TOWN OF FAYSTON, VERMONT

REVIEW REPORT

DECEMBER 31, 2023

TOWN OF FAYSTON, VERMONT
REVIEW REPORT
TABLE OF CONTENTS
DECEMBER 31, 2023

		Page #
Independent Accountant's Review Report		1-2
Basic Financial Statements:		
Statement of Net Position - Modified Cash Basis	Exhibit A	3
Statement of Activities - Modified Cash Basis	Exhibit B	4
Governmental Funds:		
Statement of Modified Cash Basis Assets, Liabilities and Fund Balances	Exhibit C	5
Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances	Exhibit D	6
Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balance - Budget and Actual - General Fund	Exhibit E	7-10
Fiduciary Funds:		
Statement of Fiduciary Modified Cash Basis Net Position	Exhibit F	11
Statement of Changes in Fiduciary Modified Cash Basis Net Position	Exhibit G	12
Notes to the Financial Statements		13-27

TOWN OF FAYSTON, VERMONT
REVIEW REPORT
TABLE OF CONTENTS
DECEMBER 31, 2023

		Page #
Other Information:		
Combining Schedule of Modified Cash Basis Assets, Liabilities and Fund Balances - Non-Major Governmental Funds	Schedule 1	28
Combining Schedule of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances - Non-Major Governmental Funds	Schedule 2	29
Combining Schedule of Modified Cash Basis Assets, Liabilities and Fund Balances - Non-Major Special Revenue Funds	Schedule 3	30
Combining Schedule of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances - Non-Major Special Revenue Funds	Schedule 4	31
Combining Schedule of Modified Cash Basis Assets, Liabilities and Fund Balances - Non-Major Capital Projects Funds	Schedule 5	32
Combining Schedule of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances - Non-Major Capital Projects Funds	Schedule 6	33

Sullivan, Powers & Co., P.C.

Certified Public Accountants

77 Barre Street
P.O. Box 947
Montpelier, VT 05601
802/223-2352
www.sullivanpowers.com

Richard J. Brigham, CPA
Chad A. Hewitt, CPA
Jordon M. Plummer, CPA
VT Lic. #92-000180

Independent Accountant's Review Report

Selectboard
Town of Fayston, Vermont
866 North Fayston Road
Fayston, VT 05660

We have reviewed the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Fayston, Vermont as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Fayston, Vermont's basic financial statements as listed in the Table of Contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Town personnel. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of 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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Town of Fayston, Vermont and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Basis for Qualified Conclusion

The modified cash basis of accounting requires the Town to record its investments at historical cost. Currently, the Town's investments in the governmental activities and the aggregate remaining fund information are recorded at current market value. The difference between the historical cost and current value is not reasonably determinable.

Qualified Conclusion

Based on our review, except for the issue noted in the Basis for Qualified Conclusion paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note I of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with 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 conclusion is not modified with respect to this matter.

Other Information

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with the modified cash basis of accounting, as described in Note I. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements but has been compiled on the modified cash basis of accounting from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, we do not express an opinion or provide any assurance on such supplementary information.

Sullivan, Powers & Co.

March 11, 2024
Montpelier, Vermont
Vt Lic. #92-000180

TOWN OF FAYSTON, VERMONT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2023

	Governmental Activities
ASSETS	
Cash	$ 2,874,514
Investments	277,848
Total Assets	3,152,362
LIABILITIES	
Payroll Withholdings Payable	959
Due to Education Tax Fund	1,481,692
Due to Delinquent Tax Collector	87
Total Liabilities	1,482,738
DEFERRED INFLOWS OF RESOURCES	
Prepaid Property Taxes	5,496
Total Deferred Inflows of Resources	5,496
NET POSITION	
Restricted:	
Cemetery	231,396
Eligible ARPA Uses	139,146
Other	21,004
Unrestricted	1,272,582
Total Net Position	$ 1,664,128

