

Audited Financial Statements and  
Other Financial Information

**Town of Vernon, Vermont**

June 30, 2024



*Proven Expertise & Integrity*

TOWN OF VERNON, VERMONT

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JUNE 30, 2024

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## INDEPENDENT AUDITOR'S REPORT

Selectboard  
Town of Vernon  
Vernon, Vermont

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Vernon, Vermont, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Town of Vernon, Vermont'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, each major fund and the aggregate remaining fund information of Town of Vernon, Vermont as of June 30, 2024 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Vernon, Vermont and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 of Vernon, Vermont's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### Auditor's Responsibilities for the Audit of 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Vernon, Vermont's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise doubt about the Town of Vernon, Vermont's ability to continue as a going concern for a reasonable period of time.

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

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 11 and 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Vernon, Vermont's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes 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 Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund

financial statements and capital asset schedules 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 November 18, 2025, on our consideration of the Town of Vernon, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Town of Vernon, Vermont's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Vernon, Vermont's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
Vermont Registration # 092.0000697  
November 18, 2025



**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**(UNAUDITED)**

The following management's discussion and analysis of Town of Vernon, Vermont's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the Town's financial statements.

**Financial Statement Overview**

The Town of Vernon's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule and other supplementary information which includes combining and other schedules.

**Basic Financial Statements**

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

**Government-Wide Financial Statements**

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regard to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position - this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities - this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above mentioned financial statements have one column for the Town's activities. The type of activity presented for the Town of Vernon is:

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the Town's basic services are reported in governmental activities, which include general government, public safety, highways and streets, culture and recreation, sanitation and solid waste, cemetery, health and welfare and unclassified.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Vernon, like other local governments, uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Vernon, Vermont can be divided into two categories: governmental funds and fiduciary funds.

*Governmental funds:* All of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach, revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of Vernon, Vermont presents four columns in the governmental funds balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund, emergency capital reserve fund and capital fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

*Fiduciary Funds:* These funds are used to account for resources held for the benefit of parties outside the Town of Vernon, Vermont. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs. The accounting used for fiduciary funds are much like that of proprietary funds. They use the accrual basis of accounting.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Statement of Changes in Net Position - Fiduciary Funds.

### **Required Supplementary Information**

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund.

### **Other Supplementary Information**

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regard to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

### **Government-Wide Financial Analysis**

Our analysis below focuses on the net position and changes in net position of the Town's governmental activities. The Town's total net position for governmental activities increased by \$596,785 from \$9,713,152 to \$10,309,937.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - increased for governmental activities to a balance of \$6,632,809 at the end of this year.

**Table 1**  
**Town of Vernon, Vermont**  
**Net Position**  
**June 30,**

	<b>2024</b>	<b>2023 (Restated)</b>
<b>Assets:</b>		
Current Assets	\$ 7,025,694	\$ 7,078,815
Noncurrent Assets - Capital Assets	3,412,448	2,763,880
Total Assets	<u>10,438,142</u>	<u>9,842,695</u>
<b>Liabilities:</b>		
Current Liabilities	82,428	85,964
Noncurrent Liabilities	28,830	27,885
Total Liabilities	<u>111,258</u>	<u>113,849</u>
<b>Deferred Inflows of Resources:</b>		
Deferred Revenues	13,952	13,952
Prepaid Property Taxes	2,995	1,742
Total Deferred Inflows of Resources	<u>16,947</u>	<u>15,694</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	3,412,448	2,763,880
Restricted: Permanent Funds	264,680	272,501
Unrestricted	6,632,809	6,676,771
Total Net Position	<u>\$ 10,309,937</u>	<u>\$ 9,713,152</u>

### Revenues and Expenses

Revenues for the Town's governmental activities increased by 6.19%, while total expenses increased by 17.49% from the prior year. All revenue categories saw increases except for grants and contributions not restricted to specific programs. All expense categories had increases with the exception of health and welfare.

**Table 2**  
**Town of Vernon, Vermont**  
**Changes in Net Position**  
**For the Years Ended June 30,**

	<u>2024</u>	<u>2023</u>
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for services	\$ 384,022	\$ 373,498
Operating grants and contributions	286,219	68,399
<i>General Revenues:</i>		
Property taxes	2,453,619	2,425,131
Grants and contributions not restricted to specific programs	126,138	414,761
Miscellaneous	293,517	55,078
Total revenues	<u>3,543,515</u>	<u>3,336,867</u>
<b>Expenses</b>		
General government	893,142	790,507
Public safety	354,477	294,973
Highways and streets	583,720	414,871
Culture and recreation	855,930	817,451
Sanitation and solid waste	141,603	123,971
Cemetery	34,965	19,911
Education	9,095	6,000
Health and welfare	5,582	11,648
Unclassified	34,471	28,695
Capital outlay	33,745	-
Total expenses	<u>2,946,730</u>	<u>2,508,027</u>
Change in Net Position	<u>596,785</u>	<u>828,840</u>
Net Position - July 1, As Previously Reported	9,684,375	8,855,535
Net Position Correction	<u>28,777</u>	<u>-</u>
Net Position - July 1, As Restated	<u>9,713,152</u>	<u>8,855,535</u>
Net Position - June 30	<u>\$ 10,309,937</u>	<u>\$ 9,684,375</u>

### **Financial Analysis of the Town's Fund Statements**

*Governmental funds:* The financial reporting focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information may be useful in assessing the Town's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year and the net resources available for spending.

**Table 3**  
**Town of Vernon, Vermont**  
**Fund Balances - Governmental Funds**  
**June 30,**

	<u>2024</u>	<u>2023</u>	<u>Increase/ (Decrease)</u>
General Fund:			
Nonspendable	\$ 54,844	\$ 74,429	\$ (19,585)
Committed	102,155	102,155	-
Assigned	253,079	253,079	-
Unassigned	1,324,942	1,506,117	(181,175)
Total General Fund	<u>\$ 1,735,020</u>	<u>\$ 1,935,780</u>	<u>\$ (200,760)</u>
Emergency Capital Reserve Fund			
Assigned	<u>\$ 1,265,442</u>	<u>\$ 1,234,704</u>	<u>\$ 30,738</u>
Total Emergency Capital Reserve Fund	<u>\$ 1,265,442</u>	<u>\$ 1,234,704</u>	<u>\$ 30,738</u>
Capital Fund			
Assigned	<u>\$ 2,035,176</u>	<u>\$ 1,806,852</u>	<u>\$ 228,324</u>
Total Capital Fund	<u>\$ 2,035,176</u>	<u>\$ 1,806,852</u>	<u>\$ 228,324</u>
Nonmajor Funds:			
Special Revenues Funds:			
Assigned	\$ 645,165	\$ 630,492	\$ 14,673
Unassigned (deficit)	-	(20,130)	20,130
Capital Projects Funds:			
Committed	269,066	257,963	11,103
Assigned	590,469	815,304	(224,835)
Permanent Funds:			
Restricted	<u>264,680</u>	<u>272,501</u>	<u>(7,821)</u>
Total Nonmajor Funds	<u>\$ 1,769,380</u>	<u>\$ 1,956,130</u>	<u>\$ (186,750)</u>

The changes in total fund balances for the general fund, emergency capital reserve fund, capital fund and the nonmajor funds occurred due to the regular activity of operations.

### **Budgetary Highlights**

There was no difference between the original and final budget for the general fund.

The general fund actual revenues were over budget by \$807,437. This was due to all revenue categories being receipted above budgeted amounts.

The general fund actual expenditures were over budget by \$127,846. Most expenditures were either at or under budget with the exception of the general expenses, recreation department, fire department, other public safety and miscellaneous expenses.

## Capital Asset and Debt Administration

### Capital Assets

As of June 30, 2024, the net book value of capital assets recorded by the Town increased by \$648,568 from the prior year. This increase is the result of capital additions of \$906,623 less capital disposals of \$49,797 and current year depreciation of \$208,258.

**Table 4**  
**Town of Vernon, Vermont**  
**Capital Assets (Net of Depreciation)**  
**June 30,**

	2024	2023 (Restated)
Land	\$ 288,799	\$ 253,228
Construction in progress	-	43,125
Buildings and Improvements	536,262	431,308
Machinery and Equipment	1,156,859	1,224,815
Infrastructure	1,430,528	811,404
Total	<u>\$ 3,412,448</u>	<u>\$ 2,763,880</u>

### Debt

At June 30, 2024, the Town does not have any long-term debt.

### Currently Known Facts, Decisions or Conditions

#### Economic Factors and Next Year's Budgets and Rates

The Town's maintains a sufficient fund balance to sustain government operations for a period of approximately five months while also maintaining significant reserve accounts for future capital and program needs.

### Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Office at 567 Governor Hunt Road, Vernon, Vermont 05354.

