



To the Select Board
and Management of the Town of
Williamstown, Vermont

In planning and performing our audit of the financial statements of the Town of Williamstown, VT (the "Town") as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Town'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Select Board, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

VeroffCPA

VeroffCPA, PC
Laconia, New Hampshire
January 15, 2024
NH Registration #07785D



January 15, 2024

To the Select Board
Town of Williamstown, Vermont

We have audited the financial statements of the Town of Williamstown, VT (the "Town") for the year ended June 30, 2023, and have issued our report thereon dated January 15, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated June 21, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the useful remaining life of depreciable assets is based on generally accepted useful lives assigned to various categories of property and equipment and on historical in-service periods for similar assets placed in service in prior years. We evaluated the key factors and assumptions used to develop the estimate of depreciation on property and equipment in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The Disclosure of the Town's proportionate share of the Vermont Municipal Employees Retirement System pension plan's net pension liability in Note 7 was calculated by the Plan's actuaries and based on estimates of the life expectancies and future earnings of plan participants, as well as estimates of future returns on plan assets. Actual returns on plan investments and actual plan participant earnings and life expectancies may be materially higher or lower than actuarial estimates, which could result in material increases or decreases in the Town's proportionate share of the future net pension liability of the plan.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 15, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restrictions on Use

This information is intended solely for the use of the Select Board and management of the Town of Williamstown, VT and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

VeroffCPA

VeroffCPA, PC
Laconia, New Hampshire
January 15, 2024
NH Registration #7785D

Welcome to Williamstown

January 15, 2024

VeroffCPA, PC
174 Court Street
Laconia, NH 03246

This representation letter is provided in connection with your audit(s) of the financial statements of Town of Williamstown, Vermont (the "Town"), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of January 15, 2024, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 21, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Town is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters [and all audit or relevant monitoring reports, if any, received from funding sources].
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Town from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Select Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the Town and involves—
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Town's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the names of the Town's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

- 22) The Town has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have appropriately disclosed all information for conduit debt obligations in accordance with GASBS No. 91 .
- 25) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those non-audit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures. The Town has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The Town has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 30) The financial statements include all fiduciary activities required by GASBS No. 84 , as amended.
- 31) The financial statements properly classify all funds and activities in accordance with GASBS No. 34 , as amended.
- 32) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 33) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (non-spendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 34) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 35) Provisions for uncollectible receivables have been properly identified and recorded.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 38) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 39) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.

- 40) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 41) We have appropriately disclosed the Town's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 42) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 43) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 44) With respect to the supplementary information:
- a) We acknowledge our responsibility for presenting the Management's Discussion and Analysis and Schedules of the Town's Proportionate Share of the Net Pension Liability, Town's contributions – Pensions, Combining Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances and in accordance with accounting principles generally accepted in the United States of America, and we believe those supplementary schedules, including their form and content, are fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the aforementioned supplemental schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the supplementary schedules are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
 - c)

Signature: _____

Signature: _____

Title: _____

Title: _____

TOWN OF WILLIAMSTOWN, VERMONT

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2023

TOWN OF WILLIAMSTOWN, VERMONT
ANNUAL FINANCIAL REPORT
JUNE 30, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Selectmen and Town Manager of
Town of Williamstown, Vermont

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Williamstown, Vermont (the "Town"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and schedules of the Town's Proportionate Share of the Net Pension Liability and Town's Contributions – Pensions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual non-major fund financial statements are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2024 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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'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 Town's internal control over financial reporting and compliance.

VeroffCPA

VeroffCPA, PC

Laconia, New Hampshire

January 15, 2024

NH Registration #07785D

TOWN OF WILLIAMSTOWN, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023

Within this section of the Town of Williamstown, Vermont's (the "Town") annual financial report, the Town's management provides narrative discussion and analysis of the financial activities of the Town for the year ended June 30, 2023. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. Additional information is available in the auditor's opinion letter, which precedes the management's discussion and analysis.

Financial Highlights

- **Government-Wide Highlights**

Net Position – The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows on June 30, 2023 by \$7,397,207 (net position). Of this amount, \$3,083,969 (unrestricted net position) may be used by the various funds of the Town to meet the Town's ongoing obligations to citizens and creditors, and \$3,972,090 was invested in capital assets, net of related long-term debt. The remainder, \$341,148, is restricted for special purpose revenue funds and capital project reserves.

Changes in Net Position - The Town's total net position increased by \$717,770. Of this amount, net position attributable to governmental activities increased by \$709,471 Net position attributable to business-type activities increased by \$8,299.

- **Fund Highlights**

Government Funds – Governmental funds include general, special revenue, and capital projects. As of June 30, 2023, the Town's governmental funds reported a combined ending fund balance of \$2,888,196, an increase of \$966,185.

Water Fund – The Town's Water Fund reported a total net position of \$1,006,912 as of June 30, 2023, an increase of \$21,380. \$473,833 represents the *unrestricted balance* available for future expenses, and \$422,823 is the amount invested in capital assets, net of related debt.

Sewer Fund – The Town's Sewer Fund reported a total net position of \$945,717 as of June 30, 2023, a decrease of \$13,081. \$130,116 represents the *unrestricted deficit balance*. \$722,653 is the amount invested in capital assets, net of related debt.

Overview of the Town's Financial Statements

Management's discussion and analysis introduces the Town's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements.

Government-Wide Financial Statements. The Town's annual report includes two government-wide financial statements which provide both long- term and short-term information about the Town's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities. They are comprised of the *statement of net position* and *statement of activities*.

TOWN OF WILLIAMSTOWN, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023

The first of these government-wide statements is the Statement of Net Position (Exhibit A). This is a government-wide statement of position presenting information that includes all of the Town's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the overall financial position of the Town is improving or deteriorating. In addition to the financial information provided in this report, evaluation of the overall health of the Town would extend to other non-financial factors such as diversification of the taxpayer base, the continued financial support of the state and federal governments, and the condition of the Town's infrastructure.

The second government-wide statement is the Statement of Activities (Exhibit B). This statement reports how the Town's net position changed during the current fiscal year. All current revenues and expenditures are included regardless of when cash is received or paid. An important purpose for the design of the Statement of Activities is to show the financial reliance of the Town's activities or functions on revenues provided by the Town's taxpayers.

Both of the above government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, highways and streets, health and social services, and culture and recreation. The business-type activities of the Town include the water and sewer departments.

The government-wide financial statements are presented on pages 11 and 12 of this report.

Fund Financial Statements. A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

The fund financial statements provide detailed information about each of the Town's most significant funds, called *major funds*. The concept of major funds, and the determination of which are major funds, was established by GASB 34 and replaces the concept of combining alike funds and presenting them in total. Instead, each *major fund* is presented individually, with all *non-major funds* summarized and presented in a single column.

Governmental Funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, the governmental fund statements focus on the near-term inflows and outflows of resources available for spending. These statements illustrate short-term fiscal accountability in the use of such resources and the balances of such resources at the end of the fiscal year. They are useful in evaluating annual financial requirements of governmental programs and the commitment of such resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The Governmental Funds Balance Sheet (Exhibit C-1) and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance (Exhibit C-3) have been reconciled to the Statement of Net Position (Exhibit A) Statement of Activities (Exhibit B) in the Reconciliation of the Governmental Fund

TOWN OF WILLIAMSTOWN, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023

Balances to the Statement of Net Position – Governmental Activities (Exhibit C-2) and Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities (Exhibit C-4) to assist in understanding the differences between these two perspectives.

Budgetary Comparison Schedules are included in the financial statements for the General Fund (Schedule D-1) and highway fund (Schedule D-2). These schedules demonstrate regulatory compliance with the Town's adopted and final revised budget.

The basic governmental fund financial statements are presented on pages 13 through 16 of this report.

The Town has three major governmental funds. Each major fund is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Town.

Proprietary Funds are used by the Town to report functions of business-type activities in the government-wide statements. The Town maintains two propriety funds that are enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for the Town's water and sewer departments.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

In addition to the statements above, the report also contains the following fund financial statements.

The Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds shows the operating revenue and operating expenses for the fiscal year along with any non-operating revenue and expenses. The results of operations are the change in net position. This added to the prior year net position and is the new net position shown on both this statement and the Statement of Net Position.

The Statement of Cash Flows - Proprietary Funds outlines the cash flow resulting from operations, investments, and the financing activities of the enterprise funds of the Town.

Fiduciary Funds are used to account for assets held by the Town as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Notes to Financial Statements. The notes provide additional information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 24 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information to provide additional financial information not included in the basic financial statements.

The following condensed and reformatted financial information is a condensed version of the government-wide financial statements presented in this report.