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

TOWN OF FAYSTON, VERMONT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs:	Cash Disbursements	Program Cash Receipts: Charges for Services	Program Cash Receipts: Operating Grants and Contributions	Program Cash Receipts: Capital Grants/Loans and Contributions	Net (Disbursements)/ Receipts and Changes in Net Position: Governmental Activities
Governmental Activities:					
General Government	$ 617,850	$ 39,674	$ 15,871	$ 0	$ (562,305)
Public Safety	62,041	0	0	0	(62,041)
Highways and Streets	630,098	12,596	133,934	0	(483,568)
Culture and Recreation	78,220	0	0	0	(78,220)
Cemetery	8,869	14,375	0	0	5,506
Sanitation	9,548	0	0	0	(9,548)
Total Governmental Activities	$ 1,406,626	$ 66,645	$ 149,805	$ 0	(1,190,176)
General Receipts:					
Property Taxes					1,214,162
Penalties and Interest on Delinquent Taxes					17,262
General State Grants					70,103
Unrestricted Investment Earnings					35,210
Other					11,954
Total General Receipts					1,348,691
Change in Net Position					158,515
Net Position - January 1, 2023					1,505,613
Net Position - December 31, 2023					$ 1,664,128

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

TOWN OF FAYSTON, VERMONT
STATEMENT OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General Fund	Other Equipment/Assets Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash	$ 2,860,335	$ 0	$ 0	$ 14,179	$ 2,874,514
Investments	60,631	0	0	217,217	277,848
Due from Other Funds	0	149,075	139,146	993,554	1,281,775
Total Assets	$ 2,920,966	$ 149,075	$ 139,146	$ 1,224,950	$ 4,434,137
LIABILITIES					
Payroll Withholdings Payable	$ 959	$ 0	$ 0	$ 0	$ 959
Due to Other Funds	2,755,179	0	0	8,288	2,763,467
Due to Delinquent Tax Collector	87	0	0	0	87
Total Liabilities	2,756,225	0	0	8,288	2,764,513
DEFERRED INFLOWS OF RESOURCES					
Prepaid Property Taxes	5,496	0	0	0	5,496
Total Deferred Inflows of Resources	5,496	0	0	0	5,496
FUND BALANCES					
Restricted	0	0	139,146	252,400	391,546
Committed	0	149,075	0	772,677	921,752
Assigned	0	0	0	191,585	191,585
Unassigned	159,245	0	0	0	159,245
Total Fund Balances	159,245	149,075	139,146	1,216,662	1,664,128
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,920,966	$ 149,075	$ 139,146	$ 1,224,950	$ 4,434,137

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

TOWN OF FAYSTON, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General Fund	Other Equipment/Assets Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
Cash Receipts:					
Property Taxes	$ 1,214,162	$ 0	$ 0	$ 0	$ 1,214,162
Penalties and Interest on Delinquent Taxes	17,262	0	0	0	17,262
Intergovernmental	208,537	0	0	11,371	219,908
Charges for Services	13,246	0	0	14,375	27,621
Permits, Licenses and Fees	39,024	0	0	0	39,024
Investment Income	13,765	0	0	21,445	35,210
Other	9,954	0	0	2,000	11,954
Total Cash Receipts	1,515,950	0	0	49,191	1,565,141
Cash Disbursements:					
General Government	596,299	0	17,491	4,060	617,850
Public Safety	58,213	0	3,010	818	62,041
Highways and Streets	429,891	0	52,716	29,562	512,169
Culture and Recreation	66,874	0	8,704	2,642	78,220
Cemetery	0	0	0	8,869	8,869
Sanitation	9,548	0	0	0	9,548
Capital Outlay:					
Highways and Streets	0	117,929	0	0	117,929
Total Cash Disbursements	1,160,825	117,929	81,921	45,951	1,406,626
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	355,125	(117,929)	(81,921)	3,240	158,515
Other Financing Sources/(Uses):					
Transfers In	12,000	275,000	0	184,881	471,881
Transfers Out	(452,522)	0	(5,484)	(13,875)	(471,881)
Total Other Financing Sources/(Uses)	(440,522)	275,000	(5,484)	171,006	0
Net Change in Fund Balances	(85,397)	157,071	(87,405)	174,246	158,515
Fund Balances/(Deficit) - January 1, 2023,	244,642	(7,996)	226,551	1,042,416	1,505,613
Fund Balances - December 31, 2023	$ 159,245	$ 149,075	$ 139,146	$ 1,216,662	$ 1,664,128

