

Audited Financial Statements
and Other Financial Information

Town of Richmond, Vermont

June 30, 2024



Proven Expertise & Integrity

TOWN OF RICHMOND, VERMONT

CONTENTS

JUNE 30, 2024

	PAGE
INDEPENDENT AUDITOR'S REPORT	1 - 4
MANAGEMENT'S DISCUSSION AND ANALYSIS	5 - 13
<u>BASIC FINANCIAL STATEMENTS</u>	
GOVERNMENT WIDE FINANCIAL STATEMENTS	
STATEMENT A - STATEMENT OF NET POSITION	14 - 15
STATEMENT B - STATEMENT OF ACTIVITIES	16 - 17
FUND FINANCIAL STATEMENTS	
STATEMENT C - BALANCE SHEET - GOVERNMENTAL FUNDS	18
STATEMENT D - RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	19
STATEMENT E - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	20
STATEMENT F - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	21
STATEMENT G - STATEMENT OF NET POSITION - PROPRIETARY FUNDS	22 -23
STATEMENT H - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS	24
STATEMENT I - STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS	25
STATEMENT J - STATEMENT OF NET POSITION - FIDUCIARY FUNDS	26
STATEMENT K - STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS	27
NOTES TO FINANCIAL STATEMENTS	28 - 56

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	57
SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND	58
SCHEDULE 1A - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - HIGHWAY FUND	59
SCHEDULE 2 - SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	60
SCHEDULE 3 - SCHEDULE OF CONTRIBUTIONS - PENSION	61
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	62

OTHER SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION DESCRIPTION	63
SCHEDULE A - COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS	64
SCHEDULE B - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS	65
SPECIAL REVENUE FUNDS DESCRIPTION	66
SCHEDULE C - COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS	67 - 68
SCHEDULE D - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS	69 - 70
CAPITAL PROJECTS FUNDS DESCRIPTION	71
SCHEDULE E - COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS	72 - 73
SCHEDULE F - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS	74 - 75
PERMANENT FUNDS DESCRIPTION	76

SCHEDULE G - COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS	77
SCHEDULE H - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR PERMANENT FUNDS	78
FIDUCIARY FUNDS DESCRIPTION	79
SCHEDULE I - COMBINING STATEMENT OF NET POSITION - FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS	80
SCHEDULE J - COMBINING STATEMENT OF CHANGES IN NET POSITION FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS	81
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 <i>GOVERNMENT AUDITING STANDARDS</i>	82 - 83



Proven Expertise & Integrity

INDEPENDENT AUDITOR'S REPORT

Selectboard
Town of Richmond
Richmond, Vermont

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Richmond as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Town of Richmond's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Town of Richmond 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 Richmond 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.

3 Old Orchard Road, Buxton, Maine 04093
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609
www.rhrsmith.com

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 Richmond'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 Richmond'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 Richmond'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, budgetary comparison information and pension information on pages 5 through 13 and 58 through 62 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 Richmond's basic financial statements. The combining and individual nonmajor fund financial statements 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 combining and individual nonmajor fund financial

statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2025, on our consideration of the Town of Richmond'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 Richmond'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 Richmond's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
January 15, 2025

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

(UNAUDITED)

The following management's discussion and analysis of the Town of Richmond'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 of Richmond's financial statements.

Financial Statement Overview

The Town of Richmond'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, pension information 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 separate columns for the two different types of Town activities. The types of activities presented for the Town of Richmond are:

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include town administration, assessors, public works, planning and zoning, police department, library department, fire department, recreation and trails, charitable appropriations, education and unclassified.
- *Business-type activities* - These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and/or services. These activities for the Town of Richmond include the water and sewer funds.

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 Richmond 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 Richmond can be divided into three categories: governmental funds, proprietary and fiduciary funds.

Governmental funds: Most 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's financial statement.

The Town of Richmond presents five columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund, highway fund, community development fund and ARPA fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

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

Proprietary Funds: The Town of Richmond maintains two proprietary funds, the water fund and the sewer fund. These funds are used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

Fiduciary Funds: These funds are used to account for resources held for the benefit of parties outside the Town. These funds are not reflected in the government-wide 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 the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Highway Fund, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions - Pension and Notes to Required Supplementary Information.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regard to nonmajor funds.

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 governmental net position increased by \$79,406 from \$12,265,463 to \$12,344,869. The Town's total business-type net position decreased by \$213,337 from \$6,989,393 to \$6,776,056.

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 \$3,409,865 at the end of this year. Unrestricted net position for business-type activities decreased to a balance of \$468,075.