TOWN OF WILLIAMSTOWN, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023

Government-wide Financial Analysis
Summary of Net Position

	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 3,943,753	\$ 59,921	\$ 4,003,674
Non-current assets	4,516,235	2,699,043	7,215,278
Total assets	<u>8,459,988</u>	<u>2,758,964</u>	<u>11,218,952</u>
Deferred outflows of resources	187,078	-	187,078
Current liabilities	263,908	37,897	301,805
Long-term liabilities	2,697,663	768,438	3,466,101
Total liabilities	<u>2,961,571</u>	<u>806,335</u>	<u>3,767,906</u>
Deferred inflows of resources	240,917	-	240,917
Net position			
Net investment in capital assets	2,826,614	1,145,476	3,972,090
Restricted	137,944	203,204	341,148
Unrestricted	2,480,020	603,949	3,083,969
Total net position	<u>\$ 5,444,578</u>	<u>\$ 1,952,629</u>	<u>\$ 7,397,207</u>

The largest portion of the Town's net position, \$3,972,090, reflects its investment in capital assets (e.g. land, buildings and improvements, infrastructure, and furniture and equipment), less any related debt (general obligation bonds payable) used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to the Town; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net position of the general fund is not restricted by state law and is available for spending at the Town's discretion.

The following table provides a summary of government-wide revenues, expenses, and net position for the year ended June 30, 2023:

Summary of Changes in Net Position

	Governmental Activities	Business-Type Activities	Total
Revenues			
Program revenues			
Charges for services	\$ 164,055	\$ 412,098	\$ 576,153
Operating grants and contributions	1,578,564	-	1,578,564
Licenses and permits	7,727	-	7,727
Other	69,283	640	69,923

TOWN OF WILLIAMSTOWN, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023

General Revenues			
Property taxes	1,811,445	-	1,811,445
Interest and penalties—property taxes	27,763	4,013	31,776
Earnings on investments	45,618	-	45,618
Transfers between funds, net	20,322	(20,322)	-
Total revenues	<u>3,724,777</u>	<u>396,429</u>	<u>4,121,206</u>
Expenses			
Governmental Activities:			
General government	766,319	-	766,318
Public safety	819,471	-	819,471
Highways and streets	1,073,119	-	1,073,119
Culture and recreation	177,003	-	177,003
Interest on long-term debt	84,444	-	84,444
Capital outlay	94,950	-	94,950
Business-Type Activities:			
Water	-	128,575	128,576
Sewer	-	259,555	259,555
Total expenses	<u>3,015,306</u>	<u>388,130</u>	<u>3,403,436</u>
Change in net position	709,471	8,299	717,770
Net position, beginning of year	4,735,107	1,944,330	6,679,437
Net position, end of year	<u>\$ 5,444,578</u>	<u>\$ 1,952,629</u>	<u>\$ 7,397,207</u>

Financial Analysis of the Town's Funds

As discussed, the Town's governmental funds are reported in the fund statements with a modified accrual basis that focuses on the short-term inflow and outflow of resources available for spending. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements.

Governmental Activities

Program Revenues. In accordance with GASB 34, program revenues are derived directly from the program itself or from parties outside the reporting government's taxpayers or citizenry. They reduce the net cost of the function to be financed from the government's general revenues.

Total program revenues from governmental activities were \$1,819,629 in fiscal year 2023 compared to \$1,036,012 in the prior year. Governmental program revenues come from *charges for services*, which include licenses and permits, planning fees, developer fees, forfeitures, and several other revenues and *operating grants and contributions*, which include operating-specific and discretionary (either operating or capital) grants.

General Revenues. All other revenues not categorized as program revenues, and include all taxes, as well as unrestricted grants, contributions and investment earnings. Total general revenues from governmental activities were \$1,905,148 in fiscal year 2023 compared to \$2,375,975, in the prior year. Taxes and related revenue of \$1,839,208 comprised approximately 94% of the Town's general revenues for fiscal year ended June 30, 2023.

TOWN OF WILLIAMSTOWN, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023

Governmental Expenses. Total government activity expenses were \$3,015,306 in fiscal year 2023 compared to \$3,267,923 in fiscal year 2022, a decrease of approximately 8%. The largest expenses were incurred for general government, public safety, and highways and streets.

Business-Type Activities

Net position for business-type activities (Water and Sewer Departments) was \$1,952,629 as of June 30, 2023, an increase of \$8,299 from the prior year. Total water and sewer revenues for the June 30, 2023 fiscal year were \$437,073, an increase of less than 1% compared to the prior fiscal year. Total water and sewer operating expenses for the 2023 fiscal year were \$388,130, an increase of 2% compared to the prior year. The decrease resulted primarily from sludge removal and collection system maintenance performed in the prior year.

Financial Analysis of Individual Funds

As noted earlier, the Town used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$2,888,196. The fund balance of the General Fund as of June 30, 2023 was \$337,458, an increase of \$20,381 from the prior year.

In summary, (as indicated in the balance sheet on page 13) the fund balance committed in the governmental funds total \$1,237,720. The fund balance has been principally earmarked for the following purposes:

ARPA grant project funds	\$	990,477
Reappraisal fund		166,342
Records restoration fund		80,901
Total	\$	<u>1,237,720</u>

General Fund Budgetary Highlights

The Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – General Fund beginning on page 16 compares the actual results for fiscal year 2023 to the approved budget for the General Fund. Differences between budgeted amounts and actual amounts are briefly summarized below. The most significant variances were as follows:

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 870,635	\$ 789,043	\$ (81,592)
Fire Department	311,069	331,973	20,904
Town clerk/treasurer	26,370	32,327	5,957
General income	37,322	64,887	27,565
Expenses			
Public safety	\$ 89,830	\$ 64,261	\$ 25,569
Listers	13,009	1,469	11,540
Ambulance	302,675	311,809	(9,134)

TOWN OF WILLIAMSTOWN, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023

Capital Assets and Debt Administration

Capital Assets

The Town's government activities investment in capital assets, (net of accumulated depreciation) as of June 30, 2023, was \$5,264,646, which represents a decrease of \$393,509 as compared to the prior year. Investment in capital assets includes land, land improvements, machinery and equipment, buildings, and infrastructure. Infrastructure assets are items that are normally immovable and of value to the Town such as roads, bridges, streets, drainage systems, lighting systems and similar items. During the year ended June 30, 2023, a new rescue vehicle was put into service and a new pavilion for the recreation department was constructed. Depreciation expense for the 2023 fiscal year totaled \$440,206.

The Town's investment in capital assets for the Water and Sewer Departments, (net of accumulated depreciation) as of June 30, 2023, was \$1,950,632 as of June 30, 2023, a decrease of \$112,437. There were no new additions to water or sewer fund capital assets during the fiscal year.

Depreciation expense on buildings, vehicles, and equipment in service for the year ended June 30, 2023 amounted to \$27,586 and \$84,851, respectively, for the Water and Sewer Funds.

Long-Term Debt

At the end of the year, the Town's Governmental funds had debt outstanding totaling \$2,438,032. The Sewer Fund had total debt outstanding of \$841,665.

These amounts owed are backed by the full faith and credit of the Town with voter approved property taxes and user fees used to pay the obligations. These proceeds are being used to fund the addition and alterations of the capital assets.

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials consider many factors when setting the fiscal year 2023 budget, tax rates, and fees. When adopting the budget for the 2023-2024 year, the Select Board considered operational and capital needs of the Town, and the impact of spending on the tax rate.

The Town budgeted no change in fund balance for the fiscal year ending June 30, 2023 after allocating \$21,781 from the tax rate stabilization reserve fund during the fiscal year. For the fiscal year ended 2024, the Town budgeted for a zero increase in fund balance.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all of its citizens, taxpayers, customers, investors and creditors. Questions concerning any of the information provided in the report or requests for additional information should be addressed to:

WILLIAMSTOWN TOWN OFFICES
2470 Vermont Route 14
Williamstown, VT 05679

EXHIBIT A
TOWN OF WILLIAMSTOWN, VT
STATEMENT OF NET POSITION
June 30, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 3,805,223	\$ -	\$ 3,805,223
Accounts receivable, net	66,991	58,848	125,839
Delinquent taxes receivable, net	71,539	-	71,539
Prepaid expenses	-	1,073	1,073
Intergovernmental, net	(748,411)	748,411	-
Capital assets:			
Not depreciable - land	210,354	32,679	243,033
Depreciable:			
Buildings and improvements	2,765,277	490,998	3,256,275
Equipment and vehicles	4,925,335	-	4,925,335
Infrastructure	2,338,379	-	2,338,379
Water/sewer system and improvements	-	2,915,256	2,915,256
Less accumulated depreciation	(4,974,699)	(1,488,301)	(6,463,000)
Total assets	<u>8,459,988</u>	<u>2,758,964</u>	<u>11,218,952</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	187,078	-	187,078
Total deferred outflows of resources	<u>187,078</u>	<u>-</u>	<u>187,078</u>
LIABILITIES			
Accounts payable	51,833	1,179	53,012
Property tax sale escrow	30,381	-	30,381
Bonds and notes payable due within one year	181,694	36,718	218,412
Net pension liability	441,325	-	441,325
Bonds and notes payable due after one year	2,256,338	768,438	3,024,776
Total liabilities	<u>2,961,571</u>	<u>806,335</u>	<u>3,767,906</u>
DEFERRED INFLOWS OF RESOURCES			
Prepaid property taxes	129,407	-	129,407
Unavailable revenue - grant income	81,202	-	81,202
Deferred inflows related to pension	30,308	-	30,308
Total deferred inflows of resources	<u>240,917</u>	<u>-</u>	<u>240,917</u>
NET POSITION			
Net investment in capital assets	2,826,614	1,145,476	3,972,090
Restricted	137,944	203,204	341,148
Unrestricted	2,480,020	603,949	3,083,969
Total net position	<u>\$ 5,444,578</u>	<u>\$ 1,952,629</u>	<u>\$ 7,397,207</u>