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

TOWN OF FAYSTON, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Receipts:			
Property Taxes	$ 1,263,063	$ 1,214,162	$ (48,901)
Interest on Delinquent Taxes	8,000	8,577	577
Penalties on Delinquent Taxes	8,000	8,685	685
State Highway Aid	75,000	111,934	36,934
Green Mountain Valley School	4,500	4,500	0
Liquor Licenses	800	770	(30)
Marriage Licenses	100	120	20
Dog Licenses	650	772	122
Record Preservation	4,000	4,920	920
Other Income	1,000	9,954	8,954
Hall Rental		650	650
Fees	24,000	21,795	(2,205)
Permits-EW	400	485	85
Zoning Fees	9,000	10,162	1,162
Waitsfield Road Work	12,596	12,596	0
Interest	3,000	13,765	10,765
Current Use	54,000	54,511	511
Payment in Lieu of Taxes	15,000	15,592	592
Grant Income	0	22,000	22,000
Recreation Transfer In	12,000	12,000	0
Total Cash Receipts	1,495,109	1,527,950	32,841
Cash Disbursements:			
Administrative:			
Pound	2,000	2,000	0
Legal	6,000	9,998	(3,998)
Audit Expense	19,000	19,789	(789)
Fire Warden	300	300	0
Public Safety	300	0	300
MRV Solid Waste Alliance	9,548	9,548	0
Leagues of Cities & Towns	2,895	2,895	0
Total Administrative	40,043	44,530	(4,487)
Benefits:			
Hospitalization	111,854	111,008	846
Retirement	22,000	24,659	(2,659)
Taxes - Payroll	32,000	31,152	848
Uniforms	1,800	1,787	13
Dental	7,500	8,905	(1,405)
Vision	1,400	649	751
Total Benefits	176,554	178,160	(1,606)
Elections:			
Elections Clerks	1,000	662	338
Supplies	2,000	31	1,969
Town Report	5,000	3,054	1,946
Total Elections	8,000	3,747	4,253

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF FAYSTON, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget	Actual	Favorable/ (Unfavorable)
Highway Equipment:			
Blades	$ 5,000	$ 8,446	$ (3,446)
Diesel	50,000	48,297	1,703
Repairs	35,000	38,424	(3,424)
Gasoline	7,000	5,528	1,472
Oil	3,000	3,880	(880)
Other Parts	7,000	8,173	(1,173)
Rental	5,000	0	5,000
Tires	11,000	10,122	878
Total Highway Equipment	123,000	122,870	130
Highway Garage:			
Electricity	2,500	1,835	665
Heat	8,000	5,453	2,547
Maintenance and Repairs	9,000	4,657	4,343
Telephone	2,000	2,167	(167)
Total Highway Garage	21,500	14,112	7,388
Highway Salaries:			
Salaries	209,512	216,047	(6,535)
Highway Administration	0	1,029	(1,029)
Total Highway Salaries	209,512	217,076	(7,564)
Highway Supplies:			
Calcium	13,500	5,715	7,785
Sand	19,500	26,030	(6,530)
Other Supplies	2,000	766	1,234
Salt	30,000	34,624	(4,624)
Total Highway Supplies	65,000	67,135	(2,135)
Highway Grant Expenses			
Stone	0	8,698	(8,698)
Total Highways Grant Expenses	0	8,698	(8,698)
Insurance:			
Property and Casualty	14,961	15,029	(68)
Public Officials	1,408	1,408	0
Workers Compensation	13,433	11,809	1,624
Employment Practices	1,700	1,700	0
VLCT Unemployment	684	670	14
Total Insurance	32,186	30,616	1,570

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF FAYSTON, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Municipal Buildings:			
Cleaning	$ 1,900	$ 560	$ 1,340
Electricity	3,500	2,983	517
Heat	4,000	5,615	(1,615)
Maintenance	5,000	4,412	588
Telephone	3,600	3,330	270
Total Municipal Buildings	18,000	16,900	1,100
Office:			
Computer Expenses	16,000	11,570	4,430
Equipment Purchase	3,000	1,988	1,012
Listers Expenses	750	813	(63)
911 Wages	1,500	2,393	(893)
Tax Mapping	2,500	750	1,750
Selectboard	3,000	3,000	0
Selectboard Minutes	3,600	2,000	1,600
Postage	3,200	3,174	26
Equipment Rental	2,100	1,816	284
Supplies	3,500	3,112	388
Seminars/Dues	3,500	2,864	636
Bank Fees	0	0	0
Total Office	42,650	33,480	9,170
Planning:			
Advertising	2,000	1,456	544
CVRPC	1,814	1,814	0
FCC	1,500	675	825
ZA Miscellaneous	1,000	1,039	(39)
Planning Supplies	500	0	500
MRVPD	45,317	45,317	0
Planning/DRB Resources	500	0	500
Zoning Administration	42,516	38,783	3,733
Total Planning	95,147	89,084	6,063
Salaries:			
Clerk, Treasurer & Tax Collector	69,450	69,450	0
Selectboard Assistant	12,372	12,372	0
Listers	30,133	24,817	5,316
Assistant Town Clerk and Assistant Treasurer	50,000	48,388	1,612
Total Salaries	161,955	155,027	6,928
Taxes:			
Joslin Library Donation	27,584	26,874	710
Washington County	33,646	32,085	1,561
Donations	24,518	24,518	0
Recreation District	40,000	40,000	0
Total Taxes	125,748	123,477	2,271