## TOWN OF VERNON, VERMONT

STATEMENT OF NET POSITION  
JUNE 30, 2024

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 4,143,966
Investments	2,676,035
Taxes receivable	111,262
Other receivables	39,587
Inventory	54,844
Total current assets	<u>7,025,694</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	331,924
Buildings and equipment, net of accumulated depreciation	3,080,524
Total noncurrent assets	<u>3,412,448</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 10,438,142</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 51,601
Accrued payroll and benefits payable	29,007
Due to other governments	303
Current portion of long-term obligations	1,517
Total current liabilities	<u>82,428</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Accrued compensated absences	28,830
Total noncurrent liabilities	<u>28,830</u>
<b>TOTAL LIABILITIES</b>	<u>111,258</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Prepaid property taxes	2,995
Deferred revenue	13,952
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>16,947</u>
<b>NET POSITION</b>	
Net investment in capital assets	3,412,448
Restricted: Permanent funds	264,680
Unrestricted	6,632,809
<b>TOTAL NET POSITION</b>	<u>10,309,937</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u><u>\$ 10,438,142</u></u>

See accompanying independent auditor's report and notes to financial statements.



## STATEMENT B

## TOWN OF VERNON, VERMONT

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
General government	\$ 881,509	\$ 29,116	\$ 21,237	\$ -	\$ (831,156)
Public safety	354,477	2,717	-	-	(351,760)
Highways and streets	595,353	-	285,290	-	(310,063)
Culture and recreation	855,930	291,624	-	-	(564,306)
Sanitation and solid waste	141,603	60,565	-	-	(81,038)
Cemetery	34,965	-	-	-	(34,965)
Education	9,095	-	-	-	(9,095)
Health and welfare	5,582	-	-	-	(5,582)
Unclassified	34,471	-	-	-	(34,471)
Capital outlay	33,745	-	-	-	(33,745)
Total government	<u>\$ 2,946,730</u>	<u>\$ 384,022</u>	<u>\$ 306,527</u>	<u>\$ -</u>	<u>(2,256,181)</u>

STATEMENT B (CONTINUED)

TOWN OF VERNON, VERMONT

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(2,256,181)</u>
General revenues:	
Property taxes, levied for general purposes	2,453,619
Grants and contributions not restricted to specific programs	105,830
Miscellaneous	<u>293,517</u>
Total general revenues	<u>2,852,966</u>
Change in net position	<u>596,785</u>
NET POSITION - JULY 1, AS PREVIOUSLY REPORTED	9,684,375
NET POSITION CORRECTION	<u>28,777</u>
NET POSITION - JULY 1, AS RESTATED	<u>9,713,152</u>
NET POSITION - JUNE 30	<u><u>\$ 10,309,937</u></u>

See accompanying independent auditor's report and notes to financial statements.

## STATEMENT C

## TOWN OF VERNON, VERMONT

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2024

	General Fund	Emergency Capital Reserve Fund	Capital Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,609,291	\$ 38,762	\$ 202,478	\$ 293,435	\$ 4,143,966
Investments	161,490	1,226,680	746,346	541,519	2,676,035
Taxes receivable	111,262	-	-	-	111,262
Other receivables	39,387	-	-	200	39,587
Inventory	54,844	-	-	-	54,844
Due from other funds	14,795	-	1,086,352	950,627	2,051,774
<b>TOTAL ASSETS</b>	<u>\$ 3,991,069</u>	<u>\$ 1,265,442</u>	<u>\$ 2,035,176</u>	<u>\$ 1,785,781</u>	<u>\$ 9,077,468</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 51,601	\$ -	\$ -	\$ -	\$ 51,601
Accrued payroll and benefits payable	27,644	-	-	1,363	29,007
Due to other governments	303	-	-	-	303
Due to other funds	2,036,979	-	-	14,795	2,051,774
<b>TOTAL LIABILITIES</b>	<u>2,116,527</u>	<u>-</u>	<u>-</u>	<u>16,158</u>	<u>2,132,685</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property tax and interest	122,818	-	-	-	122,818
Deferred revenue	13,709	-	-	243	13,952
Prepaid property taxes	2,995	-	-	-	2,995
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>139,522</u>	<u>-</u>	<u>-</u>	<u>243</u>	<u>139,765</u>
<b>FUND BALANCES</b>					
Nonspendable	54,844	-	-	-	54,844
Restricted	-	-	-	264,680	264,680
Committed	102,155	-	-	269,066	371,221
Assigned	253,079	1,265,442	2,035,176	1,235,634	4,789,331
Unassigned	1,324,942	-	-	-	1,324,942
<b>TOTAL FUND BALANCES</b>	<u>1,735,020</u>	<u>1,265,442</u>	<u>2,035,176</u>	<u>1,769,380</u>	<u>6,805,018</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 3,991,069</u>	<u>\$ 1,265,442</u>	<u>\$ 2,035,176</u>	<u>\$ 1,785,781</u>	<u>\$ 9,077,468</u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF VERNON, VERMONT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 6,805,018
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	3,412,448
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	122,818
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Accrued compensated absences	<u>(30,347)</u>
Net position of governmental activities	<u><u>\$10,309,937</u></u>

See accompanying independent auditor's report and notes to financial statements.

## STATEMENT E

## TOWN OF VERNON, VERMONT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Emergency Capital Reserve Fund	Capital Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 2,375,960	\$ -	\$ -	\$ -	\$ 2,375,960
Intergovernmental	105,830	-	-	306,527	412,357
Investment gains/(losses)	75,368	30,738	94,171	81,953	282,230
Charges for services	315,305	-	-	68,717	384,022
Miscellaneous	7,354	-	-	3,933	11,287
TOTAL REVENUES	<u>2,879,817</u>	<u>30,738</u>	<u>94,171</u>	<u>461,130</u>	<u>3,465,856</u>
EXPENDITURES					
Current:					
General government	874,504	-	-	133,256	1,007,760
Public safety	300,323	-	-	3,831	304,154
Highways and streets	455,891	-	-	691,674	1,147,565
Culture and recreation	727,701	-	-	112,092	839,793
Sanitation and solid waste	-	-	-	141,603	141,603
Cemetery	20,643	-	-	49,893	70,536
Education	-	-	-	9,095	9,095
Health and welfare	-	-	-	5,582	5,582
Unclassified	34,471	-	-	-	34,471
Capital outlay	-	-	33,745	-	33,745
TOTAL EXPENDITURES	<u>2,413,533</u>	<u>-</u>	<u>33,745</u>	<u>1,147,026</u>	<u>3,594,304</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>466,284</u>	<u>30,738</u>	<u>60,426</u>	<u>(685,896)</u>	<u>(128,448)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	167,898	499,146	667,044
Transfers (out)	(667,044)	-	-	-	(667,044)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(667,044)</u>	<u>-</u>	<u>167,898</u>	<u>499,146</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(200,760)	30,738	228,324	(186,750)	(128,448)
FUND BALANCES - JULY 1	<u>1,935,780</u>	<u>1,234,704</u>	<u>1,806,852</u>	<u>1,956,130</u>	<u>6,933,466</u>
FUND BALANCES - JUNE 30	<u>\$ 1,735,020</u>	<u>\$ 1,265,442</u>	<u>\$ 2,035,176</u>	<u>\$ 1,769,380</u>	<u>\$ 6,805,018</u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF VERNON, VERMONT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

Net change in fund balances - total governmental funds (Statement E)     \$    (128,448)

Amounts reported for governmental activities in the Statement of  
Activities (Statement B) are different because:

Governmental funds report capital outlays as expenditures while  
governmental activities report depreciation expense allocated  
to those expenditures over the life of the assets:

Capital asset acquisitions	906,623
Capital asset disposals	(49,797)
Depreciation expense	<u>(208,258)</u>
	<u>648,568</u>

Revenues in the Statement of Activities that do not provide current  
financial resources are not reported as revenues in the funds:

Taxes and liens receivable	<u>77,659</u>
----------------------------	---------------

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 governmental funds:

Accrued compensated absences	<u>(994)</u>
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Change in net position of governmental activities (Statement B)     \$    596,785

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF VERNON, VERMONT

STATEMENT OF NET POSITION - FIDUCIARY FUNDS  
JUNE 30, 2024

	Total Private- Purpose Trusts
ASSETS	
Cash and cash equivalents	\$ 42,440
Investments, at fair value	247,577
Due from other governments	<u>303</u>
TOTAL ASSETS	<u>\$ 290,320</u>
LIABILITIES	
Accounts payable	<u>\$ -</u>
TOTAL LIABILITIES	<u>-</u>
NET POSITION	
Restricted - held in trust for special purposes	<u>290,320</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 290,320</u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF VERNON, VERMONT

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS  
FOR YEAR ENDED JUNE 30, 2024

	<u>Total Private- Purpose Trusts</u>
ADDITIONS	
Net increase (decrease) in the fair value of investments	<u>\$ 45,194</u>
Total additions	<u>45,194</u>
DEDUCTIONS	
Withdrawals	<u>2,645</u>
Total deductions	<u>2,645</u>
Change in net position	42,549
NET POSITION - JULY 1	<u>247,771</u>
NET POSITION - JUNE 30	<u><u>\$ 290,320</u></u>

See accompanying independent auditor's report and notes to financial statements.



