
(A Component Unit of the Town of Plymouth, Massachusetts)

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Plymouth Growth & Development Corporation
Plymouth, Massachusetts

Opinion

We have audited the accompanying financial statements of the Plymouth Growth & Development Corporation (the Corporation), a component unit of the Town of Plymouth, Massachusetts, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Corporation as of December 31, 2025, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis section in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is the responsibility of management and is required by the Governmental Accounting Standards Board, who considers these 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.

Roselli Clark & Associates

Roselli, Clark & Associates
Certified Public Accountants
Woburn, Massachusetts
August 12, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of management's discussion and analysis is to help the residents and other stakeholders of the Plymouth Growth & Development Corporation (the "Corporation") understand what the financial statements and accompanying notes to the financial statements say about the Corporation's financial condition and how it changed from last year. It contains information drawn from other parts of the report, accompanied by explanations by finance staff knowledgeable of the Corporation's finances. If you have questions about this report or require further information, contact Plymouth Growth & Development Corporation, 4 North Street, Suite 2, Plymouth, MA 02360.

Overview of the Financial Statements

The Corporation's basic financial statements include one fund type, the proprietary fund type for all Corporation activity. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

The following describes the enclosed financial statement reporting format, as well as an explanation of what financial information is provided to the user of these financial statements from each section:

Proprietary: Business-Type Fund – This is the singular fund maintained by the Corporation that accounts for and reports on the operations. The following statements and their applicable purposes are reported:

- The Statement of Net Position is designated to indicate our financial position as of a specific point in time.
- The Statement of Revenues, Expenses and Changes in Net Position shows our operating, noncapital subsidies and other nonoperating results and reveals the financial surplus or deficiency recognized by the Corporation for the year.
- The Statement of Cash Flows provides information about our cash receipts and cash payments during the year from operating and various other nonoperating activities outlining the actual cash that passed through the Corporation for the year.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided within these financial statements. The information in the notes is as important to understanding the Town's finances as the information in the financial statements. The Corporation uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

Types of Financial Statements – All the Corporation's financial statements use the economic resources measurement focus and accrual basis of accounting (see illustration below). In other words, they comprehensively report all types of financial statement elements:

- *Assets* – resources the Corporation controls, from short-term assets like cash to long-term assets like land, building, infrastructure, and vehicles and equipment.
- *Liabilities* – amounts the Corporation owes, from short-term liabilities such as accounts payable and accrued expenses for salaries and vendors to long-term liabilities such as amounts owed on mortgages payable.

- *Revenues and expenses* – inflows and outflows of economic resources, respectively related to the current year reported activity.

More detailed information about the basis of accounting and measurement focus can be found in the notes to the financial statements.

Financial Summary

The condensed, comparative Statements of Net Position and Revenues, Expenses and Changes in Net Position for the two most recent years are as follows:

	December 31, 2025	December 31, 2024	Percentage Change
<u>Assets</u>			
Current and other assets	\$ 5,685,539	\$ 4,980,446	14.2%
Capital assets, net	4,531,799	4,564,023	-0.7%
Total assets	10,217,338	9,544,469	7.0%
<u>Liabilities</u>			
Current and other liabilities	68,744	61,903	11.1%
Long-term liabilities	878,856	1,143,013	-23.1%
Total liabilities	947,600	1,204,916	-21.4%
<u>Net Position</u>			
Net investment in capital assets	3,652,943	3,421,010	6.8%
Unrestricted	5,616,795	4,918,543	14.2%
Total Net Position	<u>\$ 9,269,738</u>	<u>\$ 8,339,553</u>	11.2%
<u>Revenues</u>			
Operating revenues:			
Parking fees	\$ 1,896,604	\$ 1,860,823	1.9%
Parking citations	647,029	591,263	9.4%
Parking permits	177,135	158,455	11.8%
Nonoperating revenues:			
Lease income	83,504	42,930	94.5%
Investment income	147,533	130,386	13.2%
Total revenues	2,951,805	2,783,857	6.0%
<u>Expenses</u>			
Operating expenses:			
Payroll and related expenses	519,079	503,633	3.1%
General and administrative expenses	188,661	155,755	21.1%
Other operating expenses	1,112,730	733,897	51.6%
Nonoperating expenses:			
Interest expense	45,725	50,794	-10.0%
Capital contributions to Plymouth	155,425	158,675	-2.0%
Total expenses	2,021,620	1,602,754	26.1%
Change in net position	930,185	1,181,103	-21.2%
Net position - beginning of year	8,339,553	7,158,450	16.5%
Net position - end of year	<u>\$ 9,269,738</u>	<u>\$ 8,339,553</u>	11.2%

Detailed Analysis

Statement of Net Position

Net position may serve over time as a useful indicator of the Corporation's financial positions. The assets exceeded its liabilities at the close of the most recent fiscal year by approximately \$9.3 million (*total net position*).