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF FAYSTON, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Transfers:			
Equipment	$ 275,000	$ 275,000	$ 0
Bridge	500	500	0
Fire Equipment	65,000	65,000	0
Road Construction	45,000	45,000	0
Reappraisal	25,000	25,000	0
FCC Conservation Fund	3,500	3,500	0
Town Garage Reserve	1,000	1,000	0
Culvert Reserve	5,000	5,000	0
Road Retreatment	25,000	25,000	0
Municipal Building	1,922	1,922	0
Town Forest Reserve	5,600	5,600	0
Total Transfers	452,522	452,522	0
Waitsfield/Fayston Contract:	67,934	55,913	12,021
Total Cash Disbursements	1,639,751	1,613,347	26,404
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	$ (144,642)	(85,397)	$ 59,245
Fund Balance - January 1, 2023		244,642	
Fund Balance - December 31, 2023		$ 159,245	

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF FAYSTON, VERMONT
STATEMENT OF FIDUCIARY MODIFIED CASH BASIS NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2023

	Custodial Fund Education Tax Fund
ASSETS	
Due from Other Funds	$ 1,481,692
Total Assets	1,481,692
LIABILITIES	
Due to State of Vermont	1,481,692
Total Liabilities	1,481,692
NET POSITION	
Restricted	0
Total Net Position	$ 0

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

TOWN OF FAYSTON, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY MODIFIED CASH BASIS NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Custodial Fund Education Tax Fund
ADDITIONS	
Education Taxes Collected for Other Governments	$ 5,279,171
Total Additions	5,279,171
DEDUCTIONS	
Education Taxes Distributed to Other Governments	5,279,171
Total Deductions	5,279,171
Change in Net Position	0
Net Position - January 1, 2023	0
Net Position - December 31, 2023	$ 0

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

The Town of Fayston, Vermont operates under a Selectboard form of government and provides the following services: highways and streets, culture and recreation, cemetery, 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 funds of the Town of Fayston, Vermont. The 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 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, 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.

The statement of activities presents a comparison between direct disbursements and program receipts for each function of the Town's governmental activities. Direct disbursements are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function or program. Program receipts include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants, contributions and loans 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 and fiduciary – are presented. The emphasis of fund financial statements is on major governmental 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.

Other Equipment/Assets Fund – This fund accounts for the resources to be used or saved for capital equipment.

ARPA Fund – This fund accounts for the resources from 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.

Additionally, the Town reports the following fund type:

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 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 its certificates of deposit at cost, mutual funds and unit trusts at market value, amounts due to the School District for property taxes, payroll withholdings payable and amounts due to the delinquent tax collector for delinquent property tax penalties collected but not remitted as liabilities and property taxes paid in advance as deferred inflows of resources.

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

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Equity

1. Cash

Cash balances of 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.

2. Investments

The Town invests in investments as allowed by State Statute. Investments in certificates of deposit are reported at cost and investments in mutual funds and unit trusts are reported at current market value. The modified cash basis of accounting requires that all investments be reported at cost.

3. 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 the government-wide 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.

4. Interfund Receivables/Payables

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".

5. 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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The expenditures budget for the General Fund is approved at the annual Town Meeting in March. Any budget changes require voter approval. There were no budget amendments during the year. The voters are presented estimated revenue projections, however, do not approve them. The Selectboard modifies the revenue projections prior to setting the tax rate if more accurate projections are available.

B. Budgeted Deficit

The Town elected to budget expenditure in excess of revenues by $144,642 in the General Fund to reduce fund balance.

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments as of December 31, 2023 consist of the following:

Cash:	
Deposits with Financial Institutions	$2,871,694
Deposits Held by Investment Company	2,820
Total Cash	2,874,514
Investments:	
Unit Trusts	5,710
Mutual Funds – Mixed Holdings	211,507
Certificates of Deposit	60,631
Total Investments	277,848
Total Cash and Investments	$3,152,362

The Town has one (1) certificate of deposit with Northfield Savings Bank in the amount of $60,631 with an interest rate of 0.50%, maturing in June, 2024.