TOWN OF VERNON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

The Town of Vernon was incorporated under the laws of the State of Vermont. The Town operates under the selectboard-treasurer form of government and provides the following services: general government, public safety, highway and streets, culture and recreation, sanitation and solid waste, cemetery, health and welfare and unclassified.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

**Implementation of New Accounting Standards**

During the year ended June 30, 2024, the following statement of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 100 "Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62". The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. Management has determined the impact of this Statement is not material to the financial statements.

**Government-Wide and Fund Financial Statements**

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental. The Town categorizes all activities of the entity as governmental.

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column and (b) reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts - net investment in capital assets, restricted net position and

TOWN OF VERNON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (general government, public safety, etc.) excluding fiduciary activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Town does not allocate indirect costs. All costs are charged directly to the corresponding department.

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

**Measurement Focus - Basic Financial Statements and Fund Financial Statements**

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. Both fiduciary funds and component units that are fiduciary in nature have been excluded from these financial statements. The following fund types are used by the Town:

1. Governmental Funds:

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

TOWN OF VERNON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major Funds:

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Emergency Capital Reserve Fund is used to account for financial resources to be used for the acquisition or construction of major projects or equipment. The primary source of revenues is from transfers from other funds.
- c. The Capital Fund is used to account for financial resources to be used for the acquisition or construction of the major facilities or equipment. The primary source of revenues is from transfers from other funds.

Nonmajor Funds:

- d. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- e. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- f. Permanent Funds are used to account for assets held by the Town that are legally restricted and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

2. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trust or custodial capacity for others and therefore are not available to support Town programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds. Component units that are fiduciary in nature have been excluded from these financial statements.

The emphasis in fund financial statements is on the major funds in the governmental activity category. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources,

TOWN OF VERNON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

**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.

1. Accrual

Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**Budget**

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the first half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.

TOWN OF VERNON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. The budget was adopted subsequent to passage by the inhabitants of the Town.

**Deposits and Investments**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposit and other evidence of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

The Town of Vernon has a formal investment policy but also follows the State of Vermont Statutes.

**Receivables**

Receivables include amounts due from governmental agencies. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectible. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2024. Accounts receivable netted with allowances for uncollectible accounts were \$39,587 for the year ended June 30, 2024.

**Inventories**

Inventories consist of expendable supplies held for consumption and are valued at cost which approximates market, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when used (consumption method). Inventory of the Town consists of highway parts, gas and diesel fuel at the end of the year.

**Interfund Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain

TOWN OF VERNON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as “internal balances”.

**Transactions between Funds**

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of Governmental Funds.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives. The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are reported at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values. The war memorial monument has been capitalized under works of art. This item is categorized as a non-depreciable asset as it is considered inexhaustible.

Infrastructure assets include roads, bridges, underground pipes (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Buildings and improvements	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

**Long-term Obligations**

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

TOWN OF VERNON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All long-term obligations to be repaid from governmental resources are reported as liabilities in government-wide statements. The long-term obligations consist of accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

**Net Position**

Net position represents the difference between all other elements in a statement of financial position. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

**Fund Balance**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the

TOWN OF VERNON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Town. Commitments may be established, modified or rescinded only through a Town meeting vote.

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is given annually by vote of the taxpayers and is expressed by the Selectboard.

Unassigned - This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position and/or balance sheet will at times 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/expenditure) until then. The Town currently has no deferred outflows of resources.

In addition to liabilities, the statement of financial position and/or balance sheet will at times 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. Deferred property tax and interest, which arises only under a modified accrual basis of accounting, qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes and deferred revenue also qualify for reporting in this category. These items are reported in both the statements of net position and governmental funds balance sheet. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.



TOWN OF VERNON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Revenue Recognition - Property Taxes - Modified Accrual Basis**

The Town's property tax for the current year was levied August 3, 2023 on the assessed value listed as of April 1, 2023, for all real and personal property located in the Town. Taxes were due on September 15, 2023, January 12, 2024 and May 4, 2024. Payments received after the due dates were charged interest of 1% per month. Payments received after May 4, 2024, were considered delinquent and subject to a penalty of 8% plus interest accrued at 1% per month.

Property tax revenues are recognized when they become available. Available includes those property tax receivables collected by June 1. The remaining receivables due for the current fiscal year have been recorded as deferred revenues.

Tax liens are placed on real property within twenty-four months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property two months after the filing of the lien if tax liens and associated costs remain unpaid.

**Program Revenues**

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided; operating capital grants and contributions, including special assessments).

**Encumbrance Accounting**

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

**Use of Estimates**

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

TOWN OF VERNON, VERMONT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS

The Town's investment policies, which follow state statutes, authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other States and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. These investment policies apply to all Town funds.

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Town does not have a policy covering custodial credit risk. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF. Town funds that may exceed insurance limits are fully collateralized with securities held by the financial institution in the Town's name.

At June 30, 2024, the Town's cash and cash equivalents balance of \$4,186,406 were comprised of bank deposits and cash equivalents amounting to \$4,627,401. Bank deposits and cash equivalents are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash and cash equivalents balance. Of these bank deposits, \$524,162 were insured by federal depository insurance and consequently, were not exposed to custodial credit risk and the remaining bank balances of \$3,475,243 were collateralized with securities held by the financial institution in the Town's name. Of the cash equivalents balances of \$627,996, \$269,757 was collateralized by the Securities Investor Protection Corporation (SIPC) and the remaining balance of \$358,239 was uncollateralized and uninsured.

Account Type	Bank Balance
Checking accounts	\$ 3,725,243
Money market accounts	200,641
Savings accounts	73,521
Cash equivalents	627,996
	<u>\$ 4,627,401</u>

**Investments:**

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In accordance with its investment policy, the Town seeks to minimize custodial credit risk by doing business with authorized institutions, depositories and brokers/dealers.

TOWN OF VERNON, VERMONT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

Of the Town's investments of \$2,923,612, \$702,577 were covered by the Securities Investor Protection Corporation (SIPC) and the remaining investments of \$2,221,035 were uncollateralized and uninsured.

At June 30, 2024, the Town had the following investments and maturities:

Investment Type	Fair Value	N/A	< 1 Year	1 - 5 Years	> 5 Years
Equity securities:					
Mutual funds:					
Fixed income	\$ 2,471,035	\$ -	\$ 611,518	\$ 814,382	\$ 1,045,135
Equities	452,577	452,577	-	-	-
	<u>\$ 2,923,612</u>	<u>\$ 452,577</u>	<u>\$ 611,518</u>	<u>\$ 814,382</u>	<u>\$ 1,045,135</u>

**Fair Value Hierarchy**

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements as June 30, 2024:

	June 30, 2024 Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
<u>Investments by fair value level</u>				
Equity securities:				
Mutual funds and exchange traded funds	\$ 2,923,612	\$ 2,923,612	\$ -	\$ -
Total equity securities	<u>2,923,612</u>	<u>2,923,612</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	<u>2,923,612</u>	<u>\$ 2,923,612</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash equivalents measured at the net asset value (NAV)</u>				
Money market mutual funds	627,996			
Total cash equivalents measured at the NAV	<u>627,996</u>			
Total investments and cash equivalents measured at fair value	<u>\$ 3,551,608</u>			

TOWN OF VERNON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Equity securities classified in Level I of the fair value hierarchy are valued using prices quoted in active markets for those securities. The Town has no Level II or III investments. The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of June 30, 2024 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies.