See Independent Auditors' Report and Accompanying Notes to Basic Financial Statements

EXHIBIT B
TOWN OF WILLIAMSTOWN, VT
STATEMENT OF ACTIVITIES
For the year ending June 30, 2023

Functions/Programs:	Net (Expense) Revenue and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
General government	\$ 766,319	\$ 41,082	\$ 733,707	\$ 8,470	\$ -	\$ 8,470
Public safety	819,471	120,001	-	(699,470)	-	(699,470)
Highways and streets	1,073,119	-	180,816	(892,303)	-	(892,303)
Health and welfare	-	2,972	-	2,972	-	2,972
Culture and recreation	177,003	-	664,041	487,038	-	487,038
Interest on long-term debt	84,444	-	-	(84,444)	-	(84,444)
Capital outlay	94,950	-	-	(94,950)	-	(94,950)
Total governmental activities	3,015,306	164,055	1,578,564	(1,272,687)	-	(1,272,687)
Business-Type Activities:						
Water	128,575	166,264	-	-	37,689	37,689
Sewer	259,555	245,834	-	-	(13,721)	(13,721)
Total business-type activities	388,130	412,098	-	-	23,968	23,968
Total	\$ 3,403,436	\$ 576,153	\$ 1,578,564	(1,272,687)	23,968	(1,248,719)
General Revenues:						
Property taxes				1,811,445	-	1,811,445
Interest and penalties				27,763	4,013	31,776
Licenses and permits				7,727	-	7,727
Earnings on investments				45,618	-	45,618
Grants and contributions nonprogram specific				28,218	-	28,218
Other				41,065	640	41,705
Transfers between funds, net				20,322	(20,322)	-
Total general revenues and transfers				1,982,158	(15,669)	1,966,489
Change in net position				709,471	8,299	717,770
Net position - beginning of year				4,735,107	1,944,330	6,679,437
Net position - end of year				\$ 5,444,578	\$ 1,952,629	\$ 7,397,207

See Independent Auditors' Report and Accompanying Notes to Basic Financial Statements.

EXHIBIT C-1
TOWN OF WILLIAMSTOWN, VT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	Highway Fund	Highway Reserve Fund	ARPA Grant Fund	Non-major Governmental Funds	Total Government Funds
ASSETS						
Cash	\$ 3,579,306	\$ -	\$ -	\$ -	\$ 225,917	\$ 3,805,223
Accounts receivable, net	66,991	-	-	-	-	66,991
Delinquent taxes receivable	71,539	-	-	-	-	71,539
Due from other funds	-	540,646	326,139	990,477	787,482	2,644,744
Total assets	<u>3,717,836</u>	<u>540,646</u>	<u>326,139</u>	<u>990,477</u>	<u>1,013,399</u>	<u>6,588,497</u>
LIABILITIES						
Accounts payable	51,833	-	-	-	-	51,833
Tax sale proceeds in escrow	-	-	-	-	-	-
Due to other funds	3,073,232	-	76,968	-	242,955	3,393,155
Total liabilities	<u>3,125,065</u>	<u>-</u>	<u>76,968</u>	<u>-</u>	<u>242,955</u>	<u>3,444,988</u>
DEFERRED INFLOWS OF RESOURCES						
Prepaid property taxes	129,407	-	-	-	-	129,407
Unavailable revenue	95,525	-	-	-	-	95,525
Total deferred inflows of resources	<u>224,932</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,932</u>
FUND BALANCES						
Restricted	-	-	-	-	137,944	137,944
Committed	-	-	-	990,477	247,243	1,237,720
Assigned	-	-	249,171	-	385,257	634,428
Unassigned	337,458	540,646	-	-	-	878,104
Total fund balances	<u>337,458</u>	<u>540,646</u>	<u>249,171</u>	<u>990,477</u>	<u>770,444</u>	<u>2,888,196</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,687,455</u>	<u>\$ 540,646</u>	<u>\$ 326,139</u>	<u>\$ 990,477</u>	<u>\$ 1,013,399</u>	<u>\$ 6,558,116</u>

EXHIBIT C-2
TOWN OF WILLIAMSTOWN, VT
RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO THE
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2023

Total fund balances of governmental funds (Exhibit C-1) **\$ 2,888,196**

Amounts reported for governmental activities in the statement
of net position are different because:

Capital assets used in governmental activities are not considered financial
resources for fund perspective reporting and, therefore, are not reported
as assets in governmental funds.

Cost	10,239,345	
Less accumulated depreciation	<u>(4,974,699)</u>	
		5,264,646

Pension related deferred outflows of resources and deferred inflows of
resources are not due and payable in the current year and, therefore,
are not reported in the governmental funds as follows:

Deferred outflows of resources related to pensions		187,078
Deferred inflows of resources related to pensions		<u>(30,308)</u>

Revenues that will be collected after year-end and are not available to
pay for the current period's expenditures are reported as deferred
inflows of resources in the funds

14,323

Long-term liabilities, including bonds payable, are not due and payable
in the current period and are therefore not reported as liabilities in
the governmental funds. Long-term liabilities at year end consist of:

Net pension liability	(441,325)	
General obligation bonds and other debt payable	<u>(2,438,032)</u>	
		<u>(2,879,357)</u>

Net position of governmental activities (Exhibit A) **\$ 5,444,578**

EXHIBIT C-3
TOWN OF WILLIAMSTOWN, VT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ending June 30, 2023

	General Fund	Highway Fund	Highway Reserve Fund	ARPA Grant Fund	Non-major Governmental Funds	Total Government Funds
REVENUES						
Property taxes	\$ 733,103	\$ 1,063,519	\$ -	\$ -	\$ -	\$ 1,796,622
Property taxes - interest and penalties	27,763	-	-	-	-	27,763
Intergovernmental	522,814	169,351	175,000	527,853	183,546	1,578,564
Charges for services	145,215	-	-	-	18,840	164,055
Licenses and permits	6,482	1,245	-	-	-	7,727
Investment income	45,618	-	-	-	-	45,618
Miscellaneous	34,814	890	235	-	33,344	69,283
Total revenues	<u>1,515,809</u>	<u>1,235,005</u>	<u>175,235</u>	<u>527,853</u>	<u>235,730</u>	<u>3,689,632</u>
EXPENDITURES						
General government	692,171	-	8,000	64,980	-	765,151
Public safety	545,728	-	-	-	33,277	579,005
Highways and streets	-	872,756	-	-	-	872,756
Culture and recreation	-	-	-	-	178,860	178,860
Capital outlay	32	-	61,039	-	72,548	133,619
Debt service:						
Principal	88,254	-	42,180	-	-	130,434
Interest	76,346	-	8,098	-	-	84,444
Total expenditures	<u>1,402,531</u>	<u>872,756</u>	<u>119,317</u>	<u>64,980</u>	<u>284,685</u>	<u>2,744,269</u>
Excess (deficiency) of revenues over (under) expenses	113,278	362,249	55,918	462,873	(48,955)	945,363
OTHER FINANCING SOURCES (USES)						
Transfers in	81,825	-	250,000	-	235,500	567,325
Transfers out	(174,722)	(350,000)	-	-	(21,781)	(546,503)
Total other financing sources (uses)	<u>(92,897)</u>	<u>(350,000)</u>	<u>250,000</u>	<u>-</u>	<u>213,719</u>	<u>20,822</u>
NET CHANGE IN FUND BALANCES	20,381	12,249	305,918	462,873	164,764	966,185
FUND BALANCES - JULY 1, 2022	<u>317,077</u>	<u>528,397</u>	<u>(56,747)</u>	<u>527,604</u>	<u>605,680</u>	<u>1,922,011</u>
FUND BALANCES - JUNE 30, 2023	<u>\$ 337,458</u>	<u>\$ 540,646</u>	<u>\$ 249,171</u>	<u>\$ 990,477</u>	<u>\$ 770,444</u>	<u>\$ 2,888,196</u>

See Independent Auditors' Report and Accompanying Notes to Basic Financial Statements.

EXHIBIT C-4
TOWN OF WILLIAMSTOWN, VT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the year ending June 30, 2023

Net change in fund balances of governmental fund (Exhibit C-3)	\$	966,185
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital asset purchases	46,697	
Depreciation	(440,206)	
		(393,509)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Principal repayment of bonds and notes payable

Principal repayments of debt	159,434	
		159,434

Revenue in the statement of activities that does not provide current financial resources is not reported in the governmental funds

Unavailable revenue - property taxes		19,743
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.