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 unit trusts and mutual funds are in the name of the Town and are not exposed to custodial credit risk. The following table reflects the custodial credit risk of the Town's cash and certificates of deposit.

	Book Balance	Bank Balance
FDIC/SIPC Insured	$ 313,451	$ 313,451
Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution's Agent	2,621,694	2,702,823
Total	$2,935,145	$3,016,274

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	$2,871,694
Cash – Deposits with Investment Company	2,820
Investments – Certificates of Deposit	60,631
Total	$2,935,145

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 certificates of deposit and unit trusts are not subject to interest rate risk disclosure. The 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 certificates of deposit and unit trusts are not subject to credit risk. The mutual funds are open-ended and, therefore, are exempt from credit rate 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.

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)
Unit Trusts	$ 5,710	$ 5,710	$ 0	$ 0
Mutual Funds - Mixed Holdings	211,507	211,507	0	0
Total	$ 217,217	$ 217,217	$ 0	$ 0

B. Interfund Balances and Transfers

Interfund balances as of December 31, 2023 are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	$ 0	$2,755,179
Other Equipment/Assets Fund	149,075	0
ARPA Fund	139,146	0
Non-Major Governmental Funds	993,554	8,288
Custodial Fund – Education Tax Fund	1,481,692	0
Total	$2,763,467	$2,763,467

Interfund transfers during the year ended December 31, 2023 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Other Equipment/Assets Fund	$ 275,000	Annual Appropriation
General Fund	Reappraisal Fund	25,000	Annual Appropriation
General Fund	Conservation Fund	3,500	Annual Appropriation
General Fund	Fire Equipment Fund	65,000	Annual Appropriation
General Fund	Bridge Reserve Fund	500	Annual Appropriation
General Fund	Road Construction Fund	45,000	Annual Appropriation
General Fund	Town Garage Fund	1,000	Annual Appropriation
General Fund	Culvert Reserve Fund	5,000	Annual Appropriation
General Fund	Town Forest Reserve Fund	5,600	Annual Appropriation
General Fund	Road Retreatment Fund	25,000	Annual Appropriation
General Fund	Municipal Building Fund	1,922	Fund Deficit
ARPA Fund	Culvert Reserve Fund	5,484	Fund Culvert Expenses
Recreation Reserve Fund	General Fund	12,000	Close Fund
Cemetery Maintenance Fund	Cemetery Perpetual Care Fund	1,875	Perpetual Care
Total		$ 471,881	

C. Deferred Inflows of Resources

Deferred inflows of resources consist of $5,496 of prepaid property taxes.

D. Due to State of Vermont

The Town has billed and collected education taxes for the State of Vermont as of December 31, 2023 but had not remitted them all to the State of Vermont. The amount of education taxes owed by the Town to the State of Vermont as of December 31, 2023 was $1,481,692.

E. 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. Governments are required to disclose in the notes key information about their stabilization arrangements, including the authority by which they were established, provisions for additions to the stabilization amount, and circumstances under which those amounts may be spent.

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

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 funds are restricted as follows:

Major Funds	
ARPA Fund:	
Restricted for Eligible Uses of the Coronavirus Local Fiscal Recovery Funding by Grant Agreement (Source of Revenue is Grant Revenue)	$139,146
Non-Major Funds	
Special Revenue Funds:	
Restricted for Preservation of Records Expenses by Statute (Source of Revenue is Restoration Fees)	21,004
Restricted for Cemetery Maintenance by Sale of Lots and/or Donations	197,795
Total Special Revenue Funds	218,799
Permanent Fund:	
Restricted for Cemetery Expenses by Sale of Lots	33,601
Total Non-Major Funds	252,400
Total Restricted Fund Balances	$391,546

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

Major Funds	
Other Equipment/Assets Fund:	
Committed for Equipment and Assets by the Voters	$149,075
Non-Major Funds	
Special Revenue Funds:	
Committed for Conservation Expenses by the Voters	$ 61,936
Capital Projects Funds:	
Committed for Fire Equipment Expenditures by the Voters	191,927
Committed for Bridge Reserve Expenditures by the Voters	169,355
Committed for Road Construction Expenditures by the Voters	125,670
Committed for Town Garage Expenditures by the Voters	49,012
Committed for Culvert Expenditures by the Voters	9,778
Committed for Town Forest Reserve Expenditures by the Voters	31,521
Committed for Road Retreatment Expenditures by the Voters	133,478
Total Capital Projects Funds	710,741
Total Non-Major Funds	772,677
Total Committed Fund Balances	$921,752

The fund balance in the following fund is assigned as follows:

Non-Major Funds

Special Revenue Funds:	
Assigned for Reappraisal Expenses	$191,585
Total Assigned Fund Balances	$191,585

F. Restricted Net Position

The restricted net position in the Governmental Activities includes the restricted fund balances of $391,546.