Credit risk - Statutes for the State of Vermont authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other States and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Town does not have an investment policy on credit risk. Generally, the Town invests excess funds in savings accounts and various certificates of deposit. As of June 30, 2024, the Town's investments in corporate bonds were rated Aaa (\$2,471,035) by Moody's Investors Services.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2024 consisted of the following individual fund receivables and payables:

	Receivables (Due From)	Payables (Due To)
General fund	\$ 14,795	\$ 2,036,979
Capital fund	1,086,352	-
Nonmajor special revenue funds	231,026	14,795
Nonmajor capital projects funds	717,344	-
Nonmajor permanent funds	2,257	-
	<u>\$ 2,051,774</u>	<u>\$ 2,051,774</u>

The result of amounts owed between funds are considered to be in the course of normal operations by the Town. Reconciliation of the amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

TOWN OF VERNON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2024 consisted of the following:

	Transfers From	Transfers To
General fund	\$ 667,044	\$ -
Capital fund	-	167,898
Nonmajor special revenue funds	-	330,146
Nonmajor capital projects funds	-	169,000
	<u>\$ 667,044</u>	<u>\$ 667,044</u>

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2024:

	Balance, 7/1/23 (Restated)	Additions	Disposals	Balance, 6/30/24
Non-depreciated assets:				
Land	\$ 221,800	\$ -	\$ -	\$ 221,800
Works of Art	31,428	-	-	31,428
Construction in progress	43,125	35,571	(43,125)	35,571
	<u>296,353</u>	<u>35,571</u>	<u>(43,125)</u>	<u>288,799</u>
Depreciated assets:				
Buildings and improvements	1,734,310	122,883	(15,700)	1,841,493
Vehicles	1,961,215	-	-	1,961,215
Machinery and equipment	930,748	77,602	(16,565)	991,785
Infrastructure	2,469,814	670,567	-	3,140,381
	<u>7,096,087</u>	<u>871,052</u>	<u>(32,265)</u>	<u>7,934,874</u>
Less: accumulated depreciation	(4,628,560)	(208,258)	25,593	(4,811,225)
	<u>2,467,527</u>	<u>662,794</u>	<u>(6,672)</u>	<u>3,123,649</u>
Net capital assets	<u>\$ 2,763,880</u>	<u>\$ 698,365</u>	<u>\$ (49,797)</u>	<u>\$ 3,412,448</u>
<u>Current year depreciation</u>				
Town clerk				\$ 6,728
Fire department				50,323
Highway				118,355
Recreation				16,137
Historians				681
Town wide				16,034
Total depreciation				<u>\$ 208,258</u>

TOWN OF VERNON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 6 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in other long-term obligations for the year ended June 30, 2024:

	Balance, 7/1/23	Additions	Reductions	Balance, 6/30/24	Current Year Portion
Accrued compensated absences	\$ 29,353	\$ 994	\$ -	\$ 30,347	\$ 1,517

Please see Note 7 for detailed information on the other long-term obligations.

NOTE 7 - ACCRUED COMPENSATED ABSENCES

The Town's policies regarding vacation and sick time permit employees to accumulate earned but unused vacation within each year. Employees are reimbursed for unused vacation days when terminating employment with the Town. As of June 30, 2024, the Town's liability for compensated absences is \$30,347.

NOTE 8 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Town at June 30, 2024:

Invested in capital assets	\$ 8,223,673
Accumulated depreciation	(4,811,225)
	<u>\$ 3,412,448</u>

NOTE 9 - NONSPENDABLE FUND BALANCE

At June 30, 2024, the Town had the following nonspendable fund balance:

General Fund:	
Inventory	<u>\$ 54,844</u>

TOWN OF VERNON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 10 - RESTRICTED NET POSITION AND RESTRICTED FUND BALANCES

At June 30, 2024, the Town had the following restricted net position and restricted fund balances:

Nonmajor permanent funds (Schedule I):	
A. Perry cemetery fund	\$ 5,680
North cemetery fund	59,794
P.A. Lee cemetery fund	2,002
South cemetery fund	17,836
Tyler cemetery fund	179,113
Whithed cemetery fund	255
	<u>\$ 264,680</u>

NOTE 11 - COMMITTED FUND BALANCES

At June 30, 2024, the Town had the following committed fund balances:

General fund:	
Public safety department	\$ 14,731
Library	48,923
Recreation department	29,754
Peduzzi scholarship	500
B. Current donation	164
Bus Pass	3,221
General expenses department	4,862
Nonmajor capital projects funds (Schedule G)	269,066
	<u>\$ 371,221</u>

NOTE 12 - ASSIGNED FUND BALANCES

At June 30, 2024, the Town had the following assigned fund balances:

General fund:	
Dog fund	\$ 23,174
Unemployment fund	17,865
Reserve fund	43,214
J. M. Miller Forest fund	168,802
Grant transfer fund	24
Emergency capital reserve fund	1,265,442
Capital fund	2,035,176
Nonmajor capital projects funds (Schedule F)	590,469
Nonmajor special revenue funds (Schedule E)	645,165
	<u>\$4,789,331</u>

TOWN OF VERNON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 13 - OVERSPENT APPROPRIATIONS

At June 30, 2024, various departmental revenues funded the following departments for budgetary purposes:

General expenses	\$ 213,363
Recreation department	64,855
Fire department	801
Other public safety	1,705
Miscellaneous expenses	21,812
	<u>\$ 302,536</u>

NOTE 14 - 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 and natural disasters for which the Town carries commercial insurance or participates in a public entity and self-insured risk pool sponsored by the Vermont League of Cities and Towns.

Based on the coverage provided by the insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2024. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

In addition, the Town is a member of the Vermont League of Cities and Towns (VLCT). The VLCT has set up three insurance trusts; the Property and Casualty Intermunicipal Fund, Inc. (PACIF) for multi-line insurance; the Vermont League of Cities and Towns Health Trust (VLCTHT) for health, life and disability coverage and the Vermont League of Cities and Towns Unemployment Trust, Inc. (VLCTUT) for unemployment compensation. PACIF, VLCTHT and VLCTUT are nonprofit corporations formed to provide insurance and risk management programs for Vermont cities and towns and is owned by the participating members. The Trusts are not licensed insurance carriers and members are not protected by the Vermont Insurance Guaranty Association.

To provide insurance coverage, PACIF has established a self-funded insurance trust. It provides extensive coverage for losses to member municipalities for property damage, auto accidents, injured employees, public official liability and employment practices liability. Members gain additional benefits from PACIF's unique public safety and risk management programs as well as dedicated in-house claims adjusters. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and PACIF is unable to meet its required obligations, the Program will be terminated with each member assessed their proportionate share of the deficit.



TOWN OF VERNON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 14 - RISK MANAGEMENT (CONTINUED)

To provide insurance coverage, VLCTHT has established a self-funded fully insured program in conjunction with Blue Cross and Blue Shield (BCBS). A portion of member contributions is used to purchase reinsurance and to fund a reserve required by the reinsurance. Benefits available include dental insurance, flexible spending accounts, life insurance, disability insurance and long-term care insurance. Contributions in excess of claims requirements, reserve fund requirements, reinsurance and administrative costs are returned to participants. The pooling agreement does not permit the pool to make additional assessments to its members.

To provide unemployment coverage, VLCTUT has established a separate trust of funds from member contributions to pay administrative costs, unemployment claims and provide excess reinsurance protection. Contributions are based on payroll expense and the previous two-year unemployment compensation experience. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and VLCTUT is unable to meet its required obligations, the Program will be terminated with each member assessed their proportionate share of the deficit.

NOTE 15 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NOTE 16 - BENEFIT PLAN

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

TOWN OF VERNON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 17 - CONCENTRATION OF REVENUE

The Town receives a major portion of its property tax revenue from the Vermont Yankee Nuclear Power Plant. For the year ended June 30, 2024, the Town received 20.649% of its total property tax revenue from the Vermont Yankee Nuclear Power Plant.

NOTE 18 - VERMONT YANKEE NUCLEAR POWER PLANT CLOSURE

Vermont Yankee pays State electric generating tax and because the Town of Vernon hosts the plant, those who own property in Vernon pay just 75% of the state's education tax. With the closure of Vermont Yankee, that tax break has been placed in danger and that would have created a sudden and significant jump in property taxes for Vernon homeowners. In 2017, the rate raised to 83%, followed by another increase to 91% in 2018. In the current year, the Vernon residents paid the same state education tax rate that property owners throughout Vermont pay.

NOTE 19 - RESTATEMENT

During fiscal year 2024, the Town determined that certain transactions were recorded incorrectly or omitted. Therefore, a restatement to capital assets was required.

