

TOWN OF SHAFTSBURY, VERMONT

AUDIT REPORT

JUNE 30, 2024

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Independent Auditor's Report

Selectboard
Town of Shaftsbury, Vermont
P.O. Box 409
61 Buck Hill Road
Shaftsbury, Vermont 05262-0409

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Shaftsbury, Vermont, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Shaftsbury, Vermont's basic financial statements as listed in the Table of Contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Business-type Activities	Unmodified
General Fund	Qualified
ARPA Fund	Unmodified
Listers' Reappraisal Fund	Unmodified
Water Fund	Unmodified
Aggregate Remaining Fund Information	Qualified

Qualified Opinions on Governmental Activities, General Fund and Aggregate Remaining Fund Information

In our opinion, except for the effects of the matters described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to previously present fairly, in all material respects, the modified cash basis financial position of the governmental activities, the General Fund and the aggregate remaining fund information of the Town of Shaftsbury, Vermont, as of June 30, 2024, and the changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting, as described in Note I.D.

Unmodified Opinions on Business-type Activities, ARPA Fund, Listers' Reappraisal Fund and Water Fund

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective modified cash basis financial position of the business-type activities, the ARPA Fund, the Listers' Reappraisal Fund and the Water Fund of the Town of Shaftsbury, Vermont, as of June 30, 2024, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting, as described in Note I.D.

Basis for Qualified and Unmodified Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Shaftsbury, Vermont and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

Matters Giving Rise to the Qualified Opinions on Governmental Activities, General Fund and Aggregate Remaining Fund Information

We did not audit the transfer station fees because of inadequacies in the Town's controls over transfer station fees receipts during the year. We were unable to obtain sufficient appropriate audit evidence about the completeness of the transfer station fees in the accompanying Statement of Activities – Modified Cash Basis and Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances – General Fund (stated at \$73,288) by other auditing procedures.

The modified cash basis of accounting requires the Town to record its investments at historical cost. Currently, investments in the governmental activities, the General Fund and the aggregate remaining fund information are recorded at current market value. The amount by which this departure would affect the assets, net position/fund balance, and cash receipts of the governmental activities, the General Fund and the aggregate remaining fund information has not been determined.

Changes in Accounting Principles

As described in Note I.E. to the financial statements, in 2024, the Town adopted new accounting guidance, GASB Statement No. 100, “Accounting Changes and Error Corrections”, an amendment of GASB Statement No. 62. Our opinion is not modified with respect to this matter.

As described in Note II.C. of the financial statements, in previous years, the Town prepared its financial statements using generally accepted accounting principles. This year, the Town prepared its financial statements using the modified cash basis of accounting. Our opinion is not modified with respect to this matter.

Reclassifications/Corrections of Errors

As described in Note II.C. of the financial statements, the Town reclassified the Recreation Fund from a Private-Purpose Trust Fund to a Governmental Fund and the Huntington Cemetery Fund from a Governmental Fund to a Private-Purpose Trust Fund during the current year. Our opinion is not modified with respect to these matters.

Emphasis of Matter – Basis of Accounting

We draw attention to Note I.D. of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note I.D., and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and "Government Auditing Standards", we:

- Exercise professional judgement 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 Town of Shaftsbury, Vermont's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Shaftsbury, Vermont's ability to continue as a going concern for a reasonable period of time.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Shaftsbury, Vermont's basic financial statements. The budgetary comparison information on Schedule 1 and the combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by “Government Auditing Standards”

In accordance with “Government Auditing Standards”, we have also issued our report dated (DATE), on our consideration of the Town of Shaftsbury, Vermont’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Shaftsbury, Vermont’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with “Government Auditing Standards” in considering the Town of Shaftsbury, Vermont’s internal control over financial reporting and compliance.

(DATE)
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF SHAFTSBURY, VERMONT
 STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,570,943	\$ 0	\$ 1,570,943
Investments	452,541	0	452,541
Due from Employees	496	0	496
Internal Balances	35,200	(35,200)	0
Total Assets	2,059,180	(35,200)	2,023,980
<u>LIABILITIES</u>			
Due to Delinquent Tax Collector	6,524	0	6,524
Due to Fiduciary Fund	761	0	761
Total Liabilities	7,285	0	7,285
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Prepaid Property Taxes	4,860	0	4,860
Total Deferred Inflows of Resources	4,860	0	4,860
<u>NET POSITION/(DEFICIT)</u>			
Restricted:			
Non-Expendable:			
Cemetery	102,288	0	102,288
Expendable:			
Culture and Recreation	172,325	0	172,325
Cemetery	160,977		160,977
Eligible ARPA Uses	348,252	0	348,252
Other	20,551		20,551
Unrestricted/(Deficit)	1,242,642	(35,200)	1,207,442
Total Net Position/(Deficit)	\$ 2,047,035	\$ (35,200)	\$ 2,011,835

The accompanying notes are an integral part of this financial statement.

TOWN OF SHAFTSBURY, VERMONT
 STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
 FOR THE YEAR ENDED JUNE 30, 2024

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Primary Government:							
Governmental Activities:							
General Government	\$ 798,170	\$ 67,916	\$ 21,724	\$ 0	\$ (708,530)	\$ 0	\$ (708,530)
Public Safety	169,077	473	0	0	(168,604)	0	(168,604)
Public Works	1,754,613	0	175,051	350,317	(1,229,245)	0	(1,229,245)
Culture and Recreation	91,746	150	0	0	(91,596)	0	(91,596)
Community Development	287,012	0	0	0	(287,012)	0	(287,012)
Cemetery	62,016	16,150	2,075	0	(43,791)	0	(43,791)
Solid Waste	209,617	84,108	0	0	(125,509)	0	(125,509)
Debt Service	114,845	0	0	0	(114,845)	0	(114,845)
Total Governmental Activities	<u>3,487,096</u>	<u>168,797</u>	<u>198,850</u>	<u>350,317</u>	<u>(2,769,132)</u>	<u>0</u>	<u>(2,769,132)</u>
Business-type Activities:							
Water	<u>271,775</u>	<u>151,218</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(120,557)</u>	<u>(120,557)</u>
Total Business-type Activities	<u>271,775</u>	<u>151,218</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(120,557)</u>	<u>(120,557)</u>
Total Primary Government	<u>\$ 3,758,871</u>	<u>\$ 320,015</u>	<u>\$ 198,850</u>	<u>\$ 350,317</u>	<u>(2,769,132)</u>	<u>(120,557)</u>	<u>(2,889,689)</u>
General Receipts:							
Property Taxes					2,137,624	0	2,137,624
Penalties and Interest on Delinquent Taxes					49,470	0	49,470
General State Grants					66,793	0	66,793
Unrestricted Investment Earnings					108,686	377	109,063
Proceeds from Sale of Equipment					4,520	0	4,520
Other Receipts					5,879	0	5,879
Total General Receipts					<u>2,372,972</u>	<u>377</u>	<u>2,373,349</u>
Change in Net Position					<u>(396,160)</u>	<u>(120,180)</u>	<u>(516,340)</u>
Net Position - July 1, 2023, As Previously Presented					1,143,000	410,319	1,553,319
Change in Accounting Principles					1,233,981	(325,339)	908,642
Error Corrections					<u>66,214</u>	<u>0</u>	<u>66,214</u>
Net Position - July 1, 2023, As Restated					<u>2,443,195</u>	<u>84,980</u>	<u>2,528,175</u>
Net Position/(Deficit) - June 30, 2024					<u>\$ 2,047,035</u>	<u>\$ (35,200)</u>	<u>\$ 2,011,835</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF SHAFTSBURY, VERMONT
 STATEMENT OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES
 GOVERNMENTAL FUNDS
 JUNE 30, 2024

	General Fund	ARPA Fund	Listers' Reappraisal Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 1,549,144	\$ 0	\$ 0	\$ 21,799	\$ 1,570,943
Investments	255,868	0	0	196,673	452,541
Due from Employees	496	0	0	0	496
Due from Other Funds	0	375,669	362,587	539,464	1,277,720
Total Assets	\$ 1,805,508	\$ 375,669	\$ 362,587	\$ 757,936	\$ 3,301,700
<u>LIABILITIES</u>					
Due to Other Funds	\$ 1,123,044	\$ 0	\$ 0	\$ 120,237	\$ 1,243,281
Due to Delinquent Tax Collector	6,524	0	0	0	6,524
Total Liabilities	1,129,568	0	0	120,237	1,249,805
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Prepaid Property Taxes	4,860	0	0	0	4,860
Total Deferred Inflows of Resources	4,860	0	0	0	4,860
<u>FUND BALANCES</u>					
Nonspendable	0	0	0	102,288	102,288
Restricted	147,645	348,252	0	206,208	702,105
Committed	0	0	0	449,440	449,440
Assigned	195,318	27,417	362,587	0	585,322
Unassigned/(Deficit)	328,117	0	0	(120,237)	207,880
Total Fund Balances	671,080	375,669	362,587	637,699	2,047,035
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,805,508	\$ 375,669	\$ 362,587	\$ 757,936	\$ 3,301,700

The accompanying notes are an integral part of this financial statement.