Table 1
Town of Richmond, Vermont
Net Position
June 30,

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2024</u>	<u>2023 (Restated)</u>	<u>2024</u>	<u>2023 (Restated)</u>
Assets				
Current Assets	\$ 5,126,434	\$ 5,028,492	\$1,638,389	\$1,802,652
Noncurrent Assets - Capital	8,890,218	8,701,567	8,116,667	8,174,487
Total Assets	<u>14,016,652</u>	<u>13,730,059</u>	<u>9,755,056</u>	<u>9,977,139</u>
Deferred Outflows of Resources				
Deferred Outflows Related to Pensions	275,323	309,674	73,280	65,097
Total Deferred Outflows of Resources	<u>275,323</u>	<u>309,674</u>	<u>73,280</u>	<u>65,097</u>
Liabilities				
Current Liabilities	642,999	403,807	449,253	307,721
Noncurrent Liabilities	1,287,490	1,340,328	2,598,604	2,739,602
Total Liabilities	<u>1,930,489</u>	<u>1,744,135</u>	<u>3,047,857</u>	<u>3,047,323</u>
Deferred Inflows of Resources				
Prepaid Taxes	-	3,878	-	-
Deferred Inflows Related to Pensions	16,617	26,257	4,423	5,520
Total Deferred Inflows of Resources	<u>16,617</u>	<u>30,135</u>	<u>4,423</u>	<u>5,520</u>
Net Position				
Net Investment in Capital Assets	8,427,953	8,056,611	5,559,384	5,419,204
Restricted	507,051	880,567	748,597	1,020,173
Unrestricted	3,409,865	3,328,285	468,075	550,016
Total Net Position	<u>\$ 12,344,869</u>	<u>\$ 12,265,463</u>	<u>\$6,776,056</u>	<u>\$6,989,393</u>

Revenues and Expenses

Revenues for the Town's governmental activities increased by 8.43%, while total expenses increased by 12.24%. The increase in revenues was primarily due to property taxes. The largest increase in expenses was in public works. Revenues for the Town's business-type activities decreased by 4.90% and expenses increased by 13.33%.

Table 2
Town of Richmond, Vermont
Change in Net Position
For the Years Ended June 30,

	Governmental Activities		Business-type Activities	
	2024	2023	2024	2023
Revenues				
<i>Program revenues:</i>				
Charges for services	\$ 298,602	\$ 274,685	\$ 1,146,284	\$ 1,262,460
Operating grants and contributions	536,292	538,499	-	-
Capital grants and contributions	86,235	2,624	-	-
<i>General revenues:</i>				
Property taxes	11,097,233	10,100,014	-	-
Grants and contributions not restricted to specific programs	146,193	341,219	-	-
Miscellaneous	457,958	384,369	85,106	32,401
Total revenues	12,622,513	11,641,410	1,231,390	1,294,861
Expenses				
Town administration	947,034	1,620,732	-	-
Assessors	75,851	92,925	-	-
Public works	2,106,281	1,141,958	-	-
Planning and zoning	232,701	196,762	-	-
Police department	493,581	396,381	-	-
Library department	332,830	302,315	-	-
Fire department	304,946	198,039	-	-
Recreation and trails	36,760	26,660	-	-
Charitable appropriations	109,005	110,376	-	-
Education	7,444,332	6,649,765	-	-
Unclassified	435,290	419,095	-	-
Water and sewer	-	-	1,382,050	1,119,017
Interest on long-term debt	24,496	20,338	62,677	155,828
Total expenses	12,543,107	11,175,346	1,444,727	1,274,845
Change in Net Position	79,406	466,064	(213,337)	20,016
Net Position - July 1, As Previously Presented	12,224,955	11,758,891	7,101,579	6,545,664
Capital Asset Correction	40,508	-	(112,186)	-
Net Position - July 1, As Restated	12,265,463	11,758,891	6,989,393	6,545,664
Net Position - June 30	\$ 12,344,869	\$ 12,224,955	\$ 6,776,056	\$ 6,565,680

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 Richmond, Vermont
Fund Balances - Governmental Funds
June 30,

	2024	2023	Increase/ (Decrease)
Major Funds:			
General Fund:			
Nonspendable	\$ 67,121	\$ 21,523	\$ 45,598
Unassigned	1,176,344	922,673	253,671
Total General Fund	\$ 1,243,465	\$ 944,196	\$ 299,269
Highway Fund			
Restricted	\$ 345,868	\$ 708,712	\$ (362,844)
Total Highway Fund	\$ 345,868	\$ 708,712	\$ (362,844)
Nonmajor Funds:			
Special Revenue Funds:			
Nonspendable	\$ 533	\$ 16,410	\$ (15,877)
Restricted	495,026	198,158	296,868
Committed	44,982	285,951	(240,969)
Assigned	67,382	67,430	(48)
Unassigned	(940)	(7,807)	6,867
Capital Projects Funds:			
Committed	1,013,844	1,126,197	(112,353)
Permanent Funds:			
Restricted	152,580	171,855	(19,275)
Total Nonmajor Funds	\$ 1,773,407	\$ 1,858,194	\$ (84,787)

The changes in total fund balances for the general fund, highway fund and other governmental funds occurred due to the regular activity of operations.