	6/30/23 As Previously Reported	Net Position Correction	6/30/23 As Restated
Government-Wide			
Governmental Activities	<u>\$ 9,684,375</u>	<u>\$ 28,777</u>	<u>\$9,713,152</u>

### Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund

## TOWN OF VERNON, VERMONT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Positive (Negative)</u>
Budgetary Fund Balance - July 1	\$ 1,935,780	\$ 1,935,780	\$ 1,935,780	\$ -
Resources (Inflows):				
Property taxes	1,777,430	1,777,430	2,375,960	598,530
Intergovernmental revenues	64,300	64,300	105,830	41,530
Charges for services	220,750	220,750	315,305	94,555
Current interest income	9,200	9,200	75,368	66,168
Other revenue	700	700	7,354	6,654
Amounts Available for Appropriation	<u>4,008,160</u>	<u>4,008,160</u>	<u>4,815,597</u>	<u>807,437</u>
Charges to Appropriations (Outflows):				
Town clerk's office	108,917	108,917	105,258	3,659
Town treasurer's office	113,342	113,342	112,803	539
Listers	66,632	66,632	47,524	19,108
Selectboard	177,351	177,351	148,591	28,760
General expenses	188,848	188,848	402,211	(213,363)
Planning	9,400	9,400	6,000	3,400
Recreation department	423,743	423,743	488,598	(64,855)
School rental	231,105	231,105	231,105	-
Building and grounds	63,898	63,898	44,301	19,597
Cemeteries	28,104	28,104	20,643	7,461
Vernon seniors	2,550	2,550	2,550	-
Town van	15,468	15,468	7,816	7,652
Historians south school	10,580	10,580	5,448	5,132
County sheriff's	108,160	108,160	104,000	4,160
Fire department	132,439	132,439	133,240	(801)
Rescue operating budget	53,178	53,178	53,178	-
Other public safety	8,200	8,200	9,905	(1,705)
Highway maintenance	99,100	99,100	87,470	11,630
Town garage operation	350,367	350,367	307,835	42,532
Road equipment repair/maint	73,105	73,105	60,586	12,519
Miscellaneous expenses	-	-	21,812	(21,812)
Appropriations	21,200	21,200	12,659	8,541
Transfers to other funds	667,044	667,044	667,044	-
Total Charges to Appropriations	<u>2,952,731</u>	<u>2,952,731</u>	<u>3,080,577</u>	<u>(127,846)</u>
Budgetary Fund Balance, June 30	<u>\$ 1,055,429</u>	<u>\$ 1,055,429</u>	<u>\$ 1,735,020</u>	<u>\$ 679,591</u>
Utilization of assigned fund balance	<u>\$ 880,351</u>	<u>\$ 880,351</u>	<u>\$ -</u>	<u>\$ (880,351)</u>

See accompanying independent auditor's report and notes to financial statements.

### Other Supplementary Information

Other supplementary information includes financial statements not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues
- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Combining Schedule of Net Position - Fiduciary Funds - Private-Purpose Trust Funds
- Combining Schedule of Changes in Net Position - Fiduciary Funds - Private-Purpose Trust Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

## TOWN OF VERNON, VERMONT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 BUDGET AND ACTUAL - GENERAL FUND REVENUES  
 FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Property taxes	\$ 1,777,430	\$ 1,777,430	\$ 2,375,960	\$ 598,530
Intergovernmental revenues:				
State of Vermont - current use	40,000	40,000	39,482	(518)
State of Vermont - natural resources	8,300	8,300	10,633	2,333
State of Vermont - reimb services	12,000	12,000	23,759	11,759
State of Vermont - railroad tax	4,000	4,000	4,797	797
Other grants	-	-	27,159	27,159
Charges for services:				
Dog license fees	-	-	2,474	2,474
Treasurer	750	750	1,180	430
Clerk fees	28,000	28,000	17,565	(10,435)
Police income	2,000	2,000	2,717	717
Recreation department	190,000	190,000	291,369	101,369
Interest income:				
Current tax interest	8,000	8,000	14,062	6,062
Interest income	1,200	1,200	61,306	60,106
Miscellaneous revenues	700	700	7,354	6,654
Amounts Available for Appropriation	<u>\$ 2,072,380</u>	<u>\$ 2,072,380</u>	<u>\$ 2,879,817</u>	<u>\$ 807,437</u>

See accompanying independent auditor's report and notes to financial statements.

## SCHEDULE B

## TOWN OF VERNON, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
Town Clerk's Office:					
Town clerk/treasurer's office	\$ 57,019	\$ -	\$ 57,019	\$ 56,909	\$ 110
Assistant town clerk	18,600	-	18,600	16,437	2,163
Town clerk's office FICA	5,785	-	5,785	5,172	613
Health insurance	20,054	-	20,054	20,421	(367)
Dental insurance	659	-	659	598	61
New/replace office equip	200	-	200	76	124
Postage for ballots	300	-	300	310	(10)
Vote scanner equipment	2,400	-	2,400	905	1,495
Travel and conferences	1,600	-	1,600	1,046	554
Miscellaneous (elections)	800	-	800	1,369	(569)
Marriage license qtr return	1,500	-	1,500	2,015	(515)
	<u>108,917</u>	<u>-</u>	<u>108,917</u>	<u>105,258</u>	<u>3,659</u>
Town Treasurer's Office:					
Treasurer/finance director	65,938	-	65,938	65,938	-
Assistant treasurer/finance director	20,062	-	20,062	20,020	42
Treasurer's office FICA	6,579	-	6,579	5,826	753
Health insurance	20,054	-	20,054	20,421	(367)
Dental insurance	659	-	659	598	61
Travel and conferences	50	-	50	-	50
	<u>113,342</u>	<u>-</u>	<u>113,342</u>	<u>112,803</u>	<u>539</u>
Listers:					
Listers	53,455	-	53,455	37,682	15,773
Listers' FICA	4,090	-	4,090	2,843	1,247
Health insurance	7,228	-	7,228	6,351	877
Dental insurance	659	-	659	598	61
Travel and conferences	1,200	-	1,200	50	1,150
	<u>66,632</u>	<u>-</u>	<u>66,632</u>	<u>47,524</u>	<u>19,108</u>

SCHEDULE B (CONTINUED)

TOWN OF VERNON, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
Selectboard:					
Selectboard salaries	10,000	-	10,000	8,100	1,900
Town administrator	67,189	-	67,189	67,059	130
FICA	8,905	-	8,905	8,274	631
Health insurance	20,054	-	20,054	10,210	9,844
Dental insurance	659	-	659	598	61
457(b) contribution	30,669	-	30,669	34,676	(4,007)
New/replace office equipment	500	-	500	-	500
Printing of town report	1,500	-	1,500	1,827	(327)
Postage for town report	400	-	400	200	200
Legal services	15,500	-	15,500	46	15,454
Outside audit	14,900	-	14,900	14,900	-
Travel	3,000	-	3,000	601	2,399
Contributions and gifts	300	-	300	40	260
Green-up	150	-	150	117	33
Appreciation activities	1,600	-	1,600	1,590	10
Welcome signs	575	-	575	300	275
Flag	450	-	450	53	397
Miscellaneous	1,000	-	1,000	-	1,000
	<u>177,351</u>	<u>-</u>	<u>177,351</u>	<u>148,591</u>	<u>28,760</u>
General Expenses:					
Webmaster	1,014	-	1,014	3,065	(2,051)
General office supplies	7,500	-	7,500	3,974	3,526
Advertising	1,000	-	1,000	632	368
Telephone	11,000	-	11,000	17,133	(6,133)
Postage	2,500	-	2,500	2,157	343
Dues and subscriptions	1,500	-	1,500	2,505	(1,005)
VT League of Cities and Towns	3,818	-	3,818	3,988	(170)
County tax	34,116	-	34,116	40,798	(6,682)
Contracts, maintenance and repairs	26,400	-	26,400	19,859	6,541
Technology upgrades	3,000	-	3,000	3,310	(310)
Insurance and bonds	95,000	-	95,000	70,684	24,316
Communications	2,000	-	2,000	2,350	(350)
ARPA grant expenses	-	-	-	231,756	(231,756)
	<u>188,848</u>	<u>-</u>	<u>188,848</u>	<u>402,211</u>	<u>(213,363)</u>



## TOWN OF VERNON, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
Planning:					
Postage and miscellaneous	800	-	800	420	380
Windham Regional Planning Commission	5,400	-	5,400	5,580	(180)
Professional assistance	1,000	-	1,000	-	1,000
Matching grant	2,200	-	2,200	-	2,200
	<u>9,400</u>	<u>-</u>	<u>9,400</u>	<u>6,000</u>	<u>3,400</u>
Recreation Department					
Director	62,187	-	62,187	62,067	120
Assistant director	46,099	-	46,099	46,098	1
Maintenance	8,542	-	8,542	6,691	1,851
Water Safety instructors	28,435	-	28,435	23,504	4,931
Day camp staff	16,728	-	16,728	17,178	(450)
Customer service	7,185	-	7,185	11,704	(4,519)
Pre-school instructor	36,497	-	36,497	35,107	1,390
Pre-school assistant	42,514	-	42,514	36,164	6,350
Weekend supervisor	3,505	-	3,505	4,325	(820)
FICA	19,255	-	19,255	17,228	2,027
Health insurance	87,627	-	87,627	89,238	(1,611)
Dental insurance	2,634	-	2,634	2,393	241
Supplies	20,975	-	20,975	27,165	(6,190)
Utilities/fuel oil	10,000	-	10,000	13,595	(3,595)
Telephone	1,300	-	1,300	1,851	(551)
Contracts and rentals	1,910	-	1,910	1,625	285
New/replace equipment	-	-	-	771	(771)
Repairs and maintenance	1,050	-	1,050	3,210	(2,160)
Programs	25,300	-	25,300	18,174	7,126
Partnership - preschool	-	-	-	57,318	(57,318)
Preschool fundraiser	-	-	-	5,387	(5,387)
Grants	-	-	-	7,805	(7,805)
Matching Grant	2,000	-	2,000	-	2,000
	<u>423,743</u>	<u>-</u>	<u>423,743</u>	<u>488,598</u>	<u>(64,855)</u>