TOWN OF SHAFTSBURY, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	ARPA Fund	Listers' Reappraisal Fund	<i>Formerly Major Fund</i> Class 3 Road Improvement Fund	Non-Major Governmental Funds	Total Governmental Funds
Cash Receipts:						
Property Taxes	\$ 2,137,624	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,137,624
Penalties and Interest on Delinquent Taxes	49,470	0	0	0	0	49,470
Intergovernmental	246,354	0	17,214	0	350,317	613,885
Charges for Services	91,274	0	0	0	6,300	97,574
Permits, Licenses and Fees	54,972	0	0	0	9,624	64,596
Fines and Forfeits	6,627	0	0	0	0	6,627
Investment Income	51,918	25,357	4,159	0	27,252	108,686
Donations	2,075	0	0	0	0	2,075
Other	5,879	0	0	0	0	5,879
Total Cash Receipts	2,646,193	25,357	21,373	0	393,493	3,086,416
Cash Disbursements:						
General Government	771,816	18,663	6,802	0	889	798,170
Public Safety	127,676	0	0	0	0	127,676
Public Works	998,530	0	0	0	0	998,530
Culture and Recreation	59,070	0	0	0	76	59,146
Community Development	0	20,000	0	0	0	20,000
Cemetery	54,703	0	0	0	1,756	56,459
Solid Waste	209,617	0	0	0	0	209,617
Capital Outlay:						
Public Safety	22,708	0	0	0	18,693	41,401
Public Works	0	0	0	0	756,083	756,083
Culture and Recreation	0	0	0	0	32,600	32,600
Community Development	0	267,012	0	0	0	267,012
Cemetery	0	0	0	0	5,557	5,557
Debt Service:						
Principal	82,911	0	0	0	0	82,911
Interest	31,934	0	0	0	0	31,934
Total Cash Disbursements	2,358,965	305,675	6,802	0	815,654	3,487,096
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	287,228	(280,318)	14,571	0	(422,161)	(400,680)
Other Financing Sources/(Uses):						
Proceeds from Sale of Equipment	0	0	0	0	4,520	4,520
Transfers In	286,561	0	0	0	390,743	677,304
Transfers Out	(344,000)	(279,075)	0	0	(54,229)	(677,304)
Total Other Financing Sources/(Uses)	(57,439)	(279,075)	0	0	341,034	4,520
Net Change in Fund Balances	229,789	(559,393)	14,571	0	(81,127)	(396,160)
Fund Balances/(Deficit) - July 1, 2023, As Previously Presented	228,751	2,060	0	(232,489)	1,144,678	1,143,000
Change in Accounting Principles	70,937	933,002	0	212,874	17,168	1,233,981
Change within Financial Reporting Entity (Major to Non-Major Fund)	0	0	0	19,615	(19,615)	0
Change within Financial Reporting Entity (Non-Major to Major Fund)	0	0	348,016	0	(348,016)	0
Error Corrections	141,603	0	0	0	(75,389)	66,214
Fund Balances - July 1, 2023, As Adjusted/Restated	441,291	935,062	348,016	0	718,826	2,443,195
Fund Balances - June 30, 2024	\$ 671,080	\$ 375,669	\$ 362,587	\$ 0	\$ 637,699	\$ 2,047,035

The accompanying notes are an integral part of this financial statement.

TOWN OF SHAFTSBURY, VERMONT
 STATEMENT OF FUND NET POSITION - MODIFIED CASH BASIS
 PROPRIETARY FUND
 JUNE 30, 2024

	Water Fund
<u>ASSETS</u>	
Assets:	\$ <u> 0</u>
<u>LIABILITIES AND NET POSITION/(DEFICIT)</u>	
Liabilities:	
Due to Other Funds	\$ <u> 35,200</u>
Total Liabilities	<u> 35,200</u>
Net Position/(Deficit):	
Unrestricted/(Deficit)	<u> (35,200)</u>
Total Net Position/(Deficit)	<u> (35,200)</u>
Total Liabilities and Net Position	\$ <u> 0</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF SHAFTSBURY, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Water Fund
Operating Receipts:	
Charges for Services	\$ 147,847
Interest and Penalties	3,346
Other	25
Total Operating Receipts	151,218
Operating Disbursements:	
Salary and Wages	24,204
Outside Services	7,519
Repairs and Maintenance	2,673
North Bennington Water Charges	217,685
Water Testing	3,425
Legal, Dues & Postage	497
Operating Supplies	32
Utilities	1,679
Total Operating Disbursements	257,714
Operating Income/(Loss)	(106,496)
Non-Operating Receipts/(Disbursements):	
Investment Income	377
Principal Payments on Long-term Debt	(11,100)
Interest Expense	(2,961)
Total Non-Operating Receipts/(Disbursements)	(13,684)
Change in Net Position	(120,180)
Net Position - July 1, 2023, As Previously Presented	410,319
Change in Accounting Principles	(325,339)
Net Position - July 1, 2023, As Restated	84,980
Net Position/(Deficit) - June 30, 2024	\$ (35,200)

The accompanying notes are an integral part of this financial statement.

TOWN OF SHAFTSBURY, VERMONT
STATEMENT OF FIDUCIARY MODIFIED CASH BASIS NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	Private-Purpose Trust Funds	Custodial Fund Education Tax Fund
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 22,040	\$ 0
Investments	163,475	0
Due from Other Funds	761	0
Total Assets	\$ 186,276	\$ 0
<u>LIABILITIES AND NET POSITION</u>		
Liabilities:	\$ 0	\$ 0
Net Position:		
Restricted:		
Held in Trust for Other Purposes	186,276	0
Total Net Position	186,276	0
Total Liabilities and Net Position	\$ 186,276	\$ 0

The accompanying notes are an integral part of this financial statement.

TOWN OF SHAFTSBURY, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY MODIFIED CASH BASIS NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Private-Purpose Trust Funds	Custodial Fund Education Tax Fund
Additions:		
Investment Income	\$ 14,965	\$ 0
Education Taxes Collected for Other Governments	0	4,316,525
Total Additions	14,965	4,316,525
Deductions:		
Mary Monroe Hawkins Memorial Library Expenses	831	0
School Expenses	1,073	0
Investment Fees	1,144	0
Education Taxes Distributed to Other Governments	0	4,316,525
Total Deductions	3,048	4,316,525
Change in Net Position	11,917	0
Net Position - July 1, 2023, As Previously Presented	240,573	0
Error Corrections	(66,214)	0
Net Position - July 1, 2023, As Restated	174,359	0
Net Position - June 30, 2024	\$ 186,276	\$ 0

The accompanying notes are an integral part of this financial statement.

The Town of Shaftsbury, Vermont, (herein the "Town") operates under a Selectboard form of government and provides the following services: public safety, highways and streets, culture and recreation, community development, cemetery, solid waste, water, health and social services, public improvements, planning and zoning, and general administrative services.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note I.D., these financial statements are presented on the modified cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant accounting policies employed in the preparation of these financial statements.

A. The Financial Reporting Entity

This report includes all of the activity of the Town of Shaftsbury, Vermont. The financial reporting entity consists of the primary government; organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. The primary government is financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board; a governing board appointed by a higher level of government; or a jointly appointed board. Based on these criteria, there are no other entities that should be combined with the financial statements of the Town.

B. Basis of Presentation

The accounts of the Town are organized and operated on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, receipts, and disbursements. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled.

The basic financial statements of the Town include both government-wide statements and fund financial statements. The focus of the government-wide statements is on reporting the operating results and financial position of the Town as a whole. The focus of the fund financial statements is on reporting on the operating results and financial position of the most significant funds of the Town.

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government, the Town. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of activities between funds. Governmental activities generally are financed through property taxes, intergovernmental receipts, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct disbursements and program receipts for each function of the Town's governmental activities and for each segment of the Town's business-type activities. Direct disbursements are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular program or function. Program receipts include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts that are not classified as program receipts, including all property taxes, are presented as general receipts.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds.

The Town reports on the following major governmental funds:

General Fund – This is the Town's main operating fund. It accounts for all financial resources of the Town except those accounted for in another fund.

ARPA Fund – This fund accounts for the resources from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program used to support the Town's response to and recovery from the COVID-19 public health emergency.

Listers' Reappraisal Fund – This fund accounts for the reappraisal activity of the Town.

The Town reports on the following major enterprise fund:

Water Fund – This fund accounts for the operations of the Water Department.

Proprietary fund operating receipts, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating receipts, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Additionally, the Town reports the following fund types:

Private-Purpose Trust Funds – These funds are used to report trust arrangements under which resources are to be used for the benefit of individuals or other organizations. All investment earnings, and in some cases, the principal of these funds may be used to support these activities.

Custodial Fund – This fund is used to report resources held by the Town in a purely custodial capacity for other governments, private organizations or individuals.

C. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus within the limitations of the modified cash basis of accounting. Equity (i.e., modified cash basis net position) is segregated into restricted and unrestricted net position. Operating statements present increases (i.e., receipts) and decreases (i.e., disbursements) in modified cash basis net position.

Governmental fund financial statements are reported using the current financial resources measurement focus within the limitations of the modified cash basis of accounting. Their reported fund balances (modified cash basis fund balances) are considered a measure of available spendable resources and are segregated into nonspendable; restricted; committed; assigned and unassigned amounts. Operating statements of these funds present increases (i.e., receipts and other financing sources) and decreases (i.e., disbursements and other financing uses) in modified cash basis fund balances.

D. Basis of Accounting

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

The Town's policy is to prepare its financial statements generally on the basis of cash receipts and disbursements; consequently, certain revenue and related assets are recognized when received rather than when earned and certain expenditures and related liabilities are recognized when paid rather than when the obligation is incurred. The exceptions to this are that the Town records investments at market value and amounts due from employees for prepaid payroll withholdings as assets, amounts due to the delinquent tax collector for property tax penalties collected but not remitted as liabilities and prepaid property taxes as deferred inflows of resources. The recording of investments at market value is not in accordance with the modified cash basis of accounting which requires investments to be carried at cost.

General capital asset acquisitions are reported as expenditures. Proceeds of general long-term debt are reported as other financing sources.

E. New Pronouncement – Accounting Changes and Error Corrections

Effective June 30, 2024, the Town implemented GASB Statement No. 100, “Accounting Changes and Error Corrections”, an amendment of GASB Statement No. 62. GASB Statement No. 100 identifies accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes various transactions or events included in these changes. This Statement established accounting and financial reporting requirements for each type of accounting change and correction of an error in previously issued financial statements. The financial reporting requirements related to changes to accounting principles, changes within the financial reporting entity as a result of changes in fund presentation between major funds and non-major funds and the correction of an error in the Town’s previously issued financial statements were applicable to this Statement.

F. Assets, Liabilities, Deferred Inflows of Resources and Equity

1. Cash

Cash balances of most Town funds are deposited with and invested by the Town Treasurer. The Town considers all short-term investments of ninety (90) days or less to be cash equivalents.

Excess cash of individual funds are shown as due from other funds and excess cash withdrawals are shown as due to other funds. Interest income is allocated based on the due from/to other funds balances.

2. Investments

The Town invests in investments as allowed by State Statute. The Town’s investments are reported at current market value.

3. Internal Balances

Activity between funds that are representative of lending/borrowing arrangements that are outstanding at the end of the fiscal year are referred to as “advances to/from other funds”. All other outstanding balances between funds are reported as “due from/to other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

4. Deferred Inflows of Resources

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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the future periods to which the inflows are related.

5. Fund Equity

Fund equity is classified based upon any restrictions that have been placed on those balances or any tentative plans management may have made for those balances. Restrictions of net position in government-wide, proprietary fund and fiduciary fund financial statements represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a grant, contract, or other binding agreement. Fund balances in governmental fund financial statements are classified as nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors, or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Selectboard's intended use of the resources); and unassigned.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Budgets are approved at the annual Town Meeting in March. Any budget changes require voter approval. There were no budget changes during the year. The budget presented herein is for the Town's "General Fund" only and does not include the Economic Development Fund, the Landfill Fund, the Professional Audit Reserve Fund, the G.W. Hawkins Fund and the Recreation Fund activity that is included with the General Fund.