Proprietary funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The water fund had an increase in net position for the year of \$27,236 and the sewer fund had a decrease in net position for the year of \$240,573.

Budgetary Highlights

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

The general fund actual revenues exceeded budgeted amounts by \$236,626. This was the result of all revenues being receipted within or in excess of budgeted amounts with the exception of intergovernmental revenues - railroad tax, intergovernmental - current use program, charges for services and interest on taxes/penalties.

The general fund actual expenditures were under budgeted amounts by \$62,643. All expenditure categories were within or under budgeted amounts with the exception of the town administration, assessors, library department, recreation and trails, charitable appropriations and unclassified.

The highway fund actual revenues exceeded budgeted amounts by \$363,232. This was the result of all revenues being receipted within or in excess of budgeted amounts with the exception of intergovernmental revenues - FEMA reimbursement and charges for services.

The highway fund actual expenditures were over budgeted amounts by \$226,076. All expenditure categories were within or below budgeted amounts with the exception of payroll and benefits, office expenses, vehicles, FEMA and debt service - principal and interest.

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 \$130,831. This increase was the result of capital asset additions of \$1,080,118 less current year depreciation expense of \$949,287.

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

	2024	2023 (Restated)
Land and other assets not being depreciated	\$ 1,026,709	\$ 1,026,709
Buildings, building improvements and land improvements	2,969,022	2,910,646
Equipment, machinery and vehicles	5,273,336	4,729,728
Distribution/collection systems	7,249,914	7,085,041
Phosphorus upgrade	3,939,064	3,939,064
Infrastructure	6,665,415	6,352,154
Accumulated depreciation	<u>(10,116,575)</u>	<u>(9,167,288)</u>
Total	<u><u>\$ 17,006,885</u></u>	<u><u>\$ 16,876,054</u></u>

Debt

At June 30, 2024, the Town had \$3,019,548 in bonds and notes from direct borrowings payable versus \$3,400,239 last year. Refer to Note 6 of Notes to Financial Statements for more detailed information on debt.

Economic Factors and Next Year's Budgets and Rates

The 2024 - 2025 budget could be severely impacted by the reduction of funding from the State. There is no indication of reduced funding from the State for 2024 - 2025 as of the date this report was issued.

The Town has steadily maintained a sufficient unassigned fund balance to sustain government operations for a period of approximately one month, 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 Manager or Finance Director at 203 Bridge Street, Richmond, Vermont 05477.

TOWN OF RICHMOND, VERMONT

STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,115,408	\$ 1,246,510	\$ 3,361,918
Investments	2,515,498	-	2,515,498
Accounts receivable (net of allowance for uncollectibles):			
Taxes	64,385	-	64,385
Other	366,774	336,592	703,366
Due from other governments	3,558	-	3,558
Prepaid items	73,160	42,938	116,098
Internal balances	(12,349)	12,349	-
Total current assets	<u>5,126,434</u>	<u>1,638,389</u>	<u>6,764,823</u>
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	882,736	143,973	1,026,709
Depreciable assets, net of accumulated depreciation	<u>8,007,482</u>	<u>7,972,694</u>	<u>15,980,176</u>
Total noncurrent assets	<u>8,890,218</u>	<u>8,116,667</u>	<u>17,006,885</u>
TOTAL ASSETS	<u>14,016,652</u>	<u>9,755,056</u>	<u>23,771,708</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>275,323</u>	<u>73,280</u>	<u>348,603</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>275,323</u>	<u>73,280</u>	<u>348,603</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 14,291,975</u>	<u>\$ 9,828,336</u>	<u>\$ 24,120,311</u>

STATEMENT A (CONTINUED)