## TOWN OF VERNON, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
School Rental	231,105	-	231,105	231,105	-
Building and Grounds:					
Maintenance	22,664	-	22,664	10,875	11,789
FICA	1,734	-	1,734	985	749
Groundskeeping	-	-	-	746	(746)
Cleaning	-	-	-	1,260	(1,260)
Supplies	1,500	-	1,500	1,618	(118)
Grounds	-	-	-	485	(485)
Custodial equipment	3,500	-	3,500	-	3,500
Fuel oil	13,000	-	13,000	12,202	798
Electric town/library/north	13,000	-	13,000	10,072	2,928
Repairs to equipment	500	-	500	-	500
Repairs to building	8,000	-	8,000	6,058	1,942
	63,898	-	63,898	44,301	19,597
Cemeteries:					
Caretaking	19,104	-	19,104	17,380	1,724
Supplies	500	-	500	63	437
Repair and maintenance	7,500	-	7,500	3,200	4,300
Memorial Day supplies	1,000	-	1,000	-	1,000
	28,104	-	28,104	20,643	7,461
Vernon Seniors:					
Activities	2,550	-	2,550	2,550	-
	2,550	-	2,550	2,550	-
Town Van:					
Van driver	11,117	-	11,117	5,100	6,017
FICA	851	-	851	390	461
Gasoline	1,500	-	1,500	1,500	-
Van maintenance	2,000	-	2,000	826	1,174
	15,468	-	15,468	7,816	7,652
Historians South School :					
Electricity	450	-	450	480	(30)
Building repairs and maintenance	3,780	-	3,780	2,668	1,112
Grounds	1,500	-	1,500	1,500	-
Lawn care	900	-	900	800	100
Matching Grant	2,000	-	2,000	-	2,000
Approved carryover	1,950	-	1,950	-	1,950
	10,580	-	10,580	5,448	5,132

## TOWN OF VERNON, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
Windham County Sheriff's Office	108,160	-	108,160	104,000	4,160
Fire Department:					
Fire chief stipend	7,250	-	7,250	7,250	-
Asst. chief stipend	3,500	-	3,500	3,500	-
Line officer stipend	3,500	-	3,500	3,500	-
Lost wages	300	-	300	-	300
FICA	1,114	-	1,114	1,090	24
Uniforms	800	-	800	800	-
Inoculations	500	-	500	-	500
Physicals	4,000	-	4,000	391	3,609
EAP	500	-	500	475	25
Supplies	1,200	-	1,200	831	369
EMS Vernon rescue supplies	2,500	-	2,500	2,872	(372)
New/replace equipment	15,000	-	15,000	11,641	3,359
Public education	1,000	-	1,000	472	528
Fuel oil	13,500	-	13,500	13,442	58
Electricity - fire dept	2,750	-	2,750	2,494	256
Dues and subscriptions	3,200	-	3,200	3,878	(678)
Southwest mutual aid	33,825	-	33,825	51,070	(17,245)
Gasoline	2,000	-	2,000	2,293	(293)
Equipment repair and maintenance	6,000	-	6,000	5,352	648
Truck repair and maintenance	8,000	-	8,000	6,168	1,832
Fire pond maintenance	3,500	-	3,500	-	3,500
Building repair and maintenance	4,000	-	4,000	2,581	1,419
Training, travel and conferences	1,000	-	1,000	405	595
Rescue training, travel, conferences	1,500	-	1,500	738	762
Matching grant	1,000	-	1,000	-	1,000
Travel reimbursements	11,000	-	11,000	11,997	(997)
	132,439	-	132,439	133,240	(801)
Rescue Operating Budget	53,178	-	53,178	53,178	-

## TOWN OF VERNON, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
Other Public Safety:					
Health officer	2,500	-	2,500	2,500	-
Fire warden - permits	500	-	500	-	500
Deputy health officer	500	-	500	-	500
Public safety FICA	200	-	200	191	9
EOC building expense	4,500	-	4,500	7,214	(2,714)
	8,200	-	8,200	9,905	(1,705)
Highway Maintenance:					
Equipment rental	5,500	-	5,500	3,523	1,977
Guard rails	1,100	-	1,100	-	1,100
Culverts	5,500	-	5,500	5,102	398
Gravel	8,000	-	8,000	6,567	1,433
Chloride	6,700	-	6,700	6,140	560
Asphalt	1,000	-	1,000	743	257
Salt	53,000	-	53,000	43,966	9,034
Sand	10,500	-	10,500	11,430	(930)
Tree warden	3,000	-	3,000	5,500	(2,500)
Stormwater run-off permit	4,800	-	4,800	4,499	301
	99,100	-	99,100	87,470	11,630
Town Garage Operation:					
Road commissioner	75,240	-	75,240	72,308	2,932
Equipment operator	55,298	-	55,298	51,957	3,341
Operator/mechanic	58,599	-	58,599	54,933	3,666
Part-time operator	5,000	-	5,000	63	4,937
FICA	14,851	-	14,851	12,309	2,542
Health insurance	76,395	-	76,395	67,941	8,454
Dental insurance	2,634	-	2,634	1,197	1,437
Uniforms	2,700	-	2,700	3,163	(463)
Drug and alcohol testing	400	-	400	260	140
Supplies	4,000	-	4,000	3,878	122
Fuel oil	19,000	-	19,000	15,301	3,699
Electricity	3,500	-	3,500	3,462	38

## TOWN OF VERNON, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
Town Garage Operation (Continued):					
Dumpster fee	1,300	-	1,300	1,146	154
Dues and subscriptions	200	-	200	25	175
Gas and diesel	21,000	-	21,000	11,658	9,342
Road tools and supplies	4,000	-	4,000	3,032	968
Safety equipment	2,000	-	2,000	1,520	480
Building repair and maintenance	4,000	-	4,000	3,652	348
Travel and conferences	250	-	250	30	220
	<u>350,367</u>	<u>-</u>	<u>350,367</u>	<u>307,835</u>	<u>42,532</u>
Road Equipment Repair/Maintenance:					
Trucks	10,000	-	10,000	6,374	3,626
Grader	2,500	-	2,500	167	2,333
Tractor	6,500	-	6,500	6,951	(451)
Snow plows and sander	3,000	-	3,000	2,741	259
Front end loader	2,500	-	2,500	1,412	1,088
Small equipment	2,400	-	2,400	2,121	279
Radios	500	-	500	115	385
Prior year carry over	45,705	-	45,705	40,705	5,000
	<u>73,105</u>	<u>-</u>	<u>73,105</u>	<u>60,586</u>	<u>12,519</u>
Miscellaneous Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,812</u>	<u>(21,812)</u>
Appropriations	<u>21,200</u>	<u>-</u>	<u>21,200</u>	<u>12,659</u>	<u>8,541</u>
Transfers to other funds:					
Special revenue funds	330,146	-	330,146	330,146	-
Capital project funds	129,000	-	129,000	129,000	-
Capital fund	167,898	-	167,898	167,898	-
Culvert reserve fund	40,000	-	40,000	40,000	-
	<u>667,044</u>	<u>-</u>	<u>667,044</u>	<u>667,044</u>	<u>-</u>
TOTAL DEPARTMENTAL OPERATIONS	<u>\$ 2,952,731</u>	<u>\$ -</u>	<u>\$ 2,952,731</u>	<u>\$ 3,080,577</u>	<u>\$ (127,846)</u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF VERNON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 273,678	\$ -	\$ 19,757	\$ 293,435
Investments	156,662	142,191	242,666	541,519
Accounts receivable	200	-	-	200
Due from other funds	231,026	717,344	2,257	950,627
<b>TOTAL ASSETS</b>	<u>\$ 661,566</u>	<u>\$ 859,535</u>	<u>\$ 264,680</u>	<u>\$ 1,785,781</u>
<b>LIABILITIES</b>				
Accrued payroll and benefits payable	\$ 1,363	\$ -	\$ -	\$ 1,363
Due to other funds	14,795	-	-	14,795
<b>TOTAL LIABILITIES</b>	<u>16,158</u>	<u>-</u>	<u>-</u>	<u>16,158</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	243	-	-	243
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>243</u>	<u>-</u>	<u>-</u>	<u>243</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	264,680	264,680
Committed	-	269,066	-	269,066
Assigned	645,165	590,469	-	1,235,634
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>645,165</u>	<u>859,535</u>	<u>264,680</u>	<u>1,769,380</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 661,566</u>	<u>\$ 859,535</u>	<u>\$ 264,680</u>	<u>\$ 1,785,781</u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF VERNON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 21,237	\$ 285,290	\$ -	\$ 306,527
Investment gains/(losses)	16,579	23,652	41,722	81,953
Charges for services	68,717	-	-	68,717
Other income	3,583	-	350	3,933
TOTAL REVENUES	<u>110,116</u>	<u>308,942</u>	<u>42,072</u>	<u>461,130</u>
EXPENDITURES				
Other	<u>405,459</u>	<u>691,674</u>	<u>49,893</u>	<u>1,147,026</u>
TOTAL EXPENDITURES	<u>405,459</u>	<u>691,674</u>	<u>49,893</u>	<u>1,147,026</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(295,343)</u>	<u>(382,732)</u>	<u>(7,821)</u>	<u>(685,896)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	330,146	169,000	-	499,146
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>330,146</u>	<u>169,000</u>	<u>-</u>	<u>499,146</u>
NET CHANGE IN FUND BALANCES	34,803	(213,732)	(7,821)	(186,750)
FUND BALANCES - JULY 1	<u>610,362</u>	<u>1,073,267</u>	<u>272,501</u>	<u>1,956,130</u>
FUND BALANCES - JUNE 30	<u>\$ 645,165</u>	<u>\$ 859,535</u>	<u>\$ 264,680</u>	<u>\$ 1,769,380</u>