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2024, expenditures in the General Fund exceeded appropriations by \$144,030. These over expenditures were funded by excess revenues.

C. Accounting Changes and Error Corrections

Change in Accounting Principles

In previous years, the Town prepared its financial statements using generally accepted accounting principles. This year, however, the Town prepared its financial statements using the modified cash basis of accounting. Management believes the modified cash basis provides the information needed by the primary users of the financial statements. As a result, beginning net position/fund balances have been restated as shown in Table I.

Changes within the Financial Reporting Entity

During fiscal year 2024, changes within the financial reporting entity resulted in adjustments to beginning fund balance as shown in Table I.

Correction of Errors in Previously Issued Financial Statements

The Town reclassified the Recreation Fund, with financial resources of \$141,603, from a Private-Purpose Trust Fund, which was previously included with the Trustees of Public Funds Fund, to a Governmental Fund which is now included with the General Fund. In addition, the Town reclassified the Huntington Cemetery Fund, with financial resources of \$75,389, from a Governmental Fund, which was previously included with the Cemetery Fund in the Non-Major Governmental Funds, to a Private-Purpose Trust Fund which is now included with the Trustees of Public Funds Fund. The effects of correcting these errors on net position/fund balances is shown in Table I.

Table I:

	Government-Wide		Reporting Units Affected by Adjustments to and Restatements of Beginning Balances						
	Governmental Activities	Business-type Activities	Funds						
			General Fund	ARPA Fund	Listers' Reappraisal Fund	Class 3 Road Improvements Fund	Non-Major Governmental Funds	Water Fund	Private-Purpose Trust Funds
Net Position/Fund Balances/(Deficit) - July 1, 2023, As Previously Presented	\$ 1,143,000	\$ 410,319	\$ 228,751	\$ 2,060	\$ 0	\$ (232,489)	\$ 1,144,678	\$ 410,319	\$ 240,573
Change in Accounting Principles:									
Conversion to Modified Cash Basis of Accounting:									
Removal of Receivables	(308,965)	(75,742)	(114,975)	0	0	(190,237)	(3,753)	(75,742)	0
Removal of Prepaid Expenses/Items	(30,171)	0	(30,171)	0	0	0	0	0	0
Removal of Capital Assets, Net of Accumulated Depreciation	0	(477,061)	0	0	0	0	0	(477,061)	0
Removal of Accrued Liabilities	367,914	83,591	136,083	1,789	0	212,874	17,168	83,591	0
Removal of Unearned Revenue	931,213	0	0	931,213	0	0	0	0	0
Removal of Bonds Payable	0	143,873	0	0	0	0	0	143,873	0
Removal of Deferred Inflows of Resources	273,990	0	80,000	0	0	190,237	3,753	0	0
Change within Financial Reporting Entity (Major to Non-Major Fund)	0	0	0	0	0	19,615	(19,615)	0	0
Change within Financial Reporting Entity (Non-Major to Major Fund)	0	0	0	0	348,016	0	(348,016)	0	0
Error Correction	66,214	0	141,603	0	0	0	(75,389)	0	(66,214)
Net Position/Fund Balances - July 1, 2023, As Adjusted/Restated	\$ 2,443,195	\$ 84,980	\$ 441,291	\$ 935,062	\$ 348,016	\$ 0	\$ 718,826	\$ 84,980	\$ 174,359

III. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

The Town's cash, cash equivalents and investments as of June 30, 2024 consisted of the following:

Cash and Cash Equivalents:

Deposits with Financial Institutions	\$1,520,503
Deposits held by Investment Company	27,303
Money Market Mutual Funds – U.S. Government Securities	44,572
Cash on Hand	<u>605</u>

Total Cash and Cash Equivalents 1,592,983

Investments:

Mutual Funds – Mixed Holdings	<u>616,016</u>
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Total Cash, Cash Equivalents and Investments \$2,208,999

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counter-party (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. The Town does not have any policy to limit the exposure to custodial credit risk. The money market mutual funds and mutual funds are in the name of the Town and are not exposed to custodial credit risk. The following table shows the custodial credit risk of the Town's cash.

	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC Insured	\$ 277,303	\$ 277,303
Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution's Agent	<u>1,270,503</u>	<u>1,352,384</u>
Total	<u>\$1,547,806</u>	<u>\$1,629,687</u>

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

The book balance is comprised of the following:

Cash – Deposits with Financial Institutions	\$1,520,503
Cash – Deposits held by Investment Company	<u>27,303</u>
Total	<u>\$1,547,806</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have any policy to limit the exposure to interest rate risk. The Town's money market mutual funds and mutual funds are open-ended and, therefore, are exempt from interest rate risk disclosure.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. These organizations look at a number of factors in order to evaluate the risk of an obligation and rate the risk. The rating allows the investor to make informed buying and selling decisions. The Town does not have any policy to limit the exposure to credit risk. The Town's money market mutual funds and mutual funds are open-ended and are, therefore, exempt from credit risk disclosure.

Concentration of Credit Risk

Concentration of credit risk is the risk that a large percentage of the Town's investments are held within one security. The Town does not have any limitations on the amount that can be invested in any one issuer. The Town has no investments subject to concentration of credit risk disclosure.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board (GASB) Statement No. 72, "Fair Value Measurement and Application." The hierarchy is based on the valuation inputs used to measure fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Level 1 – Unadjusted quoted prices for identical instruments in active markets

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

The Town has the following fair value measurements as of June 30, 2024:

Description	Total	Fair Value Measurements Using:		
		Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Mutual Funds - Mixed Holdings	\$ 616,016	\$ 616,016	\$ 0	\$ 0
Total	\$ 616,016	\$ 616,016	\$ 0	\$ 0

B. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2024 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 0	\$ 1,123,044
ARPA Fund	375,669	0
Listers' Reappraisal Fund	362,587	0
Non-Major Governmental Funds	539,464	120,237
Water Fund	0	35,200
Private-Purpose Trust Fund - Florence Beebe Memorial Fund	761	0
Total	\$ 1,278,481	\$ 1,278,481

Interfund transfers during the year ended June 30, 2024 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Professional Audit Reserve Fund	\$ 16,000	* Appropriation
General Fund	Equipment Replacement Fund	125,000	Appropriation
General Fund	Paving Fund	45,000	Appropriation
General Fund	Culvert Fund	10,000	Appropriation
General Fund	Cemetery Capital Fund	5,000	Appropriation
General Fund	Fire Equipment Replacement Fund	106,000	Appropriation
General Fund	Sidewalk Fund	3,000	Appropriation
General Fund	Class 3 Road Improvement Fund	50,000	Appropriation
Recreation Fund	General Fund	5,017	* Transfer Interest Earnings
ARPA Fund	General Fund	279,075	Revenue Replacement
Howard Park Fund	Park Fund	46,743	Close Fund
Cemetery Fund	General Fund	7,486	Transfer Interest Earnings
Total		\$ 698,321	

- * The transfer from the General Fund to the Professional Audit Reserve Fund and the transfer from the Recreation Fund to the General Fund are netted within the General Fund as these funds are consolidated within the General Fund in order to comply with GASB Statement No. 54.

C. Deferred Inflows of Resources

Deferred inflows of resources in the governmental activities and General Fund consists of \$4,860 of property taxes paid in advance.

D. Fund Balances

GASB Statement No. 34, as amended by GASB Statement No. 54, requires fund balances reported on the governmental fund balance sheet to be classified using a hierarchy based primarily on the extent to which a government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balances are to be classified as: nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Selectboard's intended use of the resources); and unassigned.

Special revenue funds are created only to report a revenue source (or sources) that is restricted or committed to a specified purpose, and that the revenue source should constitute a substantial portion of the resources reported in that fund. Special revenue funds cannot be used to accumulate funds that are not restricted or committed. These amounts will have to be reflected in the General Fund.

Amounts constrained to stabilization (rainy-day funds) will be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. However, stabilization is regarded as a specified purpose only if the circumstances or conditions that signal the need for stabilization (a) are identified in sufficient detail and (b) are not expected to occur routinely. The Town does not have any stabilization arrangements.

Some governments create stabilization-like arrangements by establishing formal minimum fund balance policies. The Town does not have any minimum fund balance policies.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, it is the Town's policy to first consider restricted amounts to have been spent, followed by committed, assigned, and finally unassigned amounts.

The purpose for each major special revenue fund, including which specific revenues and other resources are authorized to be reported in each, are described in the following section.

The fund balances in the following fund are nonspendable as follows:

Non-Major Funds

Permanent Fund:

Nonspendable Cemetery Fund Principal	\$ <u>102,288</u>
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Total Nonspendable Fund Balances	\$ <u>102,288</u>
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The fund balances in the following funds are restricted as follows:

Major Funds

General Fund:

Restricted for Recreation Expenses by Donations
(Source of Revenue is Donations) \$147,645

ARPA Fund:

Restricted for Eligible Uses of the Coronavirus Local Fiscal
Recovery Funding by Grant Agreement (Source of Revenue
is Grant Revenue) 348,252

Non-Major Funds

Special Revenue Funds:

Restricted for Record Restoration Expenses by Statute
(Source of Revenue is Restoration Fees) 20,551

Capital Projects Funds:

Restricted for Park Expenditures by Bequest (Source of
Revenue is Donations) 24,680

Restricted for Cemetery Capital Expenditures by Donations
(Source of Revenue is Donations) 12,186

Total Capital Projects Funds 36,866

Permanent Fund:

Restricted for Cemetery Expenses by Sale of Lots and Donations
(Source of Revenue is Sale of Lots and Donations) 148,791

Total Non-Major Funds 206,208

Total Restricted Fund Balances \$702,105

The fund balances in the following funds are committed as follows:

Non-Major Funds

Capital Projects Funds:

Committed for Highway Equipment Expenditures by the Voters \$75,430

Committed for Hooke Memorial Expenditures by the Voters 46,794

Committed for Cemetery Capital Expenditures by the Voters 37,909

Committed for Fire Equipment Expenditures by the Voters 289,307

Total Committed Fund Balances \$449,440

The fund balances in the following funds are assigned as follows:

Major Funds

General Fund:

Assigned for Economic Development Study Expenses	\$ 6,747
Assigned for Landfill Expenses	52,092
Assigned for Community Improvement Expenses – G.W. Hawkins Fund	<u>136,479</u>
Total General Fund	<u>195,318</u>

ARPA Fund:

Assigned for ARPA Expenses	<u>27,417</u>
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Listers' Reappraisal Fund:

Assigned for Reappraisal Expenses	<u>362,587</u>
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Total Assigned Fund Balances	<u>\$585,322</u>
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The unassigned deficit of \$86,793 in the Paving Fund will be funded with a transfer from the General Fund.