By far the largest portion (nearly \$5.6 million) of the Corporation's overall net position is its unrestricted net position which represents approximately 278% of the total combined operating and nonoperating expenses for 2025.

The next largest portion of the net position balance reflects its net investment in capital assets (e.g. land, buildings, infrastructure, vehicles, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The Corporation uses these capital assets to provide services to users; consequently, these assets are not available for future spending.

Statement of Revenues, Expenses and Changes in Net Position

This statement shows a total increase in net position of over \$0.9 million for the year ended December 31, 2025, compared with an increase of approximately \$1.2 million for the year ended December 31, 2024. Overall, the year-to-year activity results were consistent.

Revenues for 2025 were approximately \$3.0 million, an increase of approximately \$0.2 million (6.0%). Operational revenues from parking fees, citations, and permits increased over \$0.1 million from the prior year and is mostly attributed to increased parking activity in the current year. Non-operating lease income increased \$41,000 (94.5%), due to several office spaces being leased during 2025 at 4 North Street. All other revenue categories represent less than 5% of total revenues with insignificant fluctuations in their year-to-year activities.

Expenses for 2025 were over \$2.0 million, an increase of over \$0.4 million (26.1%). Payroll and related expenses account for approximately 25.7% (31.4% in the prior year) of the total, and other operating expenses comprised of depreciation expense, community development awards, management fees, and other expenses represent approximately 55.0% (45.8% in the prior year) of the total. The primary activity resulting in the expense change was the increase of \$73,000 in depreciation expense due to a full year of depreciation on 4 North Street improvements and an increase of \$275,000 in community development awards, primarily a \$200,000 award to Nathaniel Morton Elementary School to improve its playground. The award is part of an ongoing effort to improve safety at the school and to provide additional parking spaces to the public.

Significant Capital Asset and Long-Term Financing Activity

Capital Asset Activity – Total net capital assets were over \$4.5 million at December 31, 2025, and approximately \$4.6 million at December 31, 2024, a decrease of less than 1%. Capital assets include land, buildings, leasehold improvements, meters and parking equipment, equipment and furnishings and vehicles.

Long-Term Financing Activity – At the end of the current year, the Corporation had approximately \$0.9 million of a mortgage payable related to the purchase of 4 North Street, Plymouth, Massachusetts, compared to over \$1.1 million at December 31, 2024, a decrease of \$264,000. The decrease is a result of regular mortgage payments and additional contributions of \$200,000 to pay down the loan. This mortgage is payable in monthly installments at an interest rate of 4.25% over a ten-year period, in which the then

remaining principal and interest balance is payable in full.

In the spring 2020, the Town of Plymouth, Massachusetts issued a bond for \$3.0 million to assist in the financing related to the construction of the S. Russell Street Parking Deck. Under the terms of the most recent Memorandum of Agreement with the Town dated January 15, 2020, the Corporation is contractually obligated to reimburse the Town for debt service payments (principal and interest) associated with this bond. The annual required contributions to the Town of Plymouth associated with this bond are approximately \$160,000 per year.

Currently Known Facts, Decisions or Conditions

The Corporation prepares an annual operating and capital budget to monitor its daily revenues and expenses and guide its investments in capital assets. Operating revenue for 2025 is anticipated at over \$3.0 million, which is consistent with 2024 actual revenues. Total operating expenses for 2025 are forecasted to be \$2.1 million. An additional \$1.7 million in capital improvements are forecasted, including Nathaniel Morton parking lot improvements and solar panel/new roof of the 4 North Street building.