Change in net pension liability	(226,130)	
Change in pension related deferred outflows	47,071	
Change in pension related deferred inflows	136,677	
		(42,382)

Change in net position of governmental activities (Exhibit B)	\$	709,471
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EXHIBIT D-1
TOWN OF WILLIAMSTOWN, VT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
For the year ending June 30, 2023

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 870,635	\$ 789,043	\$ (81,592)
Delinquent taxes	24,000	24,351	351
Cemetery	-	2,968	2,968
Administration fees	7,600	7,600	-
Listers	400	-	(400)
Town clerk/treasurer	26,370	32,327	5,957
Animal control	4,100	3,573	(527)
Ambulance	302,675	301,190	(1,485)
Fire department	311,069	331,973	20,904
General income	37,322	64,887	27,565
Special appropriation revenue	39,722	39,722	-
Total revenues	<u>1,623,892</u>	<u>1,597,634</u>	<u>(26,258)</u>
Expenditures			
Selectboard	5,306	5,417	(111)
Planning commission	10,807	6,643	4,164
Auditors	5,300	5,206	94
Listers	13,009	1,469	11,540
Board of civil authority	3,480	678	2,802
Elections	6,430	3,139	3,291
Manager's office	180,808	180,143	665
Clerk/Treasurer	136,745	127,606	9,139
General operating budget	247,047	257,258	(10,211)
Other operating expenditures	29,600	33,404	(3,804)
Public safety	89,830	64,261	25,569
Animal control	14,000	6,102	7,898
Ambulance	302,675	311,809	(9,134)
Public safety building	223,265	213,495	9,770
Fire	311,069	317,054	(5,985)
Storm Water	4,800	4,346	454
Special articles	39,722	39,222	500
Total expenditures	<u>1,623,892</u>	<u>1,577,252</u>	<u>46,640</u>
NET CHANGE IN FUND BALANCE	\$ -	20,382	\$ 20,382
FUND BALANCE - JULY 1, 2022		<u>317,077</u>	
FUND BALANCE - JUNE 30, 2023		<u>\$ 337,459</u>	

See Independent Auditors' Report and Accompanying Notes to Basic Financial Statements.

EXHIBIT D-2
TOWN OF WILLIAMSTOWN, VT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HIGHWAY FUND
For the year ending June 30, 2023

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 1,063,519	\$ 1,063,519	\$ -
State/Federal aid	155,000	169,351	14,351
Highway reserve accounts	131,917	-	(131,917)
Other	-	2,135	2,135
Total revenues	<u>1,350,436</u>	<u>1,235,005</u>	<u>(115,431)</u>
Expenditures			
Highway operations	285,750	234,423	51,327
Highway equipment	193,150	188,599	4,551
Highway reserve accounts	350,000	350,000	-
Highway employee benefits	499,936	426,707	73,229
Garage expenditures	21,600	23,027	(1,427)
Total expenditures	<u>1,350,436</u>	<u>1,222,756</u>	<u>127,680</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ -</u>	 12,249	 <u>\$ 12,249</u>
 FUND BALANCE - JULY 1, 2022		 <u>528,397</u>	
 FUND BALANCE - JUNE 30, 2023		 <u>\$ 540,646</u>	

See Independent Auditors' Report and Accompanying Notes to Basic Financial Statements.

TOWN OF WILLIAMSTOWN, VT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
ASSETS			
Current Assets			
Accounts receivable, net	\$ 16,534	\$ 42,314	\$ 58,848
Prepaid expenses	1,073	-	1,073
Due from other funds	567,631	180,780	748,411
Non-depreciable:			
Land	32,500	179	32,679
Buildings and improvements	-	490,998	490,998
Water/sewer system and improvements	862,636	2,052,620	2,915,256
Accumulated depreciation	(472,313)	(1,015,988)	(1,488,301)
TOTAL ASSETS	<u>1,008,061</u>	<u>1,750,903</u>	<u>2,758,964</u>
LIABILITIES			
Current Liabilities			
Accounts payable	1,149	30	1,179
Bonds payable due within one year	-	36,718	36,718
Bonds payable due after one year	-	768,438	768,438
TOTAL LIABILITIES	<u>1,149</u>	<u>805,186</u>	<u>806,335</u>
NET POSITION			
Invested in capital assets, net of related debt	422,823	722,653	1,145,476
Restricted	110,256	92,948	203,204
Unrestricted	473,833	130,116	603,949
TOTAL NET POSITION	<u>\$ 1,006,912</u>	<u>\$ 945,717</u>	<u>\$ 1,952,629</u>

See Independent Auditors' Report and Accompanying Notes to Basic Financial Statements.

TOWN OF WILLIAMSTOWN, VT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS
For the year ending June 30, 2023

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
OPERATING REVENUE			
Charges for services	\$ 166,264	\$ 245,834	\$ 412,098
Delinquent interest and penalties	4,013	-	4,013
Other	-	640	640
Total operating revenue	<u>170,277</u>	<u>246,474</u>	<u>416,751</u>
 OPERATING EXPENSES			
Administration	3,900	3,800	7,700
Supplies	5,547	23,881	29,428
Outside services	55,855	75,943	131,798
Insurance	2,231	2,399	4,630
Maintenance and repairs	7,709	19,890	27,599
Equipment and tools	-	5,412	5,412
Building and grounds	25,747	29,077	54,824
Depreciation expense	27,586	84,851	112,437
Total operating expenses	<u>128,575</u>	<u>245,253</u>	<u>373,828</u>
 Income from operations	<u>41,702</u>	<u>1,221</u>	<u>42,923</u>
 NON-OPERATING REVENUE (EXPENSE)			
Transfers in (out)	(20,322)	-	(20,322)
Interest expense	-	(14,302)	(14,302)
Total non-operating revenues (expense)	<u>(20,322)</u>	<u>(14,302)</u>	<u>(34,624)</u>
 Change in net position	21,380	(13,081)	8,299
 Net position, beginning of year	<u>985,532</u>	<u>958,798</u>	<u>1,944,330</u>
 Net position, end of year	<u>\$ 1,006,912</u>	<u>\$ 945,717</u>	<u>\$ 1,952,629</u>

See Independent Auditors' Report and Accompanying Notes to Basic Financial Statements.

TOWN OF WILLIAMSTOWN, VT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ending June 30, 2023

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 173,877	\$ 247,818	\$ 421,695
Cash payments to suppliers for goods and services	<u>(98,538)</u>	<u>(160,402)</u>	<u>(258,940)</u>
Net cash provided by operating activities	<u>75,339</u>	<u>87,416</u>	<u>162,755</u>
CASH FLOWS TO NON-CAPITAL FINANCING ACTIVITIES			
Interfund repayments from/(advances to)	<u>(75,339)</u>	<u>(36,605)</u>	<u>(111,944)</u>
Net cash used in non-capital financing activities	<u>(75,339)</u>	<u>(36,605)</u>	<u>(111,944)</u>
CASH FLOWS FROM (TO) CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest paid on notes and bonds, net of rebate	-	(14,302)	(14,302)
Principal payments on notes and bonds	<u>-</u>	<u>(36,509)</u>	<u>(36,509)</u>
Net cash provided by (used in) capital and financing activities	<u>-</u>	<u>(50,811)</u>	<u>(50,811)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-	-
CASH BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
CASH BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY(USED IN) FOR OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 41,702	\$ 1,221	\$ 42,923
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities			
Depreciation expense	27,586	84,851	112,437
(Increase) decrease in accounts receivable	4,978	1,344	6,322
(Increase) decrease in prepaid expenses	<u>1,073</u>	<u>-</u>	<u>1,073</u>
Net cash provided (used) by operating activities	<u>\$ 75,339</u>	<u>\$ 87,416</u>	<u>\$ 162,755</u>

See Independent Auditors' Report and Accompanying Notes to Basic Financial Statements.

EXHIBIT F
TOWN OF WILLIAMSTOWN, VERMONT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2023

	<u>Cemetery</u>	<u>Playground</u>	<u>Jr. High</u>	<u>Overseer</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 6,847	\$ 116	\$ 6,379	\$ 1,411	\$ 14,753
Investments	<u>359,639</u>	<u>24,389</u>	<u>3,087</u>	<u>39,923</u>	<u>427,038</u>
Total assets	<u>366,486</u>	<u>24,505</u>	<u>9,466</u>	<u>41,334</u>	<u>441,791</u>
LIABILITIES					
Intergovernmental payables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION					
Restricted	<u>\$ 366,486</u>	<u>\$ 24,505</u>	<u>\$ 9,466</u>	<u>\$ 41,334</u>	<u>\$ 441,791</u>

See Independent Auditors' Report and Accompanying Notes to Basic Financial Statements.