TOWN OF RICHMOND, VERMONT

STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 505,307	\$ 151,419	\$ 656,726
Accrued expenses	27,010	98,685	125,695
Current portion of long-term obligations	110,682	199,149	309,831
Total current liabilities	642,999	449,253	1,092,252
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	310,000	2,358,511	2,668,511
Notes from direct borrowings payable	48,574	-	48,574
Net pension liability	889,302	236,696	1,125,998
Accrued compensated absences	39,614	3,397	43,011
Total noncurrent liabilities	1,287,490	2,598,604	3,886,094
TOTAL LIABILITIES	1,930,489	3,047,857	4,978,346
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	16,617	4,423	21,040
TOTAL DEFERRED INFLOWS OF RESOURCES	16,617	4,423	21,040
NET POSITION			
Net investment in capital assets	8,427,953	5,559,384	13,987,337
Restricted	507,051	748,597	1,255,648
Unrestricted	3,409,865	468,075	3,877,940
TOTAL NET POSITION	12,344,869	6,776,056	19,120,925
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 14,291,975	\$ 9,828,336	\$ 24,120,311

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

TOWN OF RICHMOND, 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	Governmental Activities	Business- type Activities	Total
Governmental activities:							
Town administration	\$ 947,034	\$ 290,622	\$ -	\$ -	\$ (656,412)	\$ -	\$ (656,412)
Assessors	75,851	-	-	-	(75,851)	-	(75,851)
Public works	2,106,281	3,000	468,668	-	(1,634,613)	-	(1,634,613)
Planning and zoning	232,701	-	-	-	(232,701)	-	(232,701)
Police department	493,581	-	-	-	(493,581)	-	(493,581)
Library department	332,830	-	-	-	(332,830)	-	(332,830)
Fire department	304,946	-	-	-	(304,946)	-	(304,946)
Recreation and trails	36,760	4,980	-	-	(31,780)	-	(31,780)
Charitable appropriations	109,005	-	-	-	(109,005)	-	(109,005)
Education	7,444,332	-	-	-	(7,444,332)	-	(7,444,332)
Unclassified	435,290	-	67,624	86,235	(281,431)	-	(281,431)
Interest on long-term debt	24,496	-	-	-	(24,496)	-	(24,496)
Total governmental activities	12,543,107	298,602	536,292	86,235	(11,621,978)	-	(11,621,978)
Business-type activities:							
Water	370,468	383,983	-	-	-	13,515	13,515
Sewer	1,074,259	762,301	-	-	-	(311,958)	(311,958)
Total business-type activities	1,444,727	1,146,284	-	-	-	(298,443)	(298,443)
Total government	\$ 13,987,834	\$ 1,444,886	\$ 536,292	\$ 86,235	(11,621,978)	(298,443)	(11,920,421)

STATEMENT B (CONTINUED)

TOWN OF RICHMOND, VERMONT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
Changes in net position:			
Net (expense) revenue	(11,621,978)	(298,443)	(11,920,421)
General revenues:			
Taxes:			
Property taxes, levied for general purposes	11,097,233	-	11,097,233
Grants and contributions not restricted to specific programs	146,193	-	146,193
Miscellaneous	457,958	85,106	543,064
Total general revenues	11,701,384	85,106	11,786,490
Change in net position	79,406	(213,337)	(133,931)
NET POSITION - JULY 1, AS PREVIOUSLY PRESENTED	12,224,955	7,101,579	19,326,534
CAPITAL ASSET CORRECTION	40,508	(112,186)	(71,678)
NET POSITION - JULY 1, AS RESTATED	12,265,463	6,989,393	19,254,856
NET POSITION - JUNE 30	\$ 12,344,869	\$ 6,776,056	\$ 19,120,925

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

TOWN OF RICHMOND, VERMONT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2024

	General Fund	Highway Fund	Community Development Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 1,668,943	\$ -	\$ -	\$ -	\$ 446,465	\$ 2,115,408
Investments	2,515,498	-	-	-	-	2,515,498
Accounts receivable (net of allowance for uncollectibles):						
Taxes	64,385	-	-	-	-	64,385
Other	366,774	-	-	-	-	366,774
Notes receivable (net of allowance for uncollectibles)	-	-	308,628	-	-	308,628
Due from other governments	-	-	-	-	3,558	3,558
Prepaid items	67,121	5,506	-	-	533	73,160
Due from other funds	850,505	714,118	-	1,040,641	1,493,983	4,099,247
TOTAL ASSETS	\$ 5,533,226	\$ 719,624	\$ 308,628	\$ 1,040,641	\$ 1,944,539	\$ 9,546,658
LIABILITIES						
Accounts payable	\$ 115,931	\$ 373,756	\$ -	\$ 2,200	\$ 13,420	\$ 505,307
Accrued expenses	27,010	-	-	-	-	27,010
Due to other funds	4,100,879	-	-	-	10,717	4,111,596
TOTAL LIABILITIES	4,243,820	373,756	-	2,200	24,137	4,643,913
DEFERRED INFLOWS OF RESOURCES						
Deferred tax revenue	38,222	-	-	-	-	38,222
Deferred revenue	7,719	-	308,628	1,038,441	146,995	1,501,783
TOTAL DEFERRED INFLOWS OF RESOURCES	45,941	-	308,628	1,038,441	146,995	1,540,005
FUND BALANCES						
Nonspendable	67,121	-	-	-	533	67,654
Restricted	-	345,868	-	-	647,606	993,474
Committed	-	-	-	-	1,058,826	1,058,826
Assigned	-	-	-	-	67,382	67,382
Unassigned (deficit)	1,176,344	-	-	-	(940)	1,175,404
TOTAL FUND BALANCES	1,243,465	345,868	-	-	1,773,407	3,362,740
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,533,226	\$ 719,624	\$ 308,628	\$ 1,040,641	\$ 1,944,539	\$ 9,546,658