The unassigned deficit of \$259 in the Culvert Fund will be funded with a transfer from the General Fund.

The unassigned deficit of \$1,725 in the Cole Hall Renovation and Garage Fund will be funded with a transfer from the General Fund.

The unassigned deficit of \$16,562 in the Sidewalk Fund will be funded with the collection of grant revenues and a transfer from the General Fund.

The unassigned deficit of \$14,898 in the Class 3 Road Improvement Fund will be funded with a transfer from the General Fund.

E. Net Position

The restricted net position in the governmental activities includes the nonspendable fund balances of \$102,288 and the restricted fund balances of \$702,105 for a total of \$804,393.

The net position held in Trust for various purposes in the Town's Private-Purpose Trust Funds as of June 30, 2024 consisted of the following:

Restricted for School Expenses by Bequests	\$ 32,270
Restricted for Elderly Citizens by Bequest	46,503
Restricted for Mary Monroe Hawkins Memorial Library Expenses by Bequests	25,128
Restricted for Huntington Cemetery Expenses by Bequest	81,614
Restricted for Florence Beebe Memorial Expenses by Bequests	<u>761</u>
Total Private-Purpose Trust Funds	<u>\$186,276</u>

The unrestricted deficit in the Water Fund of \$35,200 will be funded in future years with additional revenues.

IV. OTHER INFORMATION

A. Pension Plans

Defined Benefit Plan

The Vermont Municipal Employees' Retirement System (VMERS)

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) 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 municipal and school district 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. As of June 30, 2023, the measurement date selected by the State of Vermont, the retirement system consisted of 357 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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

As of June 30, 2023, the measurement date selected by the State of Vermont, VMERS was funded at 74.01% and had a plan fiduciary net position of \$912,113,032 and a total pension liability of \$1,232,406,785 resulting in a net position liability of \$320,293,753. The Town's proportionate share of this was 0.1025% resulting in a net pension liability of \$328,267. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. 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 municipalities, actuarially determined. The Town's proportion of 0.1025% was a decrease of 0.0060 from its proportion measured as of the prior year.

Summary of Plan Provisions

Membership – Full time employees of participating municipalities. Municipalities can elect coverage under Groups A, B, C or D provisions. The Town elected coverage under Group B.

Creditable Service – Service as a member plus purchased service.

Average Final Compensation (AFC) – Group A – Average annual compensation during highest five (5) consecutive years. Groups B and C – Average annual compensation during highest three (3) consecutive years. Group D – Average annual compensation during highest two (2) consecutive years.

Normal Retirement Eligibility – Group A – Earlier of age 65 with five (5) years of service or age 55 with thirty-five (35) years of service. Group B – Earlier of age 62 with five (5) years of service or age 55 with thirty (30) years of service. Groups C and D – Age 55 with five (5) years of service.

Normal Retirement Amount – Group A – 1.4% of AFC times service. Group B – 1.7% of AFC times service as a Group B member plus percentage earned as a Group A member times AFC. Group C – 2.5% of AFC times service as a Group C member plus percentage earned as a Group A or B member times AFC. Group D – 2.5% of AFC times service as a Group D member plus percentage earned as a Group A, B or C member times AFC. Maximum benefit is 60% of AFC for Groups A and B and 50% of AFC for Groups C and D. The previous amounts include the portion of the allowance provided by member contributions.

Early Retirement Eligibility – Groups A and B – Age 55 with five (5) years of service. Group D – Age 50 with twenty (20) years of service.

Early Retirement Amount – Normal retirement allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes Normal Retirement Age for Groups A and B members; payable without reduction to Group D members.

Vesting – All Groups – Five (5) years of service. 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”.

Disability Retirement Eligibility – All Groups – Five (5) years of service and disability as determined by Retirement Board.

Disability Retirement Amount – All Groups – 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 – All Groups – Death after five (5) years of service.

Death Benefit Amount – Groups A, B and C – Reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor’s benefit under disability allowance computed as of date of death. Group D – 70% of the unreduced accrued benefit, plus children’s benefit.

Post-Retirement Adjustments – Group A – Allowances in pay status for at least one (1) year increased on each January 1 by one-half of the percentage increase in Consumer Price Index, but not more than 2%. If receiving an Early Retirement benefit, no increases until after attaining Normal Retirement eligibility. If receiving a Disability Retirement benefit, no increases until after attaining age 62. Groups B, C and D – Allowances in payment for at least one (1) year increased on each January 1 by one-half of the percentage increase in Consumer Price Index, but not more than 3%. If receiving an Early Retirement benefit, no increases until after attaining Normal Retirement eligibility. If receiving a Disability Retirement benefit, no increases until after attaining age 62 (age 55 for Group C).

Retirement Stipend – \$25 per month payable at the option of the Retirement Board.

Optional Benefit and Death after Retirement – Groups A, B and C – A lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee. Group D – A lifetime allowance or 70% contingent annuitant option with no reduction.

Refund of Contributions – Upon termination, if the member so elects, or if no other benefit is payable, the member’s accumulated contributions with interest are refunded.

Member Contribution Rates:

- Group A – 3.75% effective July 1, 2023; 4.00% effective July 1, 2024; 4.25% effective July 1, 2025, and thereafter.
- Group B – 6.125% effective July 1, 2023; 6.375% effective July 1, 2024; 6.625% effective July 1, 2025, and thereafter.
- Group C – 11.25% effective July 1, 2023; 11.50% effective July 1, 2024; 11.75% effective July 1, 2025, and thereafter.
- Group D – 12.60% effective July 1, 2023; 12.85% effective July 1, 2024; 13.10% effective July 1, 2025, and thereafter.

Employer Contribution Rates:

- Group A – 5.25% effective July 1, 2023; 5.50% effective July 1, 2024; 5.75% effective July 1, 2025, and thereafter.
- Group B – 6.75% effective July 1, 2023; 7.00% effective July 1, 2024; 7.25% effective July 1, 2025, and thereafter.
- Group C – 8.50% effective July 1, 2023; 8.75% effective July 1, 2024; 9.00% effective July 1, 2025, and thereafter.
- Group D – 11.10% effective July 1, 2023; 11.35% effective July 1, 2024; 11.60% effective July 1, 2025, and thereafter.

Significant Actuarial Assumptions and Methods

Inflation Rate – 2.30% per year.

Investment Rate of Return – 7.00%, net of pension plan investment expenses, including inflation.

Salary Increases – Ranging from 4.07% to 6.21% based on service.

Cost-of-Living Adjustments (COLA) – Assumed to occur on January 1 following one (1) year of retirement at the rate of 1.10% per annum for Group A members and 1.20% per annum for Groups B, C and D members (beginning at Normal Retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Groups A, B and D who receive a disability retirement benefit, and at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2024 COLA is expected to be 1.10% for Group A and 1.10% for Groups B, C and D. The January 1, 2023 COLAs were 2.00% for Group A and 3.00% for Groups B, C and D.

Mortality:

Pre-Retirement Participants – Groups A and B – 60% PubG-2010 General Employee Amount-Weighted Below Median and 40% of PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2021. Group C – PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2021. Group D – PubS-2010 Public Safety Employee Amount-Weighted Below Median, with generational projection using scale MP-2021.

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

Healthy Post-Retirement – Beneficiaries – All Groups – Pub-2010 Contingent Survivor Amount-Weighted Below Median Table, with generational projection using scale MP-2021.

Disabled Post-Retirement – Groups A, B and C – PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Table, with generational projection using scale MP-2021.
Group D – PubS-2010 Safety Disabled Retiree Amount-Weighted Table, with generational projection using scale MP-2021.

Age of Spouse – Females three (3) years younger than males.

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

Determination of Discount Rate and Investment Rates of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equities	44%	5.35%
Private Equity	10%	7.50%
Emerging Market Debt	2%	5.00%
Private and Alternative Credit	10%	5.50%
Non-Core Real Estate	4%	5.50%
Core Fixed Income	19%	1.50%
Core Real Estate	4%	3.25%
US TIPS	2%	1.50%
Infrastructure/Farmland	5%	4.25%

Discount Rate – The long-term expected rate of return on pension plan investments is 7.00%. The high quality tax-exempt general obligation municipal bond rate (20-Bond GO Index) as of the closest date prior to the valuation date of June 30, 2023, is 3.65%, as published by The Bond Buyer.

The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates set by the Board (employers) and statute (members). For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plans' Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Discount Rate Sensitivity

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the Town's proportionate share of the net pension liability as of June 30, 2023, calculated using the discount rate of 7.00%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$494,093	\$328,267	\$191,965

Additional Information

Additional information regarding the State of Vermont Municipal Employees' Retirement System, including the details of the Fiduciary Net Position, is available upon request from the State of Vermont.

Deferred Compensation Plan

The Town also offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The Town is the administrator of the plan. The plan permits employees to defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Town has no liability for losses under this plan, but does have the duty of due care that would be required of an ordinary prudent investor. All of the investments are self-directed by each employee.

B. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains insurance coverage through a local broker. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The Town is a member of the Vermont League of Cities and Towns Employment Resource and Benefits Trust. The Trust is a nonprofit corporation formed to provide unemployment coverage and other employment benefits for Vermont municipalities and is owned by the participating members. The agreement does not permit the Trust to make additional assessments to its members. The Town has only elected unemployment coverage with the Trust.

C. Property Taxes

The Town is responsible for assessing and collecting its own property taxes, as well as education property taxes for the State of Vermont. Property taxes are assessed based on property valuations as of April 1, the voter approved budgets and the State education property tax liability. Property taxes were levied in October and were due November 10, 2023. The penalty is eight percent (8%). Interest is charged at one percent (1%) per month for the first three months and one and one-half percent (1-1/2%) per month for each month thereafter. Unpaid taxes become an enforceable lien on the property and such properties are subject to tax sale. The tax rates for 2024 were as follows:

	<u>Homestead</u>	<u>Non-Homestead</u>
Town	.5104	.5104
Local Agreement	.0033	.0033
Education	<u>1.3297</u>	<u>1.6528</u>
Total	<u>1.8434</u>	<u>2.1665</u>

D. Landfill Post-Closure Costs

State and Federal laws and regulations required the Town to close its landfill in 2006. These laws and regulations required the Town to perform certain maintenance and monitoring at the site. The Town has estimated that they will continue for another five (5) years. The Town’s estimated liability is \$87,000. This amount is based on what it would cost to perform all post closure care now. Actual costs may vary due to changes in the cost of living, changes in technology, changes in regulations or variances between estimated and actual amounts.