EXHIBIT G
TOWN OF WILLIAMSTOWN, VERMONT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the year ending June 30, 2023

	<u>Cemetery</u>	<u>Playground</u>	<u>Jr. High</u>	<u>Overseer</u>	<u>Total</u>
ADDITIONS					
New funds	\$ -	\$ -	\$ 5,466	\$ -	\$ 5,466
Investment income	15,570	415	34	214	16,233
Net increase (decrease) in fair value of investments	<u>10,480</u>	<u>539</u>	<u>170</u>	<u>(213)</u>	<u>10,976</u>
Total revenue	<u>26,050</u>	<u>954</u>	<u>5,670</u>	<u>1</u>	<u>32,675</u>
DEDUCTIONS					
Trust distributions	<u>-</u>	<u>980</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	26,050	(26)	5,670	1	31,695
NET POSITION, beginning of year	<u>340,436</u>	<u>24,531</u>	<u>3,796</u>	<u>41,333</u>	<u>410,096</u>
NET POSITION, end of year	<u>\$ 366,486</u>	<u>\$ 24,505</u>	<u>\$ 9,466</u>	<u>\$ 41,334</u>	<u>\$ 441,791</u>

See Independent Auditors' Report and Accompanying Notes to Basic Financial Statements.

TOWN OF WILLIAMSTOWN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies

Town of Williamstown, Vermont, (the "Town") was granted a charter under the provisions of the State of Vermont and operates under a trustee-treasurer form of government and provides services to Town residents as authorized by the charter.

The Town has adopted the accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board ("GASB"), the accepted standard setting body for establishing accounting and financial reporting principals for government units, except for the omission from its financial statements of the financial position and results of operations of the Electric Light Department.

The Board of Trustees of the Town adopted the following policies which are consistently applied in the preparation of the financial statements. The following is a summary of the more significant policies.

Reporting Entity

This report includes all of the funds of the Town. 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 may be financially accountable if an organization is fiscally dependent on the primary government. Based on these criteria, the Williamstown Electric Department should be combined with the financial statements of the Town but has been omitted from these financial statements. The Electric Light Department operates separately, reporting on a calendar year basis, and is audited separately. A copy of that audit is available upon request.

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, revenues, and expenditures or expenses, as appropriate. 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 and present a longer-term view of the Town's finances. 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 and present a shorter-term view of how operations were financed and what remains available for future spending.

TOWN OF WILLIAMSTOWN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements: The Statement of Net Position and the Statement of Activities display information about the primary government, the Town. These statements report financial information of the Town's non-fiduciary activities as a whole. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes, state aid, grants, and Town general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines, and forfeitures, and other charges to users of the Town's services; (2) operating grants and contributions which finance annual operating activities, including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Net position (the amount by which assets and deferred outflows exceed liabilities and deferred inflows) are reported on the Statement of Net Position in three components:

- (1) Net investment in capital assets – total amount of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds and other debt that are related to the acquisition or construction of those assets, including related deferred outflows of resources and deferred inflows of resources;
- (2) Restricted – for amounts when constraints placed on the net position are either externally imposed or are imposed by constitutional provisions or enabling legislation.
- (3) Unrestricted – the total net position which do not fit the two preceding categories. When both restricted and unrestricted resources are available for use, generally it is the Town's policy to use restricted assets first with unrestricted resources utilized as needed.

Fund Financial Statements: The fund financial statements provide information about the Town's 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 governmental funds are aggregated and reported as non-major 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 general government except those accounted for in another fund.

Highway Fund – This is the Town's fund that accounts for all financial resources relating to maintenance, repair and replacement of the Town's highway and street infrastructure.

TOWN OF WILLIAMSTOWN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies (continued)

Highway Reserve Fund – This is the Town’s fund that accounts for capital project funds reserved for use in maintaining and replacing the Town’s highway and street infrastructure assets and related equipment.

All other funds are non-major governmental funds and are combined in a single column in each of the respective fund financial statements.

Proprietary Funds

The focus of proprietary funds measurement is upon determination of operating income, changes in net position, financial position, and cash flows. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. All revenue and expenses not meeting this definition are reported as non-operating revenue and expense. The generally accepted accounting principles applicable to these funds are similar to those applied to businesses in the private sector. The Town reports on the following major enterprise funds:

Sewer Fund – This fund is used to account for the operations of the Sewer Department.

Water Fund – This fund is used to account for the operations of the Water Department.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. This means that all assets and liabilities associated with the operation of these funds (whether current or noncurrent) are included on the balance sheet (or statement of net position). Equity (i.e., net position) is segregated into invested in capital assets, net of related debt; restricted net position; and unrestricted net position. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Governmental fund financial statements are reported using the current financial resources measurement focus. This means that only current assets and current liabilities are generally reported on Governmental fund balance sheets. Governmental fund financial statements reported fund balances (net current position) are considered a measure of available spendable resources and are segregated into non-spendable; restricted; committed; assigned and unassigned amounts. The operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current position. Accordingly, such statements are said to present a summary of sources and uses of available spendable resources during a period.

TOWN OF WILLIAMSTOWN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies (continued)

Basis of Accounting

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

The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers all revenues reported in governmental funds to be available if the revenues are collected within sixty (60) days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, certain compensated absences and other long-term liabilities which are recognized when the obligations are expected to be liquidated or are funded with expendable available financial resources.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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 assets 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. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOWN OF WILLIAMSTOWN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies (continued)

Receivables

Receivables in the government-wide financial statements represent amounts due to the Town at June 30 that will be collected at some time in the future. They consist primarily of accrued taxes and related interest and penalties and are reported net of allowance for uncollectible accounts. Receivables reported in the governmental funds financial statements consist primarily of accrued taxes and related interest and penalties. Other receivables include primarily fees, fines, and expenditure reimbursements due to various Town programs and activities. Revenues accrued in the governmental funds' financial statements consist primarily of accrued taxes and related interest and penalties that will be collected by the Town within 60 days after year-end. Amounts estimated to be collected after the 60-day revenue recognition period are recorded as unavailable revenues (deferred inflows of resources).

Internal Balances

Activity between funds that is representative of lending/borrowing arrangements that are outstanding at the end of the fiscal year are referred to as "Advances to/from 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". Cash balances deposited and invested by the Treasurer in a combined cash account are reported as "Due to/from Other Funds".

Advances between funds, as reported in the fund financial statements, are offset by a fund reserve account (non-spendable fund balance) in the applicable funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Capital Assets

The Town's property, plant, equipment, vehicles, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The Town maintains infrastructure asset records consistent with all other capital assets. The Town has elected under the requirements of GASB Statement No. 34 not to capitalize infrastructure costs prior to January 1, 2004. Proprietary capital assets are also reported in their respective fund financial statements. Donated assets are stated at fair value on the date donated.

Capital assets reported in the government-wide and proprietary fund financial statements are depreciated in order that the cost of these assets will be charged to expenses over their estimated service lives, generally using the straight-line method of calculating depreciation.

The Town generally capitalizes assets with cost of \$5,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

TOWN OF WILLIAMSTOWN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies (continued)

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and improvements	10 - 50
Equipment and Vehicles	5 - 20
Utility systems	8 - 50
Infrastructure	8 - 20

Capital assets are not reported in the governmental fund financial statements. Capital outlays in these funds are recorded as expenditures in the year they are acquired.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, "deferred outflows of resources", represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. The Town has no items which arise under the accrual basis of accounting that qualifies for reporting in this category.

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. The Town has one type of transaction which arises under the modified accrual basis of accounting and one type which arises under the accrual basis of accounting that qualify for reporting in this category. Accordingly, the item, "unavailable revenue", is reported in the statement of net position and governmental funds balance sheet. The governmental funds balance sheet reports unavailable revenues from one source; unavailable property taxes, which are deferred and recognized as an inflow of resources in the period that the amounts become available.

Accrued Compensated Absences

Employees may carry forward five days of vacation from one calendar year to the next. Upon termination, employees will be paid for these carryforward days plus days earned up to the date of termination. Sick time cannot be carried forward and will not be paid upon termination. Certain employees with ten years of service at the time that the policy was last modified to its current state, were allowed to carry forward additional sick time credits. These employees will be compensated for these credits upon retirement. Accrued compensated absences are not reported in the governmental fund financial statements. Compensated absences in these funds are recorded as expenditures in the year they are paid. As of June 30, 2023, there were no accrued compensated absences.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources, a separate financial statement element, represents a consumption of net position or fund balance that applies to a future period(s) and thus will not be recognized as an outflow of resources (expense) until then.

Deferred inflows of resources, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s), and so will not be recognized as an outflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available.

TOWN OF WILLIAMSTOWN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies (continued)

Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year.

Long-Term Liabilities

Long-term liabilities include bonds, notes and capital leases payable and other obligations such as compensated absences and the Town's proportionate share of net pension liability. Long-term liabilities are reported in the government-wide and proprietary fund financial statements. Governmental fund financial statements do not include any long-term liabilities as those funds use the current financial resources measurement focus and only include current liabilities on their balance sheets.

Budgetary Accounting: General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary system in accordance with various legal requirements which govern the Town's operations. The Town's department heads and Town manager submit an annual budget to the Town's Trustees for review. A public hearing is held prior to the Town meeting to review the budget. The Town approves the budget at the annual Town meeting and the tax rate is determined by the Trustees based on the budget and grand list. Formal budgetary accounting is employed as a management control device in the General Fund.