IV. OTHER INFORMATION

A. Pension Plan

Defined Benefit Plan

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, 2022, the measurement date selected by the State of Vermont, the retirement system consisted of 359 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, 2022, the measurement date selected by the State of Vermont, VMERS was funded at 73.60% and had a plan fiduciary net position of $845,979,471 and a total pension liability of $1,149,351,427 resulting in a net position liability of $303,371,956. As of June 30, 2023, the Town's proportionate share of this was 0.0815% resulting in a net pension liability of $247,154. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. 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 0.0815% was a decrease of 0.0034 from its proportion measured as of the prior year.

Summary of System 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.

Service Retirement Allowance:

Eligibility – Group A – The earlier of age 65 with five (5) years of service or age 55 with thirty-five (35) years of service. Group B – The 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.

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 Allowance:

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

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, and payable without reduction to Group D members.

Vested Retirement Allowance:

Eligibility – Five (5) years of service.

Amount – Allowance beginning at Normal Retirement Age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on "Post-Retirement Adjustments".

Disability Retirement Allowance:

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

Amount – Immediate allowance based on AFC and service to date of disability; children's benefit of 10% of AFC payable to up to three minor children (or children up to age 23 if enrolled in full-time studies) of a disabled Group D member.

Death Benefit:

Eligibility – Death after five (5) years of service.

Amount – For 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. For Group D, 70% of the unreduced accrued benefit plus children's benefit.

Post-Retirement Adjustments – Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in Consumer Price Index but not more than 2% for Group A and 3% for Groups B, C and D.

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

Refund of 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 – 3.25%. Group B – 5.625%. Group C – 10.75%. Group D – 12.10%.

Employer Contribution Rates – Group A – 4.75%. Group B – 6.25%. Group C – 8.00%. Group D – 10.60%.

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

Significant Actuarial Assumptions and Methods

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

Inflation: 2.30% per year.

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

Cost-of-Living Adjustments: 1.10% for Group A members and 1.20% for Groups B, C and D members. The January 1, 2022 COLA was 2.00% for Group A members and 2.30% for Groups B, C and D members. The January 1, 2023 COLA was 2.00% for Group A members and 3.00% for Groups B, C and D members.

Mortality:

Pre-Retirement: Groups A, B and C – 40% PubG-2010 General Employee Amount-Weighted below-median and 60% of PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2019. Group D – PubG-2010 General Employee Amount-Weighted above-median, with generational projection using scale MP-2019.

Healthy Post-Retirement – Retirees: Groups A, B and C – 104% of 40% PubG-2010 General Healthy Retiree Amount-Weighted below-median and 60% of PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2019. Group D – PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2019.

Healthy Post-Retirement – Beneficiaries: Groups A, B and C – 70% Pub-2010 Contingent Survivor Amount-Weighted below-median and 30% of Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2019. Group D – Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2019.

Disabled Post-Retirement: All Groups – PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with generational projection using scale MP-2019.

Spouse's Age: Females three 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.

Assets: The valuation is based on the market value of assets as of the valuation date, as provided by the System. The System uses an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determine the contribution requirements.

Long-term Expected Rate of Return:

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges 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 by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Passive Global Equities	24%	4.30%
Active Global Equities	5%	4.30%
Large Cap US Equities	4%	3.25%
Small/Mid Cap US Equities	3%	3.75%
Non-US Developed Market Equities	7%	5.00%
Private Equity	10%	6.50%
Emerging Market Debt	4%	3.50%
Private & Alternate Credit	10%	4.75%
Non-Core Real Estate	4%	6.00%
Core Fixed Income	19%	0.00%
Core Real Estate	3%	3.50%
US TIPS	3%	(0.50)%
Infrastructure/Farmland	4%	4.25%

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. 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). The Board voted to authorize employer contribution rate increases of 0.50% each year for a period of four years beginning July 1, 2022. In 2022, the Legislature passed H.740, which effectively split the Board-authorized increases evenly between members and employers by including an increase in the employee rate of 0.25% for each group for four years, beginning July 1, 2022. 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, 2022. 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.