E. Long-term Debt

The Town issues general obligation bonds to provide resources for the acquisition and construction of major capital facilities and to refund prior issues. General obligation bonds have been issued for business-type activities. Bonds are reported in governmental activities if the debt is expected to be repaid from general governmental revenues and in business-type activities if the debt is expected to be repaid from proprietary fund revenues.

General obligation bonds are direct obligations and pledge the full faith and credit of the Town. New bonds generally are issued as 10 to 20 year bonds.

The State of Vermont offers a number of low and no interest revolving loan programs to utilize for predetermined purposes. The Town has borrowed money from the Vermont Special Environmental Revolving Fund for water projects.

The Town has a note payable to finance a capital purchase through the State of Vermont Municipal Equipment Loan Fund.

The Town enters into lease agreements as the lessee for the purpose of financing the acquisition of major pieces of equipment. These lease agreements qualify as financed purchases for accounting purposes (even though they may include clauses that allow for cancellation of the lease in the event the Town does not appropriate funds in future years) and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date of the leases. Leases are reported in governmental activities if the debt is expected to be repaid from general governmental revenues and in business-type activities if the debt is expected to be repaid from proprietary fund revenues.

Long-term debt outstanding as of June 30, 2024 was as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Town Garage, Principal Payments of \$50,000 Payable on November 1 Annually, Interest Ranging from 1.78% to 3.87% Payable on May 1 and November 1, Due November, 2039	\$850,000	\$ 0	\$50,000	\$800,000
Note Payable, State of Vermont Municipal Equipment Loan Fund, Tractor, Principal Payments of \$22,000 Plus Interest Payable on June 30 Annually, Interest at 2%, Due June, 2026	66,000	0	22,000	44,000
Financed Purchase, Caterpillar Financial, Excavator, Principal and Interest Payments of \$11,932 Payable on October 15 Annually, Interest at 2.99%, Due October, 2025	<u>33,708</u>	<u>0</u>	<u>10,911</u>	<u>22,797</u>
Total Governmental Activities	<u>\$949,708</u>	<u>\$ 0</u>	<u>\$82,911</u>	<u>\$866,797</u>

Business-type Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water System Improvements, Principal and Interest Payments of \$3,118 Payable on December 1 Annually, Interest at 1%, 2% Administration Fee, Due December, 2030	\$ 21,883	\$ 0	\$ 2,461	\$ 19,422

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water System Improvements, Principal and Interest Payments of \$10,943 Payable on December 1 Annually, Interest at 1%, 2% Administration Fee, Due December, 2030	\$ 76,818	\$ 0	\$ 8,639	\$ 68,179
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water System Improvements, Authorized to \$65,000, Principal Payments of \$13,000 Payable on January 1 Annually Beginning January 1, 2026, 0% Interest, Due January, 2030	<u>45,172</u>	<u>0</u>	<u>0</u>	<u>45,172</u>
Total Business-type Activities	<u>\$143,873</u>	<u>\$ 0</u>	<u>\$11,100</u>	<u>\$132,773</u>

Debt service requirements to maturity are as follows:

Year Ending June 30	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 83,250	\$ 27,873	\$ 11,433	\$ 2,628
2026	83,547	25,754	24,776	2,285
2027	50,000	23,550	25,129	1,932
2028	50,000	22,058	25,493	1,568
2029	50,000	20,508	12,867	1,194
2030-2034	250,000	77,641	33,075	1,219
2035-2039	250,000	33,099	0	0
2040	<u>50,000</u>	<u>968</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 866,797</u>	<u>\$ 231,451</u>	<u>\$ 132,773</u>	<u>\$ 10,826</u>

F. Short-term Debt

Annually, the Town borrows monies in anticipation of taxes. The activity during 2024 was as follows:

Short-term Debt - July 1, 2023	\$ 0
Proceeds of Tax Anticipation Note	100,000
Repayment of Tax Anticipation Note	<u>(100,000)</u>
Short-term Debt - June 30, 2024	<u>\$ 0</u>

TOWN OF SHAFTSBURY, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Receipts:			
Current Tax Revenue	\$ 2,104,226	\$ 2,137,624	\$ 33,398
Late Homestead Penalty	5,340	6,154	814
Delinquent Tax Interest	10,000	20,951	10,951
Education Billing Fee Retained	9,750	9,736	(14)
Railroad Tax	950	992	42
State Land Use	46,000	49,934	3,934
State PILOT Program	11,000	11,599	599
Federal Land PILOT Program	3,750	4,268	518
Vermont State Highway Aid	180,000	175,051	(4,949)
Miscellaneous Grant Income	0	510	510
Miscellaneous Transfer Station Fees	800	2,840	2,040
Access Permits	9,000	7,980	(1,020)
Pay-As-You-Throw Revenues	64,000	73,288	9,288
Zoning Permits	6,000	7,240	1,240
Dog Licenses	3,000	3,723	723
Beer and Liquor Licenses	130	0	(130)
Marriage Licenses	100	475	375
Dog Fines	400	0	(400)
Civil Fines	2,500	473	(2,027)
Interest Income	1,500	27,616	26,116
Trustees of Public Funds	4,500	5,017	517
Park Fees	100	150	50
Administrative Burial Fees & Permits	2,500	1,600	(900)
Lot Fees	5,000	6,300	1,300
Cemetery Perpetual Trusts	6,000	4,986	(1,014)
Corner Markers	200	0	(200)
Cemetery Donations	0	75	75
Grandview Lot Fees	0	1,950	1,950
Grandview Cemetery Perpetual Trusts	3,000	2,500	(500)
Grandview Cemetery Other Revenues	2,000	2,000	0
Town Clerk Fees	45,000	30,414	(14,586)
Miscellaneous Clerk Fees	300	550	250
Miscellaneous Income	0	5,879	5,879
Transfer from ARPA Fund	0	279,075	279,075
	<u>2,527,046</u>	<u>2,880,950</u>	<u>353,904</u>
Total Cash Receipts			

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TOWN OF SHAFTSBURY, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Disbursements:			
Administration:			
Select Board Stipend	\$ 3,750	\$ 8,000	\$ (4,250)
Town Administrator Salary	84,363	94,291	(9,928)
Administrative Support	0	2,885	(2,885)
Town Administrator Health Insurance	0	3,496	(3,496)
Health Plan Administration	1,000	710	290
Aflac Administration	973	463	510
FICA & Medicare	6,327	7,528	(1,201)
Liability Insurance & Bonds	72,685	79,391	(6,706)
Retirement Contribution	5,694	8,060	(2,366)
Unemployment Insurance	2,712	946	1,766
Professional Services	21,000	41,281	(20,281)
Postage	1,200	2,127	(927)
Meetings/Training	500	734	(234)
Video CAT-TV Zoom	4,800	9,162	(4,362)
Advertising & Legal Notices	1,500	298	1,202
Dues & Subscriptions	14,000	15,081	(1,081)
Office Supplies	2,500	2,955	(455)
Office Equipment/Leases	3,000	4,546	(1,546)
Miscellaneous Expenses	1,200	3,825	(2,625)
Website Management	9,181	0	9,181
Total Administration	<u>236,385</u>	<u>285,779</u>	<u>(49,394)</u>
Cole Hall - Town Offices:			
Custodial Wages	0	706	(706)
Contract Services	6,900	5,372	1,528
Repairs and Maintenance	2,000	6,946	(4,946)
Operating Supplies	2,300	1,983	317
Utilities	9,000	11,360	(2,360)
Heating Fuel	4,000	3,167	833
Total Cole Hall - Town Offices	<u>24,200</u>	<u>29,534</u>	<u>(5,334)</u>

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TOWN OF SHAFTSBURY, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Elections & Vital Statistics:			
Town Clerk Salary	\$ 48,968	\$ 53,020	\$ (4,052)
Assistant Town Clerk	9,181	9,352	(171)
Poll Worker Wages	4,200	1,190	3,010
Town Clerk Health Insurance Premium	19,946	16,881	3,065
Town Clerk Health Insurance Deductible	2,000	3,051	(1,051)
Short-term Disability	420	435	(15)
FICA & Medicare	4,662	5,343	(681)
Retirement Contribution	3,305	6,885	(3,580)
Dental Plan	628	1,034	(406)
Vision Plan	59	96	(37)
Professional Services	0	1,601	(1,601)
Travel and Meetings - Clerk	650	280	370
Travel and Meetings - Elections	650	0	650
Machine Equipment/Supplies - Elections	3,150	5,472	(2,322)
Operating Equipment/Supplies - Clerk	4,500	248	4,252
Total Elections & Vital Statistics	102,319	104,888	(2,569)
Accounting/Payroll:			
Bookkeeping Wages	9,820	6,385	3,435
Bookkeeping	0	2,746	(2,746)
FICA & Medicare	765	488	277
Payroll Services	3,500	4,252	(752)
Total Accounting/Payroll	14,085	13,871	214
Auditing:			
Auditor Wages	1,900	1,049	851
FICA & Medicare	148	80	68
Town Report	955	981	(26)
Total Auditing	3,003	2,110	893
Delinquent Tax Collection:			
FICA & Medicare	1,300	1,042	258
Supplies	500	3,060	(2,560)
Total Delinquent Tax Collection	1,800	4,102	(2,302)
Treasurer Services:			
Treasurer's Salary	26,989	30,497	(3,508)
Bank Service Charge	660	0	660
Billing Supplies	2,000	807	1,193
Other Services	250	228	22
FICA & Medicare	2,105	2,333	(228)
Total Treasurer Services	32,004	33,865	(1,861)