PLYMOUTH GROWTH & DEVELOPMENT CORPORATION
(A Component Unit of the Town of Plymouth, Massachusetts)

STATEMENT OF NET POSITION
DECEMBER 31, 2025

Assets

Current assets:

Cash and cash equivalents	\$ 5,528,182
Prepaid expense	53,337
Real estate tax escrow	12,138
Receivables:	
Parking ticket receivable, net of allowance for uncollectible accounts	91,882
Total current assets	<u>5,685,539</u>

Noncurrent assets:

Capital assets, non depreciable	1,325,033
Capital assets, net of accumulated depreciation	<u>3,206,766</u>
Total noncurrent assets	<u>4,531,799</u>

Total Assets	<u><u>10,217,338</u></u>
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Liabilities

Current liabilities:

Accounts payable	29,717
Accrued payroll	12,429
Other liabilities	4,845
Compensated absences	21,753
Mortgage payable	73,467
Total current liabilities	<u>142,211</u>

Noncurrent liabilities:

Mortgage payable	<u>805,389</u>
Total noncurrent liabilities	<u>805,389</u>

Total Liabilities	<u><u>947,600</u></u>
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Net Position

Net investment in capital assets	3,652,943
Unrestricted	<u>5,616,795</u>

Total Net Position	<u><u>\$ 9,269,738</u></u>
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See accompanying notes to basic financial statements.

PLYMOUTH GROWTH & DEVELOPMENT CORPORATION
(A Component Unit of the Town of Plymouth, Massachusetts)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2025

Operating Revenues	
Parking fees	\$ 1,896,604
Parking citations	647,029
Parking permits	177,135
Total Operating Revenues	<u>2,720,768</u>
Operating Expenses	
Payroll and other expenses	<u>519,079</u>
General and administrative expenses:	
Administrative expenses	38,199
Professional services	13,281
Office supplies and expense	24,311
Insurance	77,942
Dues and subscriptions	1,547
Bank charges	7,410
Telephone	15,466
Other	<u>10,505</u>
Total General and Administrative Expenses	<u>188,661</u>
Other operating expenses:	
Contracted services	10,610
Parking violation expenses	66,241
Commissions and fees	70,590
Rent expense	23,924
Parts and equipment	3,255
Vehicle expense	6,116
Repairs and maintenance	40,342
Utilities	43,079
Depreciation expense	236,354
Community development awards	405,035
Real estate tax	33,604
Management fees	<u>173,580</u>
Total Other Operating Expenses	<u>1,112,730</u>
Total Operating Expenses	<u>1,820,470</u>
Operating Income (Loss)	<u>900,298</u>
Nonoperating Revenues (Expenses)	
Lease income	83,504
Investment income	147,533
Interest expense	(45,725)
Capital contributions to the Town of Plymouth	<u>(155,425)</u>
Total Nonoperating Revenues (Expenses), net	<u>29,887</u>
Change in Net Position	930,185
Total Net Position - Beginning of year	<u>8,339,553</u>
Total Net Position - End of year	<u><u>\$ 9,269,738</u></u>

See accompanying notes to basic financial statements.

PLYMOUTH GROWTH & DEVELOPMENT CORPORATION
(A Component Unit of the Town of Plymouth, Massachusetts)

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

Cash Flows from Operating Activities

Receipts from customers and users	\$ 2,708,455
Payments to vendors	(1,067,155)
Payments for wages and benefits	(517,699)
Net cash provided by (used in) operating activities	<u>1,123,601</u>

Cash Flows from Capital and Related Financing Activities

Lease income	83,504
Purchase of capital assets	(204,130)
Principal payments on bonds	(264,157)
Interest expense	(45,725)
Capital contributions to the Town of Plymouth	(155,425)
Net cash provided by (used in) capital and related financing activities	<u>(585,933)</u>

Cash Flows from Investing Activities

Investment income	147,533
Net cash provided by (used in) investing activities	<u>147,533</u>

Net Change in Cash and Cash Equivalents

685,201

Cash and Cash Equivalents

Beginning of year	<u>4,842,981</u>
End of year	<u>\$ 5,528,182</u>

**Reconciliation of Operating Income to Net Cash Provided By
(Used In) Operating Activities**

Operating income (loss)	\$ 900,298
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation expense	236,354
Changes in assets and liabilities:	
Prepaid expenses	(6,008)
Parking tickets receivable, net	(12,313)
Real estate tax escrow	(1,571)
Accounts payable	1,611
Accrued payroll	1,851
Other liabilities	3,850
Compensated absences	(471)
Net cash provided by operating activities	<u>\$ 1,123,601</u>

See accompanying notes to basic financial statements.

PLYMOUTH GROWTH & DEVELOPMENT CORPORATION
(A Component Unit of the Town of Plymouth, Massachusetts)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Plymouth Growth & Development Corporation (“the Corporation”) is a component unit of the Town of Plymouth, Massachusetts (the Town). The Corporation is managed by a seven-member Board of Directors appointed by the Plymouth Select Board (the Board). All members of the Board are Plymouth residents or owners of property or business establishments located in the development zone.