See accompanying independent auditor's report and notes to financial statements.

## Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than fiduciary trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.



## SCHEDULE E

## TOWN OF VERNON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2024

	Emergency Services	Reappraisal	Solid Waste Fund	Scholarship Fund	Pay to Throw Fund
ASSETS					
Cash and cash equivalents	\$ 2,156	\$ -	\$ 104,908	\$ 27,205	\$ -
Investments	95,657	21,909	1,075	2,460	-
Accounts receivable	-	-	-	-	-
Due from other funds	-	126,336	-	-	8,788
TOTAL ASSETS	<u>\$ 97,813</u>	<u>\$ 148,245</u>	<u>\$ 105,983</u>	<u>\$ 29,665</u>	<u>\$ 8,788</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ 9,080	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>9,080</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	97,813	148,245	96,903	29,665	8,788
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>97,813</u>	<u>148,245</u>	<u>96,903</u>	<u>29,665</u>	<u>8,788</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 97,813</u>	<u>\$ 148,245</u>	<u>\$ 105,983</u>	<u>\$ 29,665</u>	<u>\$ 8,788</u>

## SCHEDULE E (CONTINUED)

## TOWN OF VERNON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2024

	Professional Services Fund	Elderly Assistance Fund	Restoration Fund	Pool Fund	Library Fund	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 37,203	\$ -	\$ -	\$ 102,206	\$ 273,678
Investments	35,561	-	-	-	-	156,662
Accounts receivable	-	-	-	-	200	200
Due from other funds	46,574	-	39,221	10,107	-	231,026
<b>TOTAL ASSETS</b>	<u>\$ 82,135</u>	<u>\$ 37,203</u>	<u>\$ 39,221</u>	<u>\$ 10,107</u>	<u>\$ 102,406</u>	<u>\$ 661,566</u>
<b>LIABILITIES</b>						
Accrued payroll and benefits payable	\$ -	\$ -	\$ -	\$ -	\$ 1,363	\$ 1,363
Due to other funds	-	-	-	-	5,715	14,795
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,078</u>	<u>16,158</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred revenue	-	-	-	-	243	243
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>243</u>	<u>243</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	82,135	37,203	39,221	10,107	95,085	645,165
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>82,135</u>	<u>37,203</u>	<u>39,221</u>	<u>10,107</u>	<u>95,085</u>	<u>645,165</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 82,135</u>	<u>\$ 37,203</u>	<u>\$ 39,221</u>	<u>\$ 10,107</u>	<u>\$ 102,406</u>	<u>\$ 661,566</u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF VERNON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2024

	Emergency Services	Reappraisal	Solid Waste Fund	Scholarship Fund	Pay to Throw Fund
REVENUES					
Intergovernmental	\$ -	\$ 929	\$ -	\$ -	\$ -
Charges for services	-	7,897	-	-	60,565
Investment gain/(losses)	6,106	4,840	187	191	-
Other income	-	-	-	-	-
TOTAL REVENUES	<u>6,106</u>	<u>13,666</u>	<u>187</u>	<u>191</u>	<u>60,565</u>
EXPENDITURES					
Other	<u>3,831</u>	<u>850</u>	<u>141,603</u>	<u>9,095</u>	<u>31,647</u>
TOTAL EXPENDITURES	<u>3,831</u>	<u>850</u>	<u>141,603</u>	<u>9,095</u>	<u>31,647</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,275</u>	<u>12,816</u>	<u>(141,416)</u>	<u>(8,904)</u>	<u>28,918</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	118,301	-	-
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>118,301</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	2,275	12,816	(23,115)	(8,904)	28,918
FUND BALANCES (DEFICITS) - JULY 1	<u>95,538</u>	<u>135,429</u>	<u>120,018</u>	<u>38,569</u>	<u>(20,130)</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 97,813</u>	<u>\$ 148,245</u>	<u>\$ 96,903</u>	<u>\$ 29,665</u>	<u>\$ 8,788</u>

## SCHEDULE F (CONTINUED)

## TOWN OF VERNON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Professional Services Fund	Elderly Assistance Fund	Restoration Fund	Pool Fund	Library Fund	Total
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 20,308	\$ 21,237
Charges for services	-	-	-	-	255	68,717
Investment gain/(losses)	3,791	8	1,079	289	88	16,579
Other income	-	-	3,583	-	-	3,583
TOTAL REVENUES	<u>3,791</u>	<u>8</u>	<u>4,662</u>	<u>289</u>	<u>20,651</u>	<u>110,116</u>
EXPENDITURES						
Other	100,120	5,582	639	-	112,092	405,459
TOTAL EXPENDITURES	<u>100,120</u>	<u>5,582</u>	<u>639</u>	<u>-</u>	<u>112,092</u>	<u>405,459</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(96,329)</u>	<u>(5,574)</u>	<u>4,023</u>	<u>289</u>	<u>(91,441)</u>	<u>(295,343)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	100,000	5,000	-	-	106,845	330,146
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>100,000</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>106,845</u>	<u>330,146</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	3,671	(574)	4,023	289	15,404	34,803
FUND BALANCES (DEFICITS) - JULY 1	<u>78,464</u>	<u>37,777</u>	<u>35,198</u>	<u>9,818</u>	<u>79,681</u>	<u>610,362</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 82,135</u>	<u>\$ 37,203</u>	<u>\$ 39,221</u>	<u>\$ 10,107</u>	<u>\$ 95,085</u>	<u>\$ 645,165</u>

See accompanying independent auditor's report and notes to financial statements.

### Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

## TOWN OF VERNON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2024

	Road Upgrade Fund	Culvert Reserve Fund	Farmland Fund	Parking Lot Maintenance Fund	Total
ASSETS					
Investments	\$ 1,315	\$ -	\$ 140,481	\$ 395	\$ 142,191
Due from other funds	170,558	418,596	99,019	29,171	717,344
TOTAL ASSETS	<u>\$ 171,873</u>	<u>\$ 418,596</u>	<u>\$ 239,500</u>	<u>\$ 29,566</u>	<u>\$ 859,535</u>
LIABILITIES					
Due to others funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	239,500	29,566	269,066
Assigned	171,873	418,596	-	-	590,469
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>171,873</u>	<u>418,596</u>	<u>239,500</u>	<u>29,566</u>	<u>859,535</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 171,873</u>	<u>\$ 418,596</u>	<u>\$ 239,500</u>	<u>\$ 29,566</u>	<u>\$ 859,535</u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF VERNON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Road Upgrade Fund	Culvert Reserve Fund	Farmland Fund	Parking Lot Maintenance Fund	Total
REVENUES					
Intergovernmental	\$ 278,294	\$ 6,996	\$ -	\$ -	\$ 285,290
Investment gain/(losses)	5,119	11,430	6,324	779	23,652
TOTAL REVENUES	<u>283,413</u>	<u>18,426</u>	<u>6,324</u>	<u>779</u>	<u>308,942</u>
EXPENDITURES					
Other	686,287	5,387	-	-	691,674
TOTAL EXPENDITURES	<u>686,287</u>	<u>5,387</u>	<u>-</u>	<u>-</u>	<u>691,674</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(402,874)</u>	<u>13,039</u>	<u>6,324</u>	<u>779</u>	<u>(382,732)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	125,000	40,000	-	4,000	169,000
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>125,000</u>	<u>40,000</u>	<u>-</u>	<u>4,000</u>	<u>169,000</u>
NET CHANGE IN FUND BALANCES	<u>(277,874)</u>	<u>53,039</u>	<u>6,324</u>	<u>4,779</u>	<u>(213,732)</u>
FUND BALANCES - JULY 1	<u>449,747</u>	<u>365,557</u>	<u>233,176</u>	<u>24,787</u>	<u>1,073,267</u>
FUND BALANCES - JUNE 30	<u>\$ 171,873</u>	<u>\$ 418,596</u>	<u>\$ 239,500</u>	<u>\$ 29,566</u>	<u>\$ 859,535</u>

See accompanying independent auditor's report and notes to financial statements.