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TOWN OF SHAFTSBURY, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
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BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Listers:			
Lister Wages	\$ 36,358	\$ 29,165	\$ 7,193
FICA & Medicare	2,726	2,231	495
Retirement	0	11,245	(11,245)
Professional Services	18,260	7,660	10,600
Tax Maps	2,500	7,075	(4,575)
IT Support and Computer Maintenance	500	0	500
Travel and Meetings	250	608	(358)
Dues and Subscriptions	700	50	650
Operating Supplies	200	958	(758)
Total Listers	61,494	58,992	2,502
Animal Control:			
ACO Wages	6,615	7,385	(770)
FICA & Medicare	506	565	(59)
Veterinary Expense	750	250	500
Tags/Miscellaneous	500	344	156
Kennel Expense	800	0	800
Total Animal Control	9,171	8,544	627
Emergency Management:			
Travel and Meetings	200	0	200
Operating Supplies	400	0	400
Equipment Maintenance	800	1,328	(528)
Total Emergency Management	1,400	1,328	72
Fire Department:			
Chief's Stipends	2,600	2,600	0
FICA & Medicare	199	0	199
Insurance & Bonds	2,550	1,765	785
Firehouse Maintenance	5,000	3,851	1,149
Fire Truck Maintenance	8,000	9,624	(1,624)
Communications	4,500	5,745	(1,245)
Training	2,000	1,594	406
Operating Supplies	750	1,809	(1,059)
Utilities	10,000	15,313	(5,313)
Firehouse Heating Fuel (Fuel Oil)	11,016	3,385	7,631
Gas, Oil and Diesel (Trucks)	4,000	73	3,927
Extrication Equipment	2,000	0	2,000
Equipment Replacement	20,000	22,708	(2,708)
Total Fire Department	72,615	68,467	4,148

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TOWN OF SHAFTSBURY, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
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BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Fire Warden:			
Operating Supplies	\$ 250	\$ 0	\$ 250
Vehicle & Equipment	1,500	87	1,413
Total Fire Warden	1,750	87	1,663
Sheriff Services:	40,000	44,458	(4,458)
Emergency Medical:			
Bennington Rescue	27,500	27,500	0
Arlington Rescue	10,388	0	10,388
Total Emergency Medical	37,888	27,500	10,388
Highway Administration:			
Highway Wages - Regular	312,628	326,107	(13,479)
Highway Wages - Overtime	29,820	17,792	12,028
Highway Wages - Part-time Summer	9,236	0	9,236
Employee Health Insurance - Premium	98,309	79,447	18,862
Employee Health Insurance - Deductible	16,000	10,437	5,563
Short-term Disability	3,000	3,436	(436)
Dental Plan	3,769	3,490	279
Vision Plan	350	547	(197)
FICA & Medicare	26,844	26,018	826
Retirement Contribution	22,912	22,851	61
Uniforms/Cleaning	0	5,204	(5,204)
Travel and Meetings	300	0	300
Steel Toe Footwear	750	886	(136)
CDL Physicals and Drug Testing	800	420	380
Clothing Allowance	3,307	0	3,307
Total Highway Administration	528,025	496,635	31,390
Highway Construction & Maintenance:			
Subcontractor Costs	0	1,483	(1,483)
Signs	4,000	8,122	(4,122)
Tree Removal	22,500	12,210	10,290
Paving	0	398	(398)
Operating Supplies	8,000	14,188	(6,188)
Gravel	90,000	82,994	7,006
Chloride (Dust Control)	60,000	71,129	(11,129)
Winter Salt	51,000	36,856	14,144
Winter Sand	52,000	42,920	9,080
Level & Sealing	5,000	0	5,000
Rentals	3,000	1,000	2,000
State MRGP Fees	1,600	397	1,203
Total Highway Construction & Maintenance	297,100	271,697	25,403

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TOWN OF SHAFTSBURY, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
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BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Highway Equipment Maintenance:			
Truck #1-21 International	\$ 3,700	\$ 4,553	\$ (853)
Truck #2-23 International	3,700	3,431	269
Truck #3-15 International	3,700	31,396	(27,696)
Truck #4-13 International	3,700	24,478	(20,778)
Truck #5-11 International	3,700	30,382	(26,682)
Truck #6-09 International/Chloride	3,700	45	3,655
Truck #7-Chevy 5500	3,700	273	3,427
Trailers	1,000	1,137	(137)
Toro	800	2,919	(2,119)
Truck #9-A.M. Dump Truck	3,700	62	3,638
Truck #10-Dodge 3500	3,700	839	2,861
John Deere Backhoe	3,700	2,746	954
John Deere Loader	3,700	300	3,400
Cat Excavator	3,700	1,233	2,467
Cat Grader	3,700	909	2,791
John Deere Grader	3,700	2,926	774
Case Mower 115Max	3,700	12,919	(9,219)
Plows & Sanders	3,700	4,580	(880)
Sidewalk Machine	3,700	1,519	2,181
Communications	500	579	(79)
Gas, Diesel and Oil	70,000	63,161	6,839
Machinery and Equipment	14,000	12,902	1,098
	<u>149,200</u>	<u>203,289</u>	<u>(54,089)</u>
Total Highway Equipment Maintenance			
Highway Garage:			
Professional Services	2,500	3,037	(537)
Repairs and Maintenance	1,000	1,538	(538)
Operating Supplies	4,000	4,937	(937)
Utilities	5,200	9,838	(4,638)
Heating Fuel	2,500	4,248	(1,748)
Machinery and Equipment	3,000	3,311	(311)
	<u>18,200</u>	<u>26,909</u>	<u>(8,709)</u>
Total Highway Garage			

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TOWN OF SHAFTSBURY, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Solid Waste Facility:			
Attendant Wages	\$ 36,649	\$ 37,313	\$ (664)
FICA & Medicare	2,749	2,855	(106)
Professional Services	4,000	6,588	(2,588)
Methane Well Monitoring	400	0	400
Solid Waste Implementation Plan	30,000	18,172	11,828
Groundwater Monitoring	25,000	22,849	2,151
Tire Removal	0	688	(688)
Casella Services	104,838	118,917	(14,079)
Repairs & Maintenance	1,000	655	345
Operating Supplies	1,000	360	640
Sticker Cost	1,500	865	635
Transfer Station Utilities	400	355	45
Landfill Utilities	200	0	200
Total Solid Waste Facility	207,736	209,617	(1,881)
Street Lights:			
Hawks Avenue	500	188	312
S. Shaftsbury Village	11,750	12,355	(605)
Total Street Lights	12,250	12,543	(293)
Parks and Recreation:			
Professional Services	3,000	883	2,117
Building Construction, Maintenance and Repairs	2,000	7,965	(5,965)
Operating Supplies	500	350	150
Utilities	550	686	(136)
Total Parks and Recreation	6,050	9,884	(3,834)
Cemetery Expenditures:			
Superintendent Salary	9,181	11,118	(1,937)
Cemetery Assistant	4,056	0	4,056
FICA & Medicare	937	835	102
Retirement	0	3,353	(3,353)
Contract Services	31,200	32,195	(995)
Repairs and Maintenance	3,000	3,267	(267)
Travel and Meetings	400	755	(355)
Corner Marker Installation	200	0	200
(New) Corner Marker Purchases	1,300	1,200	100
Cemify Maintenance	1,359	0	1,359
Miscellaneous	0	1,980	(1,980)
Total Cemetery Expenditures	51,633	54,703	(3,070)

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TOWN OF SHAFTSBURY, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Development Review Board:			
Board Member Stipends	\$ 2,500	\$ 2,500	\$ 0
Professional Services	500	6,800	(6,300)
Travel and Meetings	250	0	250
Advertising and Legal	1,000	2,657	(1,657)
Total Development Review Board	<u>4,250</u>	<u>11,957</u>	<u>(7,707)</u>
Planning:			
Board Member Stipends	2,500	2,500	0
Zoning Administrator Wages	12,740	10,966	1,774
FICA & Medicare	975	839	136
Professional Services	750	38,699	(37,949)
Travel and Meetings	200	0	200
Advertising and Legal	500	318	182
Total Planning	<u>17,665</u>	<u>53,322</u>	<u>(35,657)</u>
County Tax:	<u>34,299</u>	<u>73,455</u>	<u>(39,156)</u>
Debt Service Expenditures:			
Tax Anticipation Note - Interest	1,000	2,016	(1,016)
2021 CAT Excavator	11,932	11,932	0
Garage Bond Payment	77,577	77,577	0
2021 Mower Loan	23,320	23,320	0
Total Debt Service Expenditures	<u>113,829</u>	<u>114,845</u>	<u>(1,016)</u>
Transfer to Reserves:			
Equipment Reserve Fund	125,000	125,000	0
Fire Warden Truck Reserve Fund	1,000	1,000	0
Fire Truck Reserve Fund	95,000	95,000	0
Paving Reserve Fund	45,000	45,000	0
Sidewalk Reserve Fund	3,000	3,000	0
Cemetery Capital Reserve	5,000	5,000	0
Culvert Reserve Fund	10,000	10,000	0
Audit Reserve Fund	16,000	16,000	0
Class 3 Road Capital Improvement Reserve Fund	50,000	50,000	0
Airpack Reserve Fund	10,000	10,000	0
Total Transfer to Reserves	<u>360,000</u>	<u>360,000</u>	<u>0</u>

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TOWN OF SHAFTSBURY, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Community Appropriations:			
Bennington Free Library	\$ 18,630	\$ 18,630	\$ 0
John G. McCullough Library	25,200	25,200	0
VNA & Hospice of S.V.H.C.	5,225	5,225	0
Bennington Project Independence	4,500	4,500	0
Martha Canfield Library	2,000	2,000	0
Paran Recreation, Inc.	2,500	2,500	0
Shaftsbury History Society	2,500	2,500	0
Habitat for Humanity	1,850	1,850	0
BROC	1,700	1,700	0
SWVT Council on Aging	1,100	1,100	0
Bennington Coalition Homeless	5,000	5,000	0
Little League	600	600	0
Sunrise Family Resource	1,000	1,000	0
Bennington Free Clinic	1,000	1,000	0
Park McCullough House	1,500	1,500	0
Vermont Center for Independent Living	1,000	1,000	0
RSVP	950	950	0
Tutorial Center, Inc.	900	900	0
Center for Restorative Justice	600	600	0
Bennington County Conservation District	3,740	3,740	0
PAVE	450	450	0
Vermont Association Blind & Visually Impaired	300	300	0
Green Up Vermont	200	200	0
Shires Media Partnership - WBTN	5,000	5,000	0
Bennington County Association Against Child Abuse	500	500	0
Bennington Senior Center	750	750	0
	<u>88,695</u>	<u>88,695</u>	<u>0</u>
Total Community Appropriations			
	<u>2,527,046</u>	<u>2,671,076</u>	<u>(144,030)</u>
Total Cash Disbursements			
Excess of Cash Receipts			
Over Cash Disbursements	\$ <u>0</u>	209,874	\$ <u>209,874</u>

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TOWN OF SHAFTSBURY, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Actual
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Cash Basis of Accounting:	
Economic Development Fund Income	\$ 4,082
Landfill Fund Income	1,519
Professional Audit Reserve Fund Expenses	(18,267)
Professional Audit Reserve Fund Transfer In	16,000
G.W. Hawkins Fund Income	11,353
G.W. Hawkins Fund Expenses	(814)
Recreation Fund Income	11,915
Recreation Fund Expenses	(856)
Recreation Fund Transfer Out	(5,017)
Net Change in Fund Balance	229,789
Fund Balance - July 1, 2023, As Previously Presented	228,751
Change in Accounting Principles	70,937
Error Corrections	141,603
Fund Balance - July 1, 2023, As Restated	441,291
Fund Balance - June 30, 2024	\$ 671,080

The reconciling items are due to combining five (5) funds, the Economic Development Fund, the Landfill Fund, the Professional Audit Reserve Fund, the G.W. Hawkins Fund and the Recreation Fund with the General Fund in order to comply with GASB Statement No. 54.