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.00%) or one percent higher (8.00%):

1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
$370,349	$247,154	$145,821

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.

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 the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. covering each of those risks of loss. 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 years. The Town must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving sixty days notice. Fund underwriting and ratesetting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

The Town is also 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. Contingent Liabilities

The Town participates in a number of federally assisted and state grant programs that are subject to audits by the grantors or their representatives. Accordingly, compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

D. Property Taxes

The Town is responsible for assessing and collecting its own property taxes as well as education taxes for the State of Vermont. The tax rate is set by the Selectboard based on the voter approved budget, the estimated grand list and the State education property tax liability. Property taxes are due in one installment on August 21st but do not go delinquent until November 1st. 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 thereafter. The tax rates for 2023 are as follows:

	Homestead	Non-Homestead
Town	.3202	.3202
Veterans Exemption	.0002	.0002
Education	1.7932	1.7205
Total	2.1136	2.0409

TOWN OF FAYSTON, VERMONT
COMBINING SCHEDULE OF MODIFIED CASH BASIS
ASSETS, LIABILITIES AND FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery Perpetual Care Fund	Total
ASSETS				
Cash	$ 11,508	$ 0	$ 2,671	$ 14,179
Investments	177,999	0	39,218	217,217
Due from Other Funds	282,813	710,741	0	993,554
Total Assets	$ 472,320	$ 710,741	$ 41,889	$ 1,224,950
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to Other Funds	$ 0	$ 0	$ 8,288	$ 8,288
Total Liabilities	0	0	8,288	8,288
Fund Balances:				
Restricted	218,799	0	33,601	252,400
Committed	61,936	710,741	0	772,677
Assigned	191,585	0	0	191,585
Total Fund Balances	472,320	710,741	33,601	1,216,662
Total Liabilities and Fund Balances	$ 472,320	$ 710,741	$ 41,889	$ 1,224,950

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF FAYSTON, VERMONT
COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery Perpetual Care Fund	Total
Cash Receipts:				
Intergovernmental	$ 11,371	$ 0	$ 0	$ 11,371
Investment Income	18,490	0	2,955	21,445
Charges for Service	14,375	0	0	14,375
Other	2,000	0	0	2,000
Total Cash Receipts	46,236	0	2,955	49,191
Cash Disbursements:				
General Government	4,060	0	0	4,060
Public Safety	0	818	0	818
Highways and Streets	0	29,562	0	29,562
Culture and Recreation	0	2,642	0	2,642
Cemetery	8,869	0	0	8,869
Total Cash Disbursements	12,929	33,022	0	45,951
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	33,307	(33,022)	2,955	3,240
Other Financing Sources/(Uses):				
Transfers In	28,500	154,506	1,875	184,881
Transfers Out	(1,875)	(12,000)	0	(13,875)
Total Other Financing Sources/(Uses)	26,625	142,506	1,875	171,006
Net Change in Fund Balances	59,932	109,484	4,830	174,246
Fund Balances - January 1, 2023	412,388	601,257	28,771	1,042,416
Fund Balances - December 31, 2023	$ 472,320	$ 710,741	$ 33,601	$ 1,216,662

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF FAYSTON, VERMONT
COMBINING SCHEDULE OF MODIFIED CASH BASIS
ASSETS, LIABILITIES AND FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2023

	Preservation of Records Fund	Reappraisal Fund	Conservation Fund	Cemetery Maintenance Fund	Total
ASSETS					
Cash	$ 0	$ 0	$ 0	$ 11,508	$ 11,508
Investments	0	0	0	177,999	177,999
Due from Other Funds	21,004	191,585	61,936	8,288	282,813
Total Assets	$ 21,004	$ 191,585	$ 61,936	$ 197,795	$ 472,320
LIABILITIES AND FUND BALANCES					
Liabilities:	$ 0	$ 0	$ 0	$ 0	$ 0
Fund Balances:					
Restricted	21,004	0	0	197,795	218,799
Committed	0	0	61,936	0	61,936
Assigned	0	191,585	0	0	191,585
Total Fund Balances	21,004	191,585	61,936	197,795	472,320
Total Liabilities and Fund Balances	$ 21,004	$ 191,585	$ 61,936	$ 197,795	$ 472,320