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

TOWN OF RICHMOND, 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	\$ 3,362,740
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	8,890,218
Other long-term assets and liabilities are not available to pay for current period expenditures or revenues and therefore are deferred in the funds shown above:	
Taxes and liens receivable	38,222
Notes receivable	(308,628)
Deferred revenue	1,501,783
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	275,323
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(363,200)
Notes from direct borrowings payable	(99,065)
Accrued compensated absences	(46,605)
Net pension liability	(889,302)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	<u>(16,617)</u>
Net position of governmental activities	<u><u>\$ 12,344,869</u></u>

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

TOWN OF RICHMOND, VERMONT

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

	General Fund	Highway Fund	Community Development Fund	Town Center Reserve Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 9,860,513	\$ 1,237,646	\$ -	\$ -	\$ -	\$ -	\$ 11,098,159
Intergovernmental revenues	155,202	468,668	-	-	191,147	20,000	835,017
Charges for services	134,792	3,000	-	-	-	160,810	298,602
Investment income	203,760	-	-	-	-	10,995	214,755
Miscellaneous revenues	80,880	8,464	-	-	-	153,859	243,203
TOTAL REVENUES	10,435,147	1,717,778	-	-	191,147	345,664	12,689,736
EXPENDITURES							
Current:							
Town administration	824,186	-	-	-	-	-	824,186
Assessors	37,740	-	-	-	-	-	37,740
Public works	-	1,804,939	-	-	-	-	1,804,939
Planning and zoning	232,701	-	-	-	-	-	232,701
Police department	490,461	-	-	-	-	-	490,461
Library department	332,830	-	-	-	-	-	332,830
Fire department	225,002	-	-	-	-	-	225,002
Recreation and trails	36,760	-	-	-	-	-	36,760
Charitable appropriations	109,005	-	-	-	-	-	109,005
Education	7,444,332	-	-	-	-	-	7,444,332
Unclassified	195,861	-	-	-	-	238,579	434,440
Capital outlay	-	-	-	-	191,147	525,872	717,019
Debt service:							
Principal	-	124,187	-	-	-	-	124,187
Interest	-	24,496	-	-	-	-	24,496
TOTAL EXPENDITURES	9,928,878	1,953,622	-	-	191,147	764,451	12,838,098
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	506,269	(235,844)	-	-	-	(418,787)	(148,362)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	334,000	334,000
Transfers (out)	(207,000)	(127,000)	-	-	-	-	(334,000)
TOTAL OTHER FINANCING SOURCES (USES)	(207,000)	(127,000)	-	-	-	334,000	-
NET CHANGE IN FUND BALANCES	299,269	(362,844)	-	-	-	(84,787)	(148,362)
FUND BALANCES - JULY 1, AS PREVIOUSLY PRESENTED	944,196	708,712	-	255,419	-	1,602,775	3,511,102
CHANGE WITHIN REPORTING ENTITY	-	-	-	(255,419)	-	255,419	-
FUND BALANCES - JULY 1, AS RESTATED	944,196	708,712	-	-	-	1,858,194	3,511,102
FUND BALANCES - JUNE 30	\$ 1,243,465	\$ 345,868	\$ -	\$ -	\$ -	\$ 1,773,407	\$ 3,362,740

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

TOWN OF RICHMOND, 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)	<u>\$ (148,362)</u>
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	890,172
Depreciation expense	<u>(701,521)</u>
	<u>188,651</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pension	<u>(34,351)</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	(926)
Deferred grants	<u>(66,297)</u>
	<u>(67,223)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position.	<u>182,691</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pension	<u>9,640</u>
Some expenses reported in the Statement of Activities do not require the use of current resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	(5,253)
Net pension liability	<u>(46,387)</u>
	<u>(51,640)</u>
Change in net position of governmental activities (Statement B)	<u>\$ 79,406</u>