The Corporation, which was originally named the Plymouth Development Corporation (PDC), was created in 2002 as a non-profit public corporation for the Town of Plymouth, Massachusetts by Chapter 182 of the Acts of 2002 (Special Act). In this Special Act, the Massachusetts legislature gave the Corporation the following charge:

It is the purpose of the corporation created by this act to aid the Town, private enterprises and nonprofit organizations, and other public agencies in the speedy and orderly development or redevelopment of unused, underused or underdeveloped areas, and in the development, operation, and management of facilities and infrastructure necessary to support the economic vitality of the development zone.

The development zone is a geographical area that encompasses the areas in the Town of Plymouth, Massachusetts, known locally as the Plymouth Downtown/Waterfront District and portions of the North Plymouth Village Center. Because the name “Plymouth Development Corporation” was found to be shared with another corporate entity, the PDC changed its name to the Plymouth Growth & Development Corporation through a certified vote of the Select Board on October 28, 2008.

In accordance with enabling legislation, the Corporation has focused its resources on the development, management, and operation of on-street, off-street, and structured parking facilities in the downtown/waterfront and North Plymouth areas which are important to the vibrancy of the retail districts and attractiveness of Plymouth as a tourist destination. In coordination with the Plymouth Board of Selectmen and other Town departments, the Corporation (also referred to as Park Plymouth) exists today to manage and grow the Town’s parking infrastructure and to develop directional and informational signage, transit service, pedestrian walkways, and public amenities that will enhance the economic development. The activities of Park Plymouth are guided by a Parking Management Plan developed for and endorsed by the Corporation’s Board and the Plymouth Select Board. It provides the framework for public policy decisions and the investments in parking and transportation improvements that are necessary to address the challenges facing the Town of Plymouth, Massachusetts.

The authority to manage and operate the Plymouth parking program is provided through a Memorandum of Agreement (MOA) entered into, and periodically updated, by the Town of Plymouth, Massachusetts and the Corporation. The most recent MOA was amended on January 15, 2020, and expires on October 29, 2033.

The rules that apply to parking in downtown Plymouth, on the waterfront, and in North Plymouth differ throughout the calendar year. In general, there are two parking seasons: one in which the public is obligated to pay the posted hourly rates (the paid parking season) and the other in which the public must obey the posted time limits for parking but is not obligated to pay any parking fees (the free parking season.) The paid parking season typically begins on April 1st and extends through November 30th every year. The free parking season begins on December 1st and extends through March 31st of the following year.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The basic financial statements of the Corporation have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to state and local governments. GAAP is prescribed by the Governmental Accounting Standards Board (GASB), which is the primary standard-setting body for state and local governmental entities.

The following is a summary of the more significant policies and practices used by the Corporation:

Basis of Presentation – The Corporation’s financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as specified by the Governmental Accounting Standards Board’s (“GASB”) requirements for an enterprise fund. Operating revenues and expenses result from the day-to-day operation of the Corporation. All other revenues and expenses are reported as nonoperating revenues and expenses.

Use of Estimates – The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America, or GAAP, requires management to make estimates and assumptions that affect the reported amounts of (1) assets and liabilities, (2) contingent assets and liabilities at the date of the basic financial statements, and (3) revenues and expenses during the fiscal year. Actual results could vary from estimates that were used.

Revenue Recognition – Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Income Taxes – The Corporation is a tax-exempt organization under the Internal Revenue Code Section 501(c)(3), as well as state and local taxes. A determination letter has been received from the Internal Revenue Service Center indicating such.

Deposits and Investments – Cash and cash equivalents include cash on hand and certificates of deposits with maturities of three months or less. Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Accounts Receivable – Accounts receivable are presented net of the allowance for uncollectible accounts. Management’s periodic evaluation of the adequacy of the allowance is based on its past experience. Accounts receivables are written off when deemed uncollectible.

Prepaid Expenses – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets – Capital assets, which include land, land improvements, buildings and

improvements, machinery and equipment, vehicles, and infrastructure.

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. All purchases and construction costs more than \$1,000 and with useful lives exceeding one year are capitalized at the date of acquisition or construction. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets (excluding land and construction-in-process) are depreciated by the Corporation on a straight-line-basis.

Long-Term Obligations – The Corporation may incur long-term liabilities from debt or lease financing and agreements.

Reported within the Corporation’s liabilities is a mortgage payable related to the purchase of the 4 North Street property as more fully described in Note II, subsection G.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Corporation does not report any deferred outflows of resources as of December 31, 2025.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Corporation does not report any deferred inflows of resources as of December 31, 2025.