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form -prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

The emphasis in fund financial statements is on the major funds. Non-major funds by category are summarized into a single column. GASB 34 and 37 set forth minimum criteria for the determination of major funds. The General Fund is shown as the major governmental fund. All other governmental funds are non-major and are combined in a single column in each of the respective fund financial statements.

Restricted fund balance: This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board, which is the Town's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Board removes the specified use by taking the same type of action imposing the commitment. This classification also includes voter approved reservations and contractual obligations to the extent that the existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

TOWN OF WILLIAMSTOWN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies (continued)

Assigned fund balance: This classification reflects the amounts constrained by the Board's "intent" to be used for specific purposes but are neither restricted nor committed. The Board has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as non-spendable and are neither restricted nor committed.

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances on other governmental funds.

When both restricted and unrestricted fund balances are available for use, it is the Town's policy to use restricted funds first, then unrestricted funds. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Note 2. Deposits

Custodial Credit Risk – Deposits. The Treasurer works with the Board to limit custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it.

The table below reflects the custodial credit risk of the Town's Deposits.

Insured by FDIC	\$ 500,000
Insured by SPIC	-
Uninsured - collateralized	<u>3,435,361</u>
Total bank balances	<u>\$ 3,935,361</u>

Note 3. Due to/From Other Funds

The Town has combined some of the cash resources of its governmental and proprietary funds for accounting and reporting purposes. That portion of the pooled cash balance is reported in the specific fund as an inter-fund balance. Inter-fund balances at June 30, 2023 were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Governmental Funds		
General Fund	\$ -	\$ 3,073,232
Highway fund	540,646	-
Highway reserve fund	326,139	76,968
ARPA grant fund	990,477	-
Non-major Funds	787,482	242,955
Proprietary Funds		
Water Fund	567,631	-
Sewer Fund	180,780	-
Totals	<u>\$ 3,393,155</u>	<u>\$ 3,393,155</u>

TOWN OF WILLIAMSTOWN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 4. Capital Assets Activity

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	\$ 210,354	\$ -	\$ -	\$ 210,354
Total capital assets not being depreciated	<u>210,354</u>	<u>-</u>	<u>-</u>	<u>210,354</u>
Capital Assets being depreciated:				
Buildings and improvements	2,765,277	-	-	2,765,277
Equipment and vehicles	4,878,638	46,697	-	4,925,335
Infrastructure	2,338,379	-	-	2,338,379
Total capital assets being depreciated	<u>9,982,294</u>	<u>46,697</u>	<u>-</u>	<u>10,028,991</u>
Accumulated depreciation			-	
Buildings and improvements	(644,810)	(68,856)	-	(713,666)
Equipment and vehicles	(2,877,807)	(300,506)	-	(3,178,313)
Infrastructure	(1,011,876)	(70,844)	-	(1,082,720)
Total accumulated depreciation	<u>(4,534,493)</u>	<u>(440,206)</u>	<u>-</u>	<u>(4,974,699)</u>
Governmental Activities Capital Assets, Net	\$ <u>5,658,155</u>	\$ <u>(393,509)</u>	\$ <u>-</u>	\$ <u>5,264,646</u>

Governmental Activities capital asset activity for the year ended June 30, 2023 was as follows:

Depreciation expense was charged to governmental functions as follows:

General government	\$ 24,709
Public safety	236,072
Highways and streets	179,425
	<u>\$ 440,206</u>

Proprietary funds capital asset activity for the year ended June 30, 2023 was as follows

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	\$ 32,679	\$ -	\$ -	\$ 32,679
Capital assets being depreciated:				
Buildings and improvements	490,998	-	-	490,998
Water/sewer system and improvements	2,915,256	-	-	2,915,256
Totals	<u>3,406,254</u>	<u>-</u>	<u>-</u>	<u>3,406,254</u>
Accumulated depreciation:				
Buildings and improvements	(482,248)	(1,000)	-	(483,248)
Water/sewer system and improvements	(893,616)	(111,437)	-	(1,005,053)
Total accumulated depreciation	<u>(1,375,864)</u>	<u>(112,437)</u>	<u>-</u>	<u>(1,488,301)</u>
Business-Type Activities Capital Assets, Net	\$ <u>2,063,069</u>	\$ <u>(112,437)</u>	\$ <u>-</u>	\$ <u>1,950,632</u>

TOWN OF WILLIAMSTOWN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 5. Long-Term Liabilities

	Balance June 30, 2022	Additions	Reductions	Total June 30, 2023	Due Within One Year
Governmental Activities:					
Bonds and notes payable	\$ 2,597,467	\$ -	\$ (159,435)	\$ 2,438,032	\$ 181,694
Net pension liability	215,195	226,130	-	441,325	-
Total governmental activities long-term liabilities	\$ 2,812,662	\$ 226,130	\$ (159,435)	\$ 2,879,357	\$ 181,694

Long-term notes and bonds payable consist of the following at June 30, 2023:

	Balance June 30, 2022	Additions	Payments	Balance June 30, 2023	Amount Due Within One Year
<u>Governmental Activities:</u>					
Bond payable (public safety building), Vermont Municipal Bond Bank, annual payments of \$20,322, plus interest at a rate of minus 3 percent (-3%). Bond matures February 1, 2039.	\$ 345,466	\$ -	\$ (20,322)	\$ 325,144	\$ 20,322
Note payable (fire truck), People's United Bank, with interest at 2.25% and annual payments of \$20,000 due through September 30, 2023. Loan was refinanced on September 15, 2020.	40,000	-	(20,000)	20,000	20,000
Note payable, Kansas State Bank, annual payments of \$25,139, with interest at 3.36%. Lease matures May 2028.	136,316	-	(21,089)	115,227	21,716
Note payable, Kansas State Bank, annual payments of \$25,139, with interest at 3.36%. Lease matures May 2028.	136,316	-	(21,089)	115,227	21,716
Bond payable (fire station), Vermont Municipal Bond Bank, annual principal payments of \$76,966, with interest at 3.88%. Bond matures November 2044.	1,769,469	-	(76,934)	1,692,535	76,933
Capital lease payable, Caterpillar Financial Services, annual principal and interest payments of \$29,902, with interest at 5.44%. Note matures June 2029.	169,900	-	-	169,900	-
Total governmental activities	\$ 2,597,467	\$ -	\$ (159,434)	\$ 2,438,033	\$ 181,694

TOWN OF WILLIAMSTOWN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 5. Long-Term Liabilities (continued)

Business-Type Activities:

Sewer Fund:

Rural development loan (sewer improvement), USDA, annual payments of \$22,195, plus interest at a rate of 1.88%.
Note matures March 1, 2047.

\$ 841,665 \$ - \$ (36,509) \$ 805,156 \$ 36,718

Scheduled maturities of notes and bonds payable are as follows as of June 30, 2023:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 181,694	\$ 83,062	\$ 264,756
2025	163,568	77,694	241,262
2026	166,102	72,123	238,225
2027	168,739	66,444	235,183
2028	171,493	5,943	177,436
Thereafter	<u>1,586,437</u>	<u>4,772</u>	<u>1,591,209</u>
	<u>\$ 2,438,033</u>	<u>\$ 310,038</u>	<u>\$ 2,748,071</u>

Year Ending June 30,	Business-Type Activities		
	Principal	Interest	Total
2024	\$ 36,718	\$ 14,093	\$ 50,811
2025	37,183	13,628	50,811
2026	37,642	13,169	50,811
2027	38,124	12,687	50,811
2028	37,881	12,930	50,811
Thereafter	<u>617,608</u>	<u>123,742</u>	<u>741,350</u>
	<u>\$ 805,156</u>	<u>\$ 190,249</u>	<u>\$ 995,405</u>

Note 6. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are as follows:

		Entity-Wide Basis	Governmental Funds
		Government Activities	General
Governmental Activities:			
Deferred amounts related to pension	\$	187,078	\$ -
Total deferred outflows of resources	\$	<u>187,078</u>	<u>\$ -</u>

TOWN OF WILLIAMSTOWN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 6. Deferred Outflows/Inflows of Resources (continued)

Deferred inflows of resources are as follows:

	Entity-Wide Basis	Governmental Funds
	Government Activities	General
Governmental Activities:		
Prepaid property taxes	\$ 129,407	\$ 129,407
Unavailable revenue – property taxes	-	14,323
Unavailable revenue – grant income	81,202	81,202
Deferred amounts related to pension	30,308	-
Total deferred outflows of resources	\$ 240,917	\$ 224,932

7. Pension Plan

Summary of Significant Accounting Policies

Pensions

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

General Information about the Pension Plan

Plan Description

The Vermont Municipal Employees' Retirement System is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for school districts and other municipal employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system.

During the plan year ended June 30, 2022, the retirement system consisted of 402 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.

TOWN OF WILLIAMSTOWN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 7. Pension Plan (continued)

They are the State Treasurer, two employee representatives elected by the membership of the system, and two employer representatives-one elected by the governing bodies of participating employers of the system, and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service.