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

TOWN OF RICHMOND, VERMONT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2024

	Enterprise Funds		Total
	Water	Sewer	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,246,510	\$ -	\$ 1,246,510
Accounts receivable (net of allowance for uncollectibles)	183,821	152,771	336,592
Prepaid items	39,275	3,663	42,938
Due from other funds	-	852,137	852,137
Total current assets	<u>1,469,606</u>	<u>1,008,571</u>	<u>2,478,177</u>
Noncurrent assets:			
Capital assets:			
Land and construction in progress	119,562	24,411	143,973
Buildings and improvements	93,418	487,888	581,306
Distribution and collection systems	5,091,886	2,158,028	7,249,914
Phosphorus upgrade	-	3,939,064	3,939,064
Vehicles and equipment	45,523	100,550	146,073
Total capital assets	<u>5,350,389</u>	<u>6,709,941</u>	<u>12,060,330</u>
Less: accumulated depreciation	<u>(1,096,457)</u>	<u>(2,847,206)</u>	<u>(3,943,663)</u>
Net capital assets	<u>4,253,932</u>	<u>3,862,735</u>	<u>8,116,667</u>
Total noncurrent assets	<u>4,253,932</u>	<u>3,862,735</u>	<u>8,116,667</u>
TOTAL ASSETS	<u>5,723,538</u>	<u>4,871,306</u>	<u>10,594,844</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	21,940	51,340	73,280
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>21,940</u>	<u>51,340</u>	<u>73,280</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 5,745,478</u>	<u>\$ 4,922,646</u>	<u>\$ 10,668,124</u>

STATEMENT G (CONTINUED)
TOWN OF RICHMOND, VERMONT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2024

	Enterprise Funds		Total
	Water	Sewer	
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 51,219	\$ 100,200	\$ 151,419
Accrued expenses	96,828	1,857	98,685
Due to other funds	839,788	-	839,788
Current portion of long-term obligations	126,873	72,276	199,149
Total current liabilities	<u>1,114,708</u>	<u>174,333</u>	<u>1,289,041</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	2,032,874	325,637	2,358,511
Accrued compensated absences	1,019	2,378	3,397
Net pension liability	70,867	165,829	236,696
Total noncurrent liabilities	<u>2,104,760</u>	<u>493,844</u>	<u>2,598,604</u>
TOTAL LIABILITIES	<u>3,219,468</u>	<u>668,177</u>	<u>3,887,645</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,324	3,099	4,423
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,324</u>	<u>3,099</u>	<u>4,423</u>
NET POSITION			
Net investment in capital assets	2,094,298	3,465,086	5,559,384
Restricted	273,994	474,603	748,597
Unrestricted	156,394	311,681	468,075
TOTAL NET POSITION	<u>2,524,686</u>	<u>4,251,370</u>	<u>6,776,056</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 5,745,478</u>	<u>\$ 4,922,646</u>	<u>\$ 10,668,124</u>

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

TOWN OF RICHMOND, VERMONT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Enterprise Fund		Total
	Water	Sewer	
OPERATING REVENUES			
Charges for services	\$ 383,983	\$ 762,301	\$ 1,146,284
Other	303	40,078	40,381
TOTAL OPERATING REVENUES	<u>384,286</u>	<u>802,379</u>	<u>1,186,665</u>
OPERATING EXPENSES			
Payroll, taxes and benefits	101,030	235,483	336,513
Supplies	31,900	119,208	151,108
Utilities	17,736	113,663	131,399
Contracted services	-	141,897	141,897
Equipment	302	70	372
Repairs and maintenance	41,506	102,224	143,730
Insurance	5,342	10,943	16,285
Other	11,307	201,673	212,980
Depreciation	107,462	140,304	247,766
TOTAL OPERATING EXPENSES	<u>316,585</u>	<u>1,065,465</u>	<u>1,382,050</u>
OPERATING INCOME (LOSS)	<u>67,701</u>	<u>(263,086)</u>	<u>(195,385)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	13,418	31,307	44,725
Interest expense	(53,883)	(8,794)	(62,677)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(40,465)</u>	<u>22,513</u>	<u>(17,952)</u>
CHANGE IN NET POSITION	<u>27,236</u>	<u>(240,573)</u>	<u>(213,337)</u>
NET POSITION - JULY 1, AS PREVIOUSLY PRESENTED	2,571,758	4,529,821	7,101,579
CAPITAL ASSET CORRECTION	<u>(74,308)</u>	<u>(37,878)</u>	<u>(112,186)</u>
NET POSITION - JULY 1, AS RESTATED	<u>2,497,450</u>	<u>4,491,943</u>	<u>6,989,393</u>
NET POSITION - JUNE 30	<u>\$ 2,524,686</u>	<u>\$ 4,251,370</u>	<u>\$ 6,776,056</u>