TOWN OF SHAFTSBURY, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS
 ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2024

	Special Revenue Funds	Capital Project Funds	Permanent Fund Cemetery Fund	Total
<u>ASSETS</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 21,799	\$ 21,799
Investments	0	0	196,673	196,673
Due from Other Funds	<u>20,551</u>	<u>486,306</u>	<u>32,607</u>	<u>539,464</u>
Total Assets	<u>\$ 20,551</u>	<u>\$ 486,306</u>	<u>\$ 251,079</u>	<u>\$ 757,936</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Due to Other Funds	<u>\$ 0</u>	<u>\$ 120,237</u>	<u>\$ 0</u>	<u>\$ 120,237</u>
Total Liabilities	<u>0</u>	<u>120,237</u>	<u>0</u>	<u>120,237</u>
Fund Balances:				
Nonspendable	0	0	102,288	102,288
Restricted	20,551	36,866	148,791	206,208
Committed	0	449,440	0	449,440
Unassigned/(Deficit)	<u>0</u>	<u>(120,237)</u>	<u>0</u>	<u>(120,237)</u>
Total Fund Balances	<u>20,551</u>	<u>366,069</u>	<u>251,079</u>	<u>637,699</u>
Total Liabilities and Fund Balances	<u>\$ 20,551</u>	<u>\$ 486,306</u>	<u>\$ 251,079</u>	<u>\$ 757,936</u>

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TOWN OF SHAFTSBURY, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS
 AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds	Capital Project Funds	Permanent Fund Cemetery Fund	Total
Cash Receipts:				
Intergovernmental	\$ 0	\$ 350,317	\$ 0	\$ 350,317
Charges for Services	0	0	6,300	6,300
Permits, Licenses and Fees	9,624	0	0	9,624
Investment Income	477	8,576	18,199	27,252
Total Cash Receipts	10,101	358,893	24,499	393,493
Cash Disbursements:				
General Government	889	0	0	889
Culture and Recreation	0	76	0	76
Cemetery	0	0	1,756	1,756
Capital Outlay:				
Public Safety	0	18,693	0	18,693
Public Works	0	756,083	0	756,083
Culture and Recreation	0	32,600	0	32,600
Cemetery	0	5,557	0	5,557
Total Cash Disbursements	889	813,009	1,756	815,654
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	9,212	(454,116)	22,743	(422,161)
Other Financing Sources/(Uses):				
Proceeds from Sale of Equipment	0	4,520	0	4,520
Transfers In	0	390,743	0	390,743
Transfers Out	0	(46,743)	(7,486)	(54,229)
Total Other Financing Sources/(Uses)	0	348,520	(7,486)	341,034
Net Changes in Fund Balances	9,212	(105,596)	15,257	(81,127)
Fund Balances - July 1, 2023, As Previously Presented	359,355	474,112	311,211	1,144,678
Change in Accounting Principles	0	17,168	0	17,168
Change within Financial Reporting Entity (Major to Non-Major Fund)	0	(19,615)	0	(19,615)
Change within Financial Reporting Entity (Non-Major to Major Fund)	(348,016)	0	0	(348,016)
Error Corrections	0	0	(75,389)	(75,389)
Fund Balances - July 1, 2023, As Adjusted/Restated	11,339	471,665	235,822	718,826
Fund Balances - June 30, 2024	\$ 20,551	\$ 366,069	\$ 251,079	\$ 637,699

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TOWN OF SHAFTSBURY, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS
 ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2024

	Municipal Grants Fund	Restoration Fund	Total
<u>ASSETS</u>			
Due from Other Funds	\$ <u>0</u>	\$ <u>20,551</u>	\$ <u>20,551</u>
Total Assets	\$ <u><u>0</u></u>	\$ <u><u>20,551</u></u>	\$ <u><u>20,551</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Fund Balances:			
Restricted	<u>0</u>	<u>20,551</u>	<u>20,551</u>
Total Fund Balances	<u>0</u>	<u>20,551</u>	<u>20,551</u>
Total Liabilities and Fund Balances	\$ <u><u>0</u></u>	\$ <u><u>20,551</u></u>	\$ <u><u>20,551</u></u>

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TOWN OF SHAFTSBURY, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS
 AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Municipal Grants Fund	Restoration Fund	<i>Formerly Non-Major Fund</i> Listers' Reappraisal Fund	Total
Cash Receipts:				
Permits, Licenses and Fees	\$ 0	\$ 9,624	\$ 0	\$ 9,624
Investment Income	<u>0</u>	<u>477</u>	<u>0</u>	<u>477</u>
Total Cash Receipts	<u>0</u>	<u>10,101</u>	<u>0</u>	<u>10,101</u>
Cash Disbursements:				
General Government	<u>90</u>	<u>799</u>	<u>0</u>	<u>889</u>
Total Cash Disbursements	<u>90</u>	<u>799</u>	<u>0</u>	<u>889</u>
Net Changes in Fund Balances	<u>(90)</u>	<u>9,302</u>	<u>0</u>	<u>9,212</u>
Fund Balances - July 1, 2023, As Previously Presented	90	11,249	348,016	359,355
Change within Financial Reporting Entity (Non-Major to Major Fund)	<u>0</u>	<u>0</u>	<u>(348,016)</u>	<u>(348,016)</u>
Fund Balances - July 1, 2023, As Adjusted	<u>90</u>	<u>11,249</u>	<u>0</u>	<u>11,339</u>
Fund Balances - June 30, 2024	<u><u>\$ 0</u></u>	<u><u>\$ 20,551</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 20,551</u></u>

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TOWN OF SHAFTSBURY, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS
 ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2024

	Equipment Replacement Fund	Paving Fund	Park Fund	Hooke Memorial Fund	Culvert Fund	Cemetery Capital Fund	Howard Park Fund	Cole Hall Renovation and Garage Fund	Fire Equipment Replacement Fund	Sidewalk Fund	Class 3 Road Improvement Fund	Total
ASSETS												
Due from Other Funds	\$ 75,430	\$ 0	\$ 24,680	\$ 46,794	\$ 0	\$ 50,095	\$ 0	\$ 0	\$ 289,307	\$ 0	\$ 0	\$ 486,306
Total Assets	\$ 75,430	\$ 0	\$ 24,680	\$ 46,794	\$ 0	\$ 50,095	\$ 0	\$ 0	\$ 289,307	\$ 0	\$ 0	\$ 486,306
LIABILITIES AND FUND BALANCES												
Liabilities:												
Due to Other Funds	\$ 0	\$ 86,793	\$ 0	\$ 0	\$ 259	\$ 0	\$ 0	\$ 1,725	\$ 0	\$ 16,562	\$ 14,898	\$ 120,237
Total Liabilities	0	86,793	0	0	259	0	0	1,725	0	16,562	14,898	120,237
Fund Balances/(Deficit):												
Restricted	0	0	24,680	0	0	12,186	0	0	0	0	0	36,866
Committed	75,430	0	0	46,794	0	37,909	0	0	289,307	0	0	449,440
Unassigned/(Deficit)	0	(86,793)	0	0	(259)	0	0	(1,725)	0	(16,562)	(14,898)	(120,237)
Total Fund Balances/(Deficit)	75,430	(86,793)	24,680	46,794	(259)	50,095	0	(1,725)	289,307	(16,562)	(14,898)	366,069
Total Liabilities and Fund Balances	\$ 75,430	\$ 0	\$ 24,680	\$ 46,794	\$ 0	\$ 50,095	\$ 0	\$ 0	\$ 289,307	\$ 0	\$ 0	\$ 486,306