Summary of System Provisions

Membership	Full-time employees of participating municipalities. Municipality elects coverage under Groups A, B, C or D provisions.
Creditable service	Service as a member plus purchased service
Average Final Compensation (AFC)	Group A – average annual compensation during the highest 5 consecutive years. Group B and C – average annual compensation during highest 3 consecutive years. Group D – average annual compensation during highest 2 consecutive years.
Service Retirement Allowance Eligibility	Group A – the earlier of age 65 with 5 years of service or age 55 with 35 years of service. Group B – the earlier of age 62 with 5 years of service or age 55 with 30 years of service. Groups C and D – age 55 with 5 years of service.
Amount	Group A – 1.4% of AFC x service Group B – 1.7% of AFC x service as Group B member plus percentage earned as Group A member x AFC. Group C – 2.5% of AFC x service as a Group C member plus percentage earned as a Group A or B member x AFC. Group D – 2.5% of AFC x service as a Group D member plus percentage earned as a Group A, B, or C member x AFC Maximum benefit is 60% of AFC for Groups A and B and 50% of AFC for Groups C and D. The above includes the portion of the allowance provided by member contributions.
Early Retirement Allowance Eligibility	Age 55 with 5 years of service for Groups A and B; age 50 with 20 years of service for Group D.
Amount	Normal allowance based on service and AFC at early retirement, reduced by 6% for each year commencement proceeds Normal Retirement Age for Group A and B members, and payable without reduction to Group D members.
Vested Retirement Allowance Eligibility	5 years of service.

TOWN OF WILLIAMSTOWN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 7. Pension Plan (continued)

Amount	Allowance beginning at normal retirement age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on "Post-Retirement Adjustments" described below.
Disability Retirement Allowance Eligibility	5 years of service and disability as determined by Retirement Board.
Amount	Immediate allowance based on AFC and service to date of disability; children's benefit of 10% of AFC payable to up to three minor children (or children up to age 23 if enrolled in full-time studies) of a disabled Group D member.
Death Benefit Eligibility	Death after 5 years of service.
Amount	For Groups A, B, C, reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor's benefits under disability annuity computed as of date of death. For Group D, 70% of the unreduced accrued benefit plus children's benefit.
Optional Benefit and Death after Retirement	For Groups A, B, C, lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee. For Group D, lifetime allowance or 70% contingent annuitant option with no reduction.
Refund of Contribution	Upon termination, if the member so elects or if no other benefit is payable, the member's accumulated contributions are refunded.
Post-Retirement Adjustments	Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in consumer price index but not more than 2% for Group A and 3% for Groups B, C and D.
Member Contributions	Group A – 3.250% effective July 1, 2021 Group B – 5.625% effective July 1, 2021 Group C – 10.750% effective July 1, 2021 Group D – 12.100% effective July 1, 2021
Employer Contributions	Group A – 4.750% effective July 1, 2021 Group B – 6.250% effective July 1, 2021 Group C – 8.000% effective July 1, 2021 Group D – 10.600% effective July 1, 2021
Retirement Stipend	\$25 per month payable at the option of the Board of Retirees.

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

At June 30, 2023, the Town reported a liability of \$441,325 for its proportionate share of the Net Pension Liability.

TOWN OF WILLIAMSTOWN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 7. Pension Plan (continued)

The Net Pension Liability was measured as of June 30, 2022, and was determined based upon the results of the actuarial valuation as of June 30, 2021, adjusted forward using standard actuarial techniques. The Town's proportion of the Net Pension Liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Town's proportion was 0.15%, which did not change from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the Town recognized pension expense of \$82,978.

At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 33,144	\$ -
Net difference between projected and actual investment earnings on pension plan investments	71,649	-
Change in assumptions	22,563	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	19,125	30,308
Town's employer contributions made subsequent to the measurement date	40,597	-
Total	\$ 187,078	\$ 30,308

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of \$40,329 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	
2024	\$ 30,325
2025	836
2026	44,683

TOWN OF WILLIAMSTOWN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 7. Pension Plan (continued)

Significant Actuarial Assumptions and Methods

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

Year 1:	6.50%
Year 2:	5.75%
Year 3:	5.25%
Year 4:	5.00%
Year 5:	4.75%
Year 6:	4.75%
Year 7:	4.75%
Year 8:	4.75%
Year 9:	4.75%
Year 10+:	4.50%

Salary Increases: 4.5% per year.

Deaths:

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

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

Disabled retirees – RP-2000 Disabled Life Tables.

Beneficiaries – 1995 Buck Mortality Tables for males and females.

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

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

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

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

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

Inflation: The separately stated assumptions for investment return, salary increases and cost of living adjustments are consistent with an expected annual inflation rate of 2.30% per year.

TOWN OF WILLIAMSTOWN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 7. Pension Plan (continued)

The long-term expected rate of return on System investments was determined using best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) developed for each major asset class using an econometric model that forecasts a variety of economic environments and then calculates asset class returns based on functional relationships between the economic variable and the asset classes. These best estimate ranges were combined to produce forecasts of the short, intermediate, and longer-term horizons by weighting the expected future nominal rates of return by the target asset allocation percentage. The various time horizons in the forecast are intended to capture more recent economic and capital market conditions as well as other plausible environments that could develop in the future over economic cycles. To reflect this in the rate-of-return assumption, a Select and Ultimate assumption setting approach, which is cited in Section 3.8.4 of Actuarial Standard of Practice No. 27 as an alternative to a single assumed rate of return, is employed.

Best estimates of arithmetic real rates of return for each major asset class included in the 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	24.00%	4.30%
Active Global Equities	5.00%	4.30%
Large Cap US Equities	4.00%	3.25%
Small/Mid Cap US Equities	3.00%	3.75%
Non-US Developed Market Equities	7.00%	5.00%
Private Equity	10.00%	6.50%
Emerging Market Debt	4.00%	3.50%
Private and Alternative Credit	10.00%	4.75%
Non-Core Real Estate	4.00%	6.00%
Core Fixed Income	19.00%	0.00%
Core Real Estate	3.00%	3.50%
US TIPS	3.00%	-0.50%
Infrastructure/Farmland	4.00%	4.25%
	100.00%	

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 that contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

TOWN OF WILLIAMSTOWN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 7. Pension Plan (continued)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the entity's proportionate share of the net pension liability calculated using the discount rate of 7.00%, 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%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Town's combined proportionate share of the net pension liability	\$ 661,306	\$ 441,325	\$ 260,381

Pension Plan Fiduciary Net Position

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

http://finance.vermont.gov/reports_and_publications/CAFR

Note 8. 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 fiscal 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 rate setting 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.

Note 9. 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.

Note 10. Property Taxes

Property taxes attach as an enforceable lien on property as of April 1, annually. Property taxes are due in a single installment on November 16th. All late payments are subject to an 8% penalty and interest is calculated at 1% per month.

TOWN OF WILLIAMSTOWN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 10. Property Taxes (continued)

Property taxes are recognized as revenue in the period for which they are levied, which is the fiscal year during which tax payments are due, provided the taxes are received within sixty (60) days after year-end. The remaining receivables are reported as unearned revenue, a deferred inflow of resources.

The Town tax rate for fiscal year 2023 were as follows:

	Residential	Non-Residential
General fund	\$ 0.2058	\$ 0.2058
Highway fund	0.2897	0.2897
Fire department	0.0848	0.0848
Ambulance	0.0552	0.0552
Cemetery	0.0121	0.0121
Library	0.0287	0.0287
Special articles	0.0093	0.0093
Local agreement	0.0046	0.0046
State education tax	1.3582	1.5383
	<u>\$ 2.0484</u>	<u>\$ 2.2285</u>

Note 11. Net Position

Governmental and business-type activities net position reported on the government-wide Statement of Net Position at June 30, 2023 includes the following:

	Governmental Activities	Business-Type Activities	Total
Net investment in capital assets:			
Net capital assets	\$ 5,264,646	\$ 1,950,632	\$ 7,215,278
General obligation bonds/notes payable	(2,438,032)	(805,156)	(3,243,188)
Total net investment in capital assets	<u>2,826,614</u>	<u>1,145,476</u>	<u>3,972,090</u>
Restricted:			
Veteran's Memorial Park	4,570	-	4,570
Parade fund	200	-	200
Cemetery funds	(1,542)	-	(1,542)
Henry Baker fund	4,170	-	4,170
Tax rate stabilization fund	110,171	-	110,171
Ambulance fund	9,170	-	9,170
Library fund	1,045	-	1,045
Other funds	10,160	-	10,160
Water and sewer reserve funds	-	203,204	203,204
Total restricted	<u>137,944</u>	<u>203,204</u>	<u>341,148</u>
Unrestricted:			
Total unrestricted	<u>2,480,020</u>	<u>603,949</u>	<u>3,083,969</u>
Total net position	<u>\$ 5,444,578</u>	<u>\$ 1,952,629</u>	<u>\$ 7,397,207</u>

TOWN OF WILLIAMSTOWN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 12. Governmental Fund Balances

	General Fund	Other Governmental Funds	Total
Restricted:			
Veteran's Memorial Park	\$ -	\$ 4,570	\$ 4,570
Parade fund	-	200	200
Cemetery funds	-	(1,542)	(1,542)
Henry Baker fund	-	4,170	4,170
Tax rate stabilization reserve fund	-	110,171	110,171
Ambulance funds	-	9,170	9,170
Library fund	-	1,045	1,045
Other funds	-	10,160	10,160
Total restricted	-	137,944	137,944
Committed:			
ARPA grant fund	-	990,477	990,477
Reappraisal fund	-	166,342	166,342
Records restoration fund	-	80,901	80,901
Total committed	-	1,237,720	1,237,720
Assigned:			
Cemetery reserve funds	-	12,261	12,261
Highway reserve fund	-	249,171	249,171
Ambulance reserve funds	-	193,369	193,369
Fire department funds	-	85,912	85,912
Fire truck fund	-	13,815	13,815
Road rehab fund	-	70,823	70,823
Library reserve funds	-	7,647	7,647
Public safety building fund	-	1,000	1,000
Town hall renovation fund	-	430	430
Total assigned	-	634,428	634,428
Unassigned:			
Unassigned fund	337,458	540,646	857,783
Total governmental fund balances	\$ 337,458	\$ 2,550,738	\$ 2,888,196

Note 13. Subsequent Events

Management has evaluated subsequent events through January 15, 2024, the date that the financial statements were available to be issued.