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

TOWN OF RICHMOND, VERMONT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Enterprise Funds		Total
	Water	Sewer	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 335,693	\$ 806,819	\$ 1,142,512
Internal activity - receipts (payments) from/to other funds	(313,074)	293,111	(19,963)
Payments to employees	9,623	(206,948)	(197,325)
Payments to suppliers	(107,383)	(679,382)	(786,765)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(75,141)	213,600	138,459
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income	13,418	31,307	44,725
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	13,418	31,307	44,725
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of capital assets	(25,073)	(164,873)	(189,946)
Principal paid on capital debt	(126,760)	(71,240)	(198,000)
Interest paid on capital debt	(53,883)	(8,794)	(62,677)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(205,716)	(244,907)	(450,623)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(267,439)	-	(267,439)
CASH AND CASH EQUIVALENTS - JULY 1	1,513,949	-	1,513,949
CASH AND CASH EQUIVALENTS - JUNE 30	\$ 1,246,510	\$ -	\$ 1,246,510
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income	\$ 67,701	\$ (263,086)	\$ (195,385)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	107,462	140,304	247,766
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	(48,593)	4,440	(44,153)
(Increase) decrease in prepaid items	(38,169)	(1,083)	(39,252)
(Increase) decrease in due from other funds	-	293,111	293,111
(Increase) decrease in deferred outflows of resources	(2,450)	(5,733)	(8,183)
Increase (decrease) in accounts payable	38,879	11,379	50,258
Increase (decrease) in payroll and related liabilities	96,135	(5,441)	90,694
Increase (decrease) in due to other funds	(313,074)	-	(313,074)
Increase (decrease) in accrued compensated absences	(520)	(1,213)	(1,733)
Increase (decrease) in net pension liability	17,817	41,690	59,507
Increase (decrease) in deferred inflows of resources	(329)	(768)	(1,097)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (75,141)	\$ 213,600	\$ 138,459

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

TOWN OF RICHMOND, VERMONT

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2024

	Private Purpose Trust <u>Total</u>
ASSETS	
Cash and cash equivalents	\$ 32,224
TOTAL ASSETS	<u>\$ 32,224</u>
LIABILITIES	
Accounts payable	\$ -
TOTAL LIABILITIES	<u>-</u>
NET POSITION	
Restricted	<u>32,224</u>
TOTAL NET POSITION	<u>32,224</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 32,224</u>

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

TOWN OF RICHMOND, VERMONT

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

	Private Purpose Trust <u>Total</u>
ADDITIONS	
Investment earnings:	
Interest	\$ 323
Total additions	<u>323</u>
DEDUCTIONS	
Other	<u>-</u>
Total deductions	<u>-</u>
CHANGE IN NET POSITION	323
NET POSITION - JULY 1	<u>31,901</u>
NET POSITION - JUNE 30	<u>\$ 32,224</u>

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Richmond, Vermont was incorporated under the laws of the State of Vermont. The Town operates under the selectmen-manager form of government and provides the following services: town administration, assessors, public works, planning and zoning, police department, library department, fire department, recreation and trails, charitable appropriations 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 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 either governmental or business-type. The Town's water and sewer funds are categorized as business-type activities. All other activities of the Town are categorized as governmental.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column and (b) are 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 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 and business-type activities (Town administration and assessors', 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 or a business-type activity. 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. The following fund types are used by the Town:

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

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 Highway Fund is used to account for highway department operations of the Town. Primary revenue sources are taxes and intergovernmental revenue.
- c. The Community Development Fund is used to account for the activity of the Town providing loans to local businesses. There were no revenue sources for this fiscal year.
- d. The ARPA Fund is used to account for the funds received under the American Rescue Plan Act. The primary revenue source for this fund is intergovernmental revenue.

Nonmajor Funds:

- e. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- f. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- g. 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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Nonoperating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the Town:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support the Town's 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 Town's fiduciary funds are presented in the fiduciary fund financial statements by type (private-purpose). 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.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. 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, 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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund 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 second half of the year the Town prepares a budget for the fiscal year beginning July 1 of the next calendar year. 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.
3. The budget was adopted subsequent to passage by the residents of the Town.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. 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

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 uncollectibles. 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 \$706,924 for the year ended June 30, 2024.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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 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".