TOWN OF SHAFTSBURY, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS
 AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 NON-MAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Equipment Replacement Fund	Paving Fund	Park Fund	Hooke Memorial Fund	Culvert Fund	Cemetery Capital Fund	Howard Park Fund	Cole Hall Renovation and Garage Fund	Fire Equipment Replacement Fund	Sidewalk Fund	Formerly Major Fund Class 3 Road Improvement Fund	Total
Cash Receipts:												
Intergovernmental	\$ 0	\$ 122,720	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,200	\$ 224,397	\$ 350,317
Investment Income/(Loss)	<u>1,608</u>	<u>(866)</u>	<u>333</u>	<u>1,364</u>	<u>(143)</u>	<u>1,629</u>	<u>(872)</u>	<u>(50)</u>	<u>7,183</u>	<u>(232)</u>	<u>(1,378)</u>	<u>8,576</u>
Total Cash Receipts	<u>1,608</u>	<u>121,854</u>	<u>333</u>	<u>1,364</u>	<u>(143)</u>	<u>1,629</u>	<u>(872)</u>	<u>(50)</u>	<u>7,183</u>	<u>2,968</u>	<u>223,019</u>	<u>358,893</u>
Cash Disbursements:												
Culture and Recreation	0	0	0	0	0	0	76	0	0	0	0	76
Capital Outlay:												
Public Safety	0	0	0	0	0	0	0	18,693	0	0	0	18,693
Public Works	203,045	251,738	0	0	4,836	0	0	0	0	28,162	268,302	756,083
Culture and Recreation	0	0	32,600	0	0	0	0	0	0	0	0	32,600
Cemetery	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,557</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,557</u>
Total Cash Disbursements	<u>203,045</u>	<u>251,738</u>	<u>32,600</u>	<u>0</u>	<u>4,836</u>	<u>5,557</u>	<u>76</u>	<u>0</u>	<u>18,693</u>	<u>28,162</u>	<u>268,302</u>	<u>813,009</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>(201,437)</u>	<u>(129,884)</u>	<u>(32,267)</u>	<u>1,364</u>	<u>(4,979)</u>	<u>(3,928)</u>	<u>(948)</u>	<u>(50)</u>	<u>(11,510)</u>	<u>(25,194)</u>	<u>(45,283)</u>	<u>(454,116)</u>
Other Financing Sources/(Uses):												
Proceeds from Sale of Equipment	4,520	0	0	0	0	0	0	0	0	0	0	4,520
Transfers In	125,000	45,000	46,743	0	10,000	5,000	0	0	106,000	3,000	50,000	390,743
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(46,743)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(46,743)</u>
Total Other Financing Sources/(Uses)	<u>129,520</u>	<u>45,000</u>	<u>46,743</u>	<u>0</u>	<u>10,000</u>	<u>5,000</u>	<u>(46,743)</u>	<u>0</u>	<u>106,000</u>	<u>3,000</u>	<u>50,000</u>	<u>348,520</u>
Net Changes in Fund Balances	<u>(71,917)</u>	<u>(84,884)</u>	<u>14,476</u>	<u>1,364</u>	<u>5,021</u>	<u>1,072</u>	<u>(47,691)</u>	<u>(50)</u>	<u>94,490</u>	<u>(22,194)</u>	<u>4,717</u>	<u>(105,596)</u>
Fund Balances/(Deficit) - July 1, 2023, As Previously Presented	147,347	(1,909)	4	45,430	(5,280)	49,023	47,691	(1,675)	194,817	(1,336)	0	474,112
Change in Accounting Principles Change within Financial Reporting Entity (Major to Non-Major Fund)	<u>0</u>	<u>0</u>	<u>10,200</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,968</u>	<u>0</u>	<u>17,168</u>
Fund Balances/(Deficit) - July 1, 2023, As Adjusted/Restated	<u>147,347</u>	<u>(1,909)</u>	<u>10,204</u>	<u>45,430</u>	<u>(5,280)</u>	<u>49,023</u>	<u>47,691</u>	<u>(1,675)</u>	<u>194,817</u>	<u>5,632</u>	<u>(19,615)</u>	<u>471,665</u>
Fund Balances/(Deficit) - June 30, 2024	\$ <u>75,430</u>	\$ <u>(86,793)</u>	\$ <u>24,680</u>	\$ <u>46,794</u>	\$ <u>(259)</u>	\$ <u>50,095</u>	\$ <u>0</u>	\$ <u>(1,725)</u>	\$ <u>289,307</u>	\$ <u>(16,562)</u>	\$ <u>(14,898)</u>	\$ <u>366,069</u>

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TOWN OF SHAFTSBURY, VERMONT
 COMBINING SCHEDULE OF FIDUCIARY MODIFIED CASH BASIS NET POSITION
 PRIVATE-PURPOSE TRUST FUNDS
 JUNE 30, 2024

	Trustees of Public Funds Fund	Florence Beebe Memorial Fund	Total
	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 22,040	\$ 0	\$ 22,040
Investments	163,475	0	163,475
Due from Other Funds	<u>0</u>	<u>761</u>	<u>761</u>
Total Assets	<u>\$ 185,515</u>	<u>\$ 761</u>	<u>\$ 186,276</u>
<u>LIABILITIES AND NET POSITION</u>			
Liabilities:	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Position:			
Restricted	<u>185,515</u>	<u>761</u>	<u>186,276</u>
Total Net Position	<u>185,515</u>	<u>761</u>	<u>186,276</u>
Total Liabilities and Net Position	<u>\$ 185,515</u>	<u>\$ 761</u>	<u>\$ 186,276</u>

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TOWN OF SHAFTSBURY, VERMONT
 COMBINING SCHEDULE OF CHANGES IN FIDUCIARY
 MODIFIED CASH BASIS NET POSITION
 PRIVATE-PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Trustees of Public Funds Fund	Florence Beebe Memorial Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Additions:			
Investment Income	\$ <u>14,943</u>	\$ <u>22</u>	\$ <u>14,965</u>
Total Additions	<u>14,943</u>	<u>22</u>	<u>14,965</u>
Deductions:			
Mary Monroe Hawkins Memorial			
Library Expenses	831	0	831
School Expenses	1,073	0	1,073
Investment Fees	<u>1,144</u>	<u>0</u>	<u>1,144</u>
Total Deductions	<u>3,048</u>	<u>0</u>	<u>3,048</u>
Change in Net Position	<u>11,895</u>	<u>22</u>	<u>11,917</u>
Net Position - July 1, 2023, As Previously Presented	239,834	739	240,573
Error Correction	<u>(66,214)</u>	<u>0</u>	<u>(66,214)</u>
Net Position - July 1, 2023, As Restated	<u>173,620</u>	<u>739</u>	<u>174,359</u>
Net Position - June 30, 2024	<u>\$ <u>185,515</u></u>	<u>\$ <u>761</u></u>	<u>\$ <u>186,276</u></u>

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Independent Auditor's Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
"Government Auditing Standards"

Selectboard
Town of Shaftsbury, Vermont
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61 Buck Hill Road
Shaftsbury, Vermont 05262-0409

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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Shaftsbury, Vermont, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Town of Shaftsbury, Vermont's basic financial statements and have issued our report thereon dated (DATE). Our opinion on the governmental activities, the General Fund and the aggregate remaining fund information was qualified because of the inadequacies in the Town's controls over transfer station fees receipts and the recording of investments at market value rather than cost.

Report on Internal Control Over Financial Reporting

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

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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Deficiencies in Internal Control as Items 2024-001 through 2024-004, that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Shaftsbury, Vermont's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under "Government Auditing Standards".

Town of Shaftsbury, Vermont's Response to Findings

"Government Auditing Standards" requires the auditor to perform limited procedures on the Town of Shaftsbury, Vermont's response to the findings identified in our audit and included with the accompanying Schedule of Findings and Deficiencies in Internal Control. The Town of Shaftsbury, Vermont's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Town of Shaftsbury, Vermont'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 Town of Shaftsbury, Vermont's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(DATE)

Montpelier, Vermont
VT Lic. #92-000180

Deficiencies in Internal Control:

Material Weaknesses:

2024-001 Transfer Station Revenues

Criteria:

Internal controls over transfer station revenues should be in place so that no individual can both perpetrate and conceal errors or irregularities.

Condition:

The Town does not have adequate internal controls in place over transfer station revenues. Therefore, the Town cannot be sure that all of the cash collected is being handed over to them by the transfer station employees.

Cause:

Unknown.

Effect:

The collections at the transfer station are subject to misappropriation.

Recommendation:

Our primary recommendation is that the Town consider selling transfer station coupons off-site at the Town Treasurer's office and/or at local businesses. If sales take place at the transfer station, we recommend that the Town implement controls to ensure that all of the cash collected is being handed over to them by the transfer station employees.

2024-002 Netting Revenues and Expenditures

Criteria:

Internal controls should be in place to ensure that revenues are not netted with expenditures in order to conform with the modified cash basis of accounting.

Condition:

The Town netted revenues within expenditure accounts during the year. This nets out the revenue and expenditures as if they did not exist and results in the understatement of both revenue and expenditures.

Cause:

The Town was not aware that this practice is not in accordance with the modified cash basis of accounting.

Effect:

This resulted in an understatement of revenue and expenditures.

Recommendation:

We recommend that the Town implement controls to ensure that revenues are not netted with expenditures.

2024-003 Property Tax Reconciliation

Criteria:

Internal controls should be in place to ensure that the property tax billings are reconciled to the general ledger.

Condition:

The Town did not have controls in place to ensure that the property tax billings were reconciled to the general ledger.

Cause:

Unknown.

Effect:

The collection of property tax billings could be incorrect.

Recommendation:

We recommend that the Town implement controls to ensure that the property tax billings are reconciled to the general ledger.

2024-004 Controls Over Disbursements

Criteria:

Internal controls should be in place to ensure that the Town retains appropriate documentation, approved invoices and signed Board warrants for all purchases. In addition, internal controls should be in place for the review of invoices and corresponding checks in detail to ensure the payments reflect accurate and appropriate amounts.

Condition:

The Town could not locate the proper documentation, approved invoices or signed Board warrants for several payments during the year. In addition, there was an instance in which the Town included a previously paid balance on the invoice as part of the payment.

Cause:

Unknown.

Effect:

The Town could be issuing payments that were not properly approved or for accurate and appropriate amounts.

Recommendation:

We recommend that the Town retain appropriate documentation, approved invoices, and signed Board warrants for all purchases. In addition, we recommend the Town review invoices and corresponding checks in detail to ensure the payments reflect accurate and appropriate amounts.



www.shaftsburyvt.gov

Town of Shaftsbury

Municipal Offices at Cole Hall

PO Box 409

61 Buck Hill Road

Shaftsbury, VT 05262-0409

802 442 4038

Jordon Plummer, Senior Accountant
Sullivan, Powers and Company
77 Barre Street; PO Box 947
Montpelier, Vermont 05602

February 25, 2025

Jordon,

The FY24 audit has been reviewed, and we would like to respond to the following findings and deficiencies in internal control:

2024-01 Transfer Station Revenue

Response: Since summer, we have had a cash register at the Transfer Station, from which receipts are provided by the Transfer Station employees to the townspeople. Cash receipts in the register must match the cash received each day on the cash register tally. Transfer Station stickers need to still be sold on site, but the cash register now records trash and sticker fees collected.

2024-002 Netting Revenues and Expenditures

Response: The understatement of revenues and expenditures was a misunderstanding on our part, and the Treasurer, Bookkeeper, and Town Administrator will refine their systems going forward, with new understanding and thoughtfully contemplate the specific budget lines and implications of the flow of funds.

2024-03 Property Tax Reconciliation

Response: The Tax Admin module will be linked to the General Ledger in NEMRC well before tax season rolls around again in August. We will need to understand if and how this change will affect delinquent taxes, but this will help with reconciliation.

2024-04 Controls Over Disbursements

Response: FY24 was a year of major transitions. We had three bookkeepers and two town administrators. For months, the Town had no administrator at all, and the interim bookkeeper was a very confused temp. We also brought payroll in-house and began using the Payroll module

in NEMRC. We moved some payments to ACH and underwent various other transitions and new operating procedures. If, during this period, some documents were misfield, we have every reason to believe that the misfilings were the exception and not the norm. The Town Administrator, Bookkeeper, and Treasurer have new operational procedures and checks on said procedures so that, going forward, all documentation for warrants and invoices will be sound.



Melanie Dexter
Treasurer



Paula Iken
Town Administrator