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF FAYSTON, 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 DECEMBER 31, 2023

	Preservation of Records Fund	Reappraisal Fund	Conservation Fund	Cemetery Maintenance Fund	Total
Cash Receipts:					
Intergovernmental	$ 0	$ 11,371	$ 0	$ 0	$ 11,371
Investment Income	0	0	0	18,490	18,490
Charges for Service	0	0	0	14,375	14,375
Other	0	0	2,000	0	2,000
Total Cash Receipts	0	11,371	2,000	32,865	46,236
Cash Disbursements:					
General Government	4,060	0	0	0	4,060
Cemetery	0	0	0	8,869	8,869
Total Cash Disbursements	4,060	0	0	8,869	12,929
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	(4,060)	11,371	2,000	23,996	33,307
Other Financing Sources/(Uses):					
Transfers In	0	25,000	3,500	0	28,500
Transfers Out	0	0	0	(1,875)	(1,875)
Total Other Financing Sources/(Uses)	0	25,000	3,500	(1,875)	26,625
Net Change in Fund Balances	(4,060)	36,371	5,500	22,121	59,932
Fund Balances - January 1, 2023	25,064	155,214	56,436	175,674	412,388
Fund Balances - December 31, 2023	$ 21,004	$ 191,585	$ 61,936	$ 197,795	$ 472,320

See Disclaimer in Accompanying Independent Auditor's Report.

Schedule 5

TOWN OF FAYSTON, VERMONT
COMBINING SCHEDULE OF MODIFIED CASH BASIS
ASSETS, LIABILITIES AND FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2023

	Fire Equipment Fund	Bridge Reserve Fund	Recreation Reserve Fund	Road Construction Fund	Town Garage Fund	Municipal Building Fund	Culvert Reserve Fund	Town Forest Reserve Fund	Road Retreatment Fund	Total
ASSETS										
Due from Other Funds	$ 191,927	$ 169,355	$ 0	$ 125,670	$ 49,012	$ 0	$ 9,778	$ 31,521	$ 133,478	$ 710,741
Total Assets	$ 191,927	$ 169,355	$ 0	$ 125,670	$ 49,012	$ 0	$ 9,778	$ 31,521	$ 133,478	$ 710,741
LIABILITIES AND FUND BALANCES										
Liabilities:	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Fund Balances:										
Committed	191,927	169,355	0	125,670	49,012	0	9,778	31,521	133,478	710,741
Total Fund Balances	191,927	169,355	0	125,670	49,012	0	9,778	31,521	133,478	710,741
Total Liabilities and Fund Balances	$ 191,927	$ 169,355	$ 0	$ 125,670	$ 49,012	$ 0	$ 9,778	$ 31,521	$ 133,478	$ 710,741

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF FAYSTON, 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 DECEMBER 31, 2023

	Fire Equipment Fund	Bridge Reserve Fund	Recreation Reserve Fund	Road Construction Fund	Town Garage Fund	Municipal Building Fund	Culvert Reserve Fund	Town Forest Reserve Fund	Road Retreatment Fund	Total
Cash Receipts:	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Cash Disbursements:										
Public Safety	818	0	0	0	0	0	0	0	0	818
Highways and Streets	0	0	0	29,451	0	0	111	0	0	29,562
Culture and Recreation	0	0	0	0	0	0	0	2,642	0	2,642
Total Cash Disbursements	818	0	0	29,451	0	0	111	2,642	0	33,022
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	(818)	0	0	(29,451)	0	0	(111)	(2,642)	0	(33,022)
Other Financing Sources/(Uses):										
Transfers In	65,000	500	0	45,000	1,000	1,922	10,484	5,600	25,000	154,506
Transfers Out	0	0	(12,000)	0	0	0	0	0	0	(12,000)
Total Other Financing Sources/(Uses)	65,000	500	(12,000)	45,000	1,000	1,922	10,484	5,600	25,000	142,506
Net Change in Fund Balances	64,182	500	(12,000)	15,549	1,000	1,922	10,373	2,958	25,000	109,484
Fund Balances/(Deficit) - January 1, 2023	127,745	168,855	12,000	110,121	48,012	(1,922)	(595)	28,563	108,478	601,257
Fund Balances - December 31, 2023	$ 191,927	$ 169,355	$ 0	$ 125,670	$ 49,012	$ 0	$ 9,778	$ 31,521	$ 133,478	$ 710,741

See Disclaimer in Accompanying Independent Auditor's Report.