Net Position – Within the financial statements, net position is reported as restricted when amounts are not available for appropriation or are legally restricted by outside parties for a specific use. The Corporation restricts net position for its net investment in capital assets.

Net position that does not meet the definition of *restricted* is reported as *unrestricted net position*. When both restricted and unrestricted resources are available for use, it is the Corporation’s policy to use restricted resources first, then unrestricted resources, as they are needed.

Budgetary Data – GAAP requires a budgetary comparison schedule to be presented for the general fund and each major special relevant fund that has a legally adopted budget.

The Corporation completes an operating budget that is approved by the Board of Directors; however, the budget serves primarily as a guideline for operations and is not legally restricting. Accordingly, the Corporation has not presented budgetary information.

II. Detailed Notes to Financial Statements

A. Deposits and Investments

State laws and regulations require the Corporation to invest funds only in pre-approved investment instruments, which include but are not necessarily limited to bank deposits, money

markets, certificates of deposit, U.S. Government obligations, repurchase agreements, and the state treasurer investment pool. In addition, the statutes impose various limitations on the amount and length of investments and deposits.

Custodial Credit Risk: Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Corporation does not have a deposit policy for custodial credit risk relative to cash withholdings. At year-end, the carrying amount of the Corporation's deposits was \$5,528,182 and the bank balance was \$5,511,712. Of the bank balance, \$250,000 was covered by the Federal Deposit Insurance Corporation (FDIC), \$4,794,837 was covered by an insured cash sweep account, and the remaining balance of \$466,875 was uninsured.

Fair Value of Investments – The Corporation reports its investments at fair value. When actively quoted observable prices are not available, the Corporation generally uses either implied pricing from similar investments or valuation models based on net present values of estimated future cash flows (adjusted as appropriate for liquidity, credit, market and/or other risk factors).

The Corporation categorizes its fair value measurements within the fair value hierarchy established by GAAP. This hierarchy is based on valuation inputs used to measure the fair value of the asset or liability. As of December 31, 2025, the Corporation carried no investments which required categorization.

Interest Rate Risk: Deposits – This is the risk that fair value losses may arise due to increasing interest rates. The Corporation does not have a formal investment policy that limits investment maturity periods as a way of managing its exposure to fair value losses arising from rising interest rates.

Concentration of Credit Risk – The Corporation maintains no financial holdings that classified as investments at December 31, 2025; therefore, no concentration credit risk existed at that time.

Credit Risk – The Corporation has not adopted a formal policy related to credit risk. As of December 31, 2025, none of the Corporations monetary assets were invested in or subject to credit quality ratings or risk.

B. Receivables

As of December 31, 2025, the Corporation reports a receivable for outstanding parking tickets of \$91,882, which is net of an allowance for uncollectible amounts of \$20,600. Penalties associated with parking fines have not been accrued as receivables because the Corporation does not consider these penalties collectible; these amounts total \$119,385 as of December 31, 2025.

C. Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,325,033	\$ -	\$ -	\$ 1,325,033
Total capital assets not being depreciated	1,325,033	-	-	1,325,033
Capital assets being depreciated:				
Leasehold improvements	\$ 1,815,713	\$ 122,444	\$ -	\$ 1,938,157
Meters and parking equipment	797,632	72,551	-	870,183
Office furniture and other equipment	377,635	9,135	-	386,770
Buildings	1,566,421	-	-	1,566,421
Vehicles	71,898	-	-	71,898
Total capital assets being depreciated	4,629,299	204,130	-	4,833,429
Less accumulated depreciation for:				
Leasehold improvements	(146,758)	(120,733)	-	(267,491)
Meters and parking equipment	(658,112)	(57,992)	-	(716,104)
Office furniture and other equipment	(354,852)	(8,403)	-	(363,255)
Buildings	(179,069)	(40,165)	-	(219,234)
Vehicles	(51,518)	(9,061)	-	(60,579)
Total accumulated depreciation	(1,390,309)	(236,354)	-	(1,626,663)
Total capital assets being depreciated, net	3,238,990	(32,224)	-	3,206,766
Total capital assets, net	\$ 4,564,023	\$ (32,224)	\$ -	\$ 4,531,799

D. Prepaid Expenses

As of December 31, 2025, prepaid expenses of \$53,337 represent various insurance policies carried by the Corporation whose terms are on a fiscal year basis. The Corporation paid these policies in full as of December 31, 2025. These amounts will be amortized monthly during calendar year 2026.