## Permanent Funds

Permanent funds are used to account for assets held by the Town of Vernon, Vermont that are legally restricted and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including provision for the maintenance of cemeteries in the Town of Vernon, Vermont.



## TOWN OF VERNON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2024

	A. Perry Cemetery Fund	North Cemetery Fund	P.A. Lee Cemetery Fund	South Cemetery Fund	Tyler Cemetery Fund	Whithed Cemetery Fund	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ 4,128	\$ 4,929	\$ -	\$ 8,803	\$ 1,897	\$ -	\$ 19,757
Investments	1,552	54,865	-	9,033	177,216	-	242,666
Due from other funds	-	-	2,002	-	-	255	2,257
<b>TOTAL ASSETS</b>	<u>\$ 5,680</u>	<u>\$ 59,794</u>	<u>\$ 2,002</u>	<u>\$ 17,836</u>	<u>\$ 179,113</u>	<u>\$ 255</u>	<u>\$ 264,680</u>
<b>LIABILITIES</b>							
Due to others funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	5,680	59,794	2,002	17,836	179,113	255	264,680
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>5,680</u>	<u>59,794</u>	<u>2,002</u>	<u>17,836</u>	<u>179,113</u>	<u>255</u>	<u>264,680</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 5,680</u>	<u>\$ 59,794</u>	<u>\$ 2,002</u>	<u>\$ 17,836</u>	<u>\$ 179,113</u>	<u>\$ 255</u>	<u>\$ 264,680</u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF VERNON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	A. Perry Cemetery Fund	North Cemetery Fund	P.A. Lee Cemetery Fund	South Cemetery Fund	Tyler Cemetery Fund	Whithed Cemetery Fund	Total
REVENUES							
Investment gain/(losses)	\$ 382	\$ 5,510	\$ 57	\$ 2,924	\$ 32,842	\$ 7	\$ 41,722
Other income	-	350	-	-	-	-	350
TOTAL REVENUES	<u>382</u>	<u>5,860</u>	<u>57</u>	<u>2,924</u>	<u>32,842</u>	<u>7</u>	<u>42,072</u>
EXPENDITURES							
Other	87	4,866	-	61	44,879	-	49,893
TOTAL EXPENDITURES	<u>87</u>	<u>4,866</u>	<u>-</u>	<u>61</u>	<u>44,879</u>	<u>-</u>	<u>49,893</u>
NET CHANGE IN FUND BALANCES	295	994	57	2,863	(12,037)	7	(7,821)
FUND BALANCES - JULY 1	<u>5,385</u>	<u>58,800</u>	<u>1,945</u>	<u>14,973</u>	<u>191,150</u>	<u>248</u>	<u>272,501</u>
FUND BALANCES - JUNE 30	<u>\$ 5,680</u>	<u>\$ 59,794</u>	<u>\$ 2,002</u>	<u>\$ 17,836</u>	<u>\$ 179,113</u>	<u>\$ 255</u>	<u>\$ 264,680</u>

See accompanying independent auditor's report and notes to financial statements.

## Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support Town programs. The Town of Vernon, Vermont's fiduciary funds are presented in the fiduciary fund financial statements by type (private purpose trust). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

## TOWN OF VERNON, VERMONT

COMBINING SCHEDULE OF NET POSITION - FIDUCIARY FUNDS  
PRIVATE-PURPOSE TRUST FUNDS  
JUNE 30, 2024

	AJ Brooks Trust	Marsh Trust	Scott and Noyes Trust	Grange Scholarship Trust	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 33,374	\$ 2,172	\$ 772	\$ 6,122	\$ 42,440
Investments, at fair value	149,972	12,337	63,230	22,038	247,577
Due from other governments	-	-	-	303	303
<b>TOTAL ASSETS</b>	<u>\$ 183,346</u>	<u>\$ 14,509</u>	<u>\$ 64,002</u>	<u>\$ 28,463</u>	<u>\$ 290,320</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>					
Restricted - held in trust for special purposes	183,346	14,509	64,002	28,463	290,320
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 183,346</u>	<u>\$ 14,509</u>	<u>\$ 64,002</u>	<u>\$ 28,463</u>	<u>\$ 290,320</u>

See accompanying independent auditor's report and notes to financial statements.

## SCHEDULE L

## TOWN OF VERNON, VERMONT

COMBINING SCHEDULE OF CHANGES IN NET POSITION - FIDUCIARY FUNDS  
PRIVATE-PURPOSE TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	AJ Brooks Trust	Marsh Trust	Scott and Noyes Trust	Grange Scholarship Trust	Total
ADDITIONS					
Net increase (decrease) in the fair value of investments	\$ 29,783	\$ 1,842	\$ 13,382	\$ 187	\$ 45,194
Total additions	<u>29,783</u>	<u>1,842</u>	<u>13,382</u>	<u>187</u>	<u>45,194</u>
DEDUCTIONS					
Withdrawals	756	-	1,889	-	2,645
Total deductions	<u>756</u>	<u>-</u>	<u>1,889</u>	<u>-</u>	<u>2,645</u>
Change in net position	29,027	1,842	11,493	187	42,549
NET POSITION - JULY 1	<u>154,319</u>	<u>12,667</u>	<u>52,509</u>	<u>28,276</u>	<u>247,771</u>
NET POSITION - JUNE 30	<u>\$ 183,346</u>	<u>\$ 14,509</u>	<u>\$ 64,002</u>	<u>\$ 28,463</u>	<u>\$ 290,320</u>

See accompanying independent auditor's report and notes to financial statements.

### General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position.

## TOWN OF VERNON, VERMONT

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
JUNE 30, 2024

	Land and Non-depreciable Assets	Buildings and Improvements	Furniture, Equipment and Vehicles	Infrastructure	Total
Town clerk	\$ -	\$ 72,454	\$ 22,088	\$ -	\$ 94,542
Town treasurer	-	-	19,465	-	19,465
Police department	-	-	10,105	-	10,105
Fire department	251	146,366	1,297,137	-	1,443,754
Highway	1	366,136	1,189,280	3,066,261	4,621,678
Recreation	1	615,935	95,981	57,220	769,137
Cemeteries	35,571	-	-	-	35,571
Historians	1	25,450	15,877	-	41,328
Town wide	252,974	718,397	199,822	16,900	1,188,093
Total General Capital Assets	288,799	1,944,738	2,849,755	3,140,381	8,223,673
Less: Accumulated Depreciation	-	(1,408,476)	(1,692,896)	(1,709,853)	(4,811,225)
Net General Capital Assets	<u>\$ 288,799</u>	<u>\$ 536,262</u>	<u>\$ 1,156,859</u>	<u>\$ 1,430,528</u>	<u>\$ 3,412,448</u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF VERNON, VERMONT

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED JUNE 30, 2024

	General Capital Assets 7/1/23 (Restated)	Additions	Deletions	General Capital Assets 6/30/24
Town clerk	\$ 105,857	\$ -	\$ (11,315)	\$ 94,542
Town treasurer	24,715	-	(5,250)	19,465
Police department	10,105	-	-	10,105
Fire department	1,389,689	54,065	-	1,443,754
Highway	3,939,478	682,200	-	4,621,678
Recreation	754,337	14,800	-	769,137
Cemeteries	15,700	35,571	(15,700)	35,571
Historians	41,328	-	-	41,328
Town wide	1,111,231	76,862	-	1,188,093
Total General Capital Assets	7,392,440	863,498	(32,265)	8,223,673
Less: Accumulated Depreciation	(4,628,560)	(208,258)	25,593	(4,811,225)
Net General Capital Assets	<u>\$ 2,763,880</u>	<u>\$ 655,240</u>	<u>\$ (6,672)</u>	<u>\$ 3,412,448</u>

See accompanying independent auditor's report and notes to financial statements.





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

Selectboard  
Town of Vernon  
Vernon, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Vernon, Vermont as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Town of Vernon, Vermont's basic financial statements and have issued our report thereon dated November 18, 2025.

Report on Internal Control Over Financial Reporting

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

#### Report on Compliance and Other Matters

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

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the Town of Vernon, Vermont in a separate letter dated November 18, 2025.

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

A handwritten signature in black ink that reads "RHR Smith & Company". The signature is written in a cursive, flowing style.

Buxton, Maine  
Vermont Registration No. 092.0000697  
November 18, 2025