EXHIBIT H
TOWN OF WILLIAMSTOWN, VERMONT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM COST SHARING
MULTIPLE EMPLOYER DEFINED BENEFIT PLAN
For the year ending June 30, 2023

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Town's proportion of the net pension liability	0.16%	0.17%	0.16%	0.14%	0.13%	0.13%	0.17%	0.15%	0.15%	0.15%
Town's proportionate share of the net pension liability	\$ 14,676	\$ 129,380	\$ 200,305	\$ 171,039	\$ 188,311	\$ 246,182	\$ 441,180	\$ 215,195	\$ 441,325	
Town's covered payroll	\$ 436,433	\$ 430,092	\$ 419,176	\$ 426,304	\$ 515,692	\$ 598,270	\$ 794,202	\$ 582,354	\$ 625,468	
Town's proportionate share of the net pension liability as a percentage of its covered payroll	3.36%	30.08%	47.79%	40.12%	36.52%	41.15%	55.55%	36.95%	70.56%	
Plan fiduciary net position as a percentage of the total pension liability	98.32%	87.42%	80.95%	83.64%	82.60%	80.35%	74.52%	86.29%	73.60%	

EXHIBIT I
TOWN OF WILLIAMSTOWN, VERMONT
SCHEDULE OF TOWN CONTRIBUTIONS - PENSIONS
VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM COST SHARING
MULTIPLE EMPLOYER DEFINED BENEFIT PLAN
For the year ending June 30, 2023

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Contractually required contribution	\$ 23,458	\$ 23,655	\$ 23,055	\$ 23,447	\$ 29,130	\$ 27,264	\$ 36,145	\$ 32,507	\$ 40,597	
Contribution in relation to the contractually required contributions	23,458	23,655	23,055	23,447	29,130	27,264	36,145	32,507	40,597	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Town's covered payroll	\$ 436,433	\$ 430,092	\$ 419,176	\$ 426,304	\$ 515,692	\$ 598,270	\$ 794,202	\$ 582,354	\$ 625,468	
Contributions as a percentage of covered payroll	6.12%	6.10%	6.42%	6.38%	6.63%	6.76%	6.81%	5.58%	6.49%	

SCHEDULE I
TOWN OF WILLIAMSTOWN, VERMONT
BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue Funds							Capital Projects Funds										
	Records Restoration Fund	Parade Fund	Tax Rate Stabilization Fund	Veterans Memorial Fund	Cemetery Funds	Library Fund	Henry Baker Fund	Ambulance Funds	Other Funds	Ambulance Reserve Funds	Library Reserve Fund	Cemetery Reserve Funds	Fire Truck Fund	Road Rehab Fund	Fire Department Funds	Public Safety Building Fund	Town Hall Renovation Fund	Total
ASSETS																		
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 221,747	\$ 4,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	166,342	200	110,171	4,570	5,476	-	4,170	9,170	10,160	193,369	7,647	12,261	13,815	70,823	101,147	1,000	430	225,917
Total assets	166,342	200	110,171	4,570	5,476	221,747	4,170	9,170	10,160	193,369	7,647	12,261	13,815	70,823	101,147	1,000	430	787,482
																		1,013,399
LIABILITIES																		
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
																		242,955
FUND BALANCES																		
Restricted	-	200	110,171	4,570	(1,542)	1,045	4,170	9,170	10,160	-	-	-	-	-	-	-	-	137,944
Committed	166,342	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	247,243
Assigned	-	-	-	-	-	-	-	-	-	193,369	7,647	12,261	13,815	70,823	85,912	1,000	430	385,257
Total fund balances	166,342	200	110,171	4,570	(1,542)	1,045	4,170	9,170	10,160	193,369	7,647	12,261	13,815	70,823	85,912	1,000	430	770,444
Total liabilities, deferred inflows of resources and fund balances	\$ 166,342	\$ 200	\$ 110,171	\$ 4,570	\$ 5,476	\$ 221,747	\$ 4,170	\$ 9,170	\$ 10,160	\$ 193,369	\$ 7,647	\$ 12,261	\$ 13,815	\$ 70,823	\$ 101,147	\$ 1,000	\$ 430	\$ 1,013,399

SCHEDULE 2
TOWN OF WILLIAMSTOWN, VERMONT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue Funds						Capital Projects Funds										Total	
	Reappraisal Fund	Records Restoration Fund	Parade Fund	Tax Rate Stabilization Fund	Veterans Memorial Fund	Cemetery Funds	Library Fund	Henry Baker Fund	Ambulance Funds	Other Funds	Ambulance Reserve Funds	Library Reserve Fund	Cemetery Reserve Funds	Fire Truck Fund	Road Rehab Fund	Fire Department Funds		Public Safety Building Fund
REVENUES																		
Intergovernmental	\$ 14,050	\$ -	\$ -	\$ -	\$ -	\$ 44,500	\$ 105,557	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,465	\$ 7,974	\$ -	\$ 183,546
Charges for services	-	9,240	-	-	-	9,600	-	-	-	-	-	-	-	-	-	-	-	18,840
Miscellaneous	-	-	-	-	-	2,206	4,595	-	2,269	11,656	-	-	-	-	-	12,618	-	33,344
Total revenues	14,050	9,240	-	-	-	56,306	110,152	-	2,269	11,656	-	-	-	-	11,465	20,592	-	235,730
EXPENDITURES																		
Public safety	-	-	-	-	-	-	-	-	2,885	-	-	-	-	-	-	30,392	-	33,277
Culture and recreation	-	-	-	-	954	59,123	109,107	-	-	4,451	-	5,225	-	-	-	-	-	178,860
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	45,462	27,086	-	-	72,548
Total expenditures	-	-	-	-	-	59,123	109,107	-	2,885	4,451	-	5,225	-	45,462	27,086	30,392	-	284,685
Excess of revenues over expenditures	14,050	9,240	-	-	(954)	(2,817)	1,045	-	(616)	7,205	-	(5,225)	-	(45,462)	(15,621)	(9,800)	-	(48,955)
OTHER FINANCING SOURCES (USES)																		
Transfers in	-	-	-	-	-	-	-	-	-	-	27,000	-	-	70,000	100,000	38,500	-	235,500
Transfers out	-	-	-	(21,781)	-	-	-	-	-	-	-	-	-	-	-	-	-	(21,781)
Total other financing sources (uses)	-	-	-	(21,781)	-	-	-	-	-	-	27,000	-	-	70,000	100,000	38,500	-	213,719
Net change in fund balances	14,050	9,240	-	(21,781)	(954)	(2,817)	1,045	-	(616)	7,205	27,000	(5,225)	-	24,538	84,379	28,700	-	164,764
Fund Balance, beginning of year	152,292	71,661	200	131,952	5,524	1,275	-	4,170	9,786	2,955	166,369	12,872	12,261	(10,723)	(13,556)	57,212	1,000	430
Fund Balance, end of year	\$ 166,342	\$ 80,901	\$ 200	\$ 110,171	\$ 4,570	\$ (1,542)	\$ 1,045	\$ 4,170	\$ 9,170	\$ 10,160	\$ 193,369	\$ 7,647	\$ 12,261	\$ 13,815	\$ 70,823	\$ 85,912	\$ 1,000	\$ 430
																		\$ 770,444



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLAINTS AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Selectmen
Town of Williamstown, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Williamstown, Vermont, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Williamstown, Vermont's, basic financial statements, and have issued our report thereon dated January 15, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Williamstown, Vermont's, internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Williamstown, Vermont's, internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Williamstown, 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 Town's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Williamstown, 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 determination of financial statement amounts. 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."

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

VeroffCPA

VeroffCPA, PC
Laconia, New Hampshire
January 15, 2024
NH Registration #07785D