E. Contractual Obligations

Memorandum of Agreement

The Plymouth Growth & Development Corporation (the Corporation), also referred to as Park Plymouth, with the Town manages the Town of Plymouth, Massachusetts' (the Town) parking program under a memorandum of agreement (MOA). The MOA identifies the roles and

responsibilities of the Corporation/Park Plymouth with regards to (a) the purchase, installation, and maintenance of parking equipment and parking-related signage; (b) the configuration of existing on-street and off-street parking spaces and lots and the creation of new parking facilities; (c) the establishment of parking rates and fines and the collection of all parking revenues; (d) the enforcement of paid parking requirements and parking time limits; (e) the maintenance of its parking assets; and (f) the disbursement of the Corporation's revenues for public improvement projects and events. The original MOA was entered into during 2004 and has been extended several times. The most recent extension was approved on March 21, 2018, and was subsequently amended during 2019.

During 2020, the Corporation and the Town developed a "new" MOA that clarified and codified the obligations of both the Corporation and the Town that were included in several previously executed documents; eliminated the provision that were no longer applicable or relevant; and eliminated the redundancy that existed with multiple documents. The MOA now references the Corporation's obligation to manage and enforce parking regulations in the so-called Town Hall Corridor and to make annual debt service payments to the Town in accordance with a specific Bond Debt Service schedule. The new MOA supersedes all prior agreements, amendments, licenses, representations, understandings, proposals, commitments, and communications that have been generated over the years between the Corporation and the Town of Plymouth, Massachusetts. This MOA was entered into and approved on January 15, 2020, and expires on October 29, 2033, however, it may be extended for additional periods by votes of the Select Board.

Capital Contribution Obligations

On June 13, 2019, the Town of Plymouth, Massachusetts issued a bond for \$3.0 million to help finance the construction of the South Russell Street Parking Deck. This bond is a general obligation of the Town of Plymouth, Massachusetts and is reflected in their financial statements. However, the Corporation, under the terms of the MOA, reimburses the Town for the debt service payments (principal and interest) associated with the bond.

These reimbursement payments are recorded as capital contributions to the Town of Plymouth, Massachusetts in the Corporation's financial statements.

The annual required capital contribution obligations as of December 31, 2025, are as follows:

Year Ended December 31,	Total
2026	\$ 157,050
2027	158,425
2028	154,675
2029	155,800
2030	157,100
2031-2035	782,700
2036-2040	776,650
2041-2045	777,550
2046-2049	626,150
Total	<u>\$ 3,746,100</u>

F. Mortgage Payable

At December 31, 2025, the Corporation had approximately \$0.9 million of a mortgage payable related to the purchase of 4 North Street, Plymouth, Massachusetts. This mortgage is payable in monthly installments at an annual interest rate of 4.25% over a ten-year period, in which the remaining principal and interest balance is payable in full.

Maturities of the mortgage payable are as follows:

Year Ended December 31,	Principal	Interest	Total
2026	\$ 73,467	\$ 36,415	\$ 109,882
2027	76,685	33,197	109,882
2028	79,967	29,915	109,882
2029	83,570	26,312	109,882
2030	565,167	13,605	578,772
Total	<u>\$ 878,856</u>	<u>\$139,444</u>	<u>\$ 1,018,300</u>

III. Other Information

A. Risk Financing

The Corporation is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Corporation carries commercial insurance. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

B. Commitments and Contingencies

The Corporation is party to certain legal claims, which are subject to many uncertainties, and the outcome of individual litigation matters is not always predictable with assurance. Although the amount of liability, if any, at December 31, 2025, cannot be ascertained, management believes that any resulting liability, if any, should not materially affect the basic financial statements of the Corporation at December 31, 2025.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Corporation expects such amounts, if any, to be immaterial.

IV. Implementation of New GASB Pronouncements

Current Year Implementations –

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. As permitted under this standard, the

Corporation early adopted the provisions of this standard, which would have normally been effective for financial reporting periods beginning after June 15, 2025 (calendar year 2026).

Future Implementations –

In September 2024, the GASB issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2025 (calendar year 2026). The Corporation believes this Statement will not apply to it therefore its impact will not be material.

In December 2025, the GASB Issued GASB Statement No. 105, *Subsequent Events*. The objective of this Statement is to improve the financial reporting requirements for subsequent events and enhance consistency in application to better meet the information needs of financial statement users. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2026 (calendar year 2027). The impact of this Statement will not be known until the year of implementation.