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Transactions Between Funds

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

Infrastructure assets include roads, bridges, underground pipe (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	10 - 70 years
Infrastructure	20 - 50 years
Machinery, equipment and vehicles	5 - 30 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.

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of bonds payable, notes from direct borrowings payable, accrued compensated absences and net pension liability.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 funds is the same in the fund statements as it is in the government-wide statements.

Pension

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets 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 legislation 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 Balances

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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. 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 has one type of this item, deferred outflows related to pensions. This item is reported in the statement of net position.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 tax revenue and deferred revenue, which arises only under a modified accrual basis of accounting, qualify for reporting in this category. Accordingly, these items are reported in the governmental funds balance sheet. Prepaid taxes also qualify for reporting in this category. This item is reported in both the statements of net position and governmental funds balance sheet. Deferred inflows related to pensions qualifies for reporting in this category as well. This item is reported only in the statement of net position. All items in this category are deferred and recognized as inflows of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

Property taxes attach as an enforceable lien on property owned as of April 1st. Elected listers establish a grand list of all property and the Selectboard sets the tax rate required to raise the tax revenue authorized by Town and School District voters and the Vermont Agency of Education. Property taxes for the fiscal year ended June 30, 2024 were payable in four equal installments due on the third Friday in August, November, February and May.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

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 or capital grants and contributions, including special assessments).

Operating/Nonoperating Proprietary Fund Revenues

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund's ongoing operations. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

NOTE 2 - DEPOSITS AND INVESTMENTS

State statutes require that all investments made by the Town consider the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.

Deposits:

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. The Town does not have a policy covering custodial credit risk for deposits.

At June 30, 2024, the Town's cash balances amounting to \$3,394,142 were comprised of deposits of \$3,671,556. 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, \$447,125 was fully insured by federal depository insurance and consequently was not exposed to custodial credit risk. \$3,224,431 was collateralized by an irrevocable standby letter of credit.

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

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Account Type	Bank Balance
Checking accounts	\$ 3,480,617
Money market checking accounts	185,357
Savings accounts	<u>5,582</u>
	<u><u>\$ 3,671,556</u></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 possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments.

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. Certificates of deposit held at local institutions in the amount of \$2,515,498 are considered held to maturity and not exposed to interest rate risk

At June 30, 2024, the Town's has \$2,515,498 in investments in certificates of deposit. \$309,061 was insured by federal depository insurance and consequently was not exposed to custodial credit risk. The remaining \$2,206,437 was collateralized by stand by letters of credit.

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 various savings accounts and certificates of deposit.

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

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	\$ 850,505	\$ 4,100,879
Highway fund	714,118	-
ARPA fund	1,040,641	-
Enterprise funds	852,137	839,788
Nonmajor special revenue funds	476,961	10,417
Nonmajor capital projects funds	1,017,022	-
Nonmajor permanent funds	-	300
	<u>\$ 4,951,384</u>	<u>\$ 4,951,384</u>
Totals	<u>\$ 4,951,384</u>	<u>\$ 4,951,384</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.

NOTE 4 - INTERFUND TRANSFERS

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

	Transfers In	Transfers Out
General fund	\$ -	\$ 207,000
Highway fund	-	127,000
Nonmajor special revenue funds	5,000	-
Nonmajor capital projects funds	329,000	-
	<u>\$ 334,000</u>	<u>\$ 334,000</u>
Totals	<u>\$ 334,000</u>	<u>\$ 334,000</u>

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

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

NOTE 5 - CAPITAL ASSETS

A summary of capital assets for the year ended June 30, 2024 is as follows:

	Balance 7/1/23 (Restated)	Additions	Disposals/ Transfers	Balance 6/30/24
<u>Governmental activities:</u>				
Non-depreciated assets:				
Land	\$ 882,736	\$ -	\$ -	\$ 882,736
	<u>882,736</u>	<u>-</u>	<u>-</u>	<u>882,736</u>
Depreciated assets:				
Buildings and improvements	2,329,340	58,376	-	2,387,716
Machinery and equipment	4,608,728	518,535	-	5,127,263
Infrastructure	6,352,154	313,261	-	6,665,415
	<u>13,290,222</u>	<u>890,172</u>	<u>-</u>	<u>14,180,394</u>
Less: accumulated depreciation	<u>(5,471,391)</u>	<u>(701,521)</u>	<u>-</u>	<u>(6,172,912)</u>
	<u>7,818,831</u>	<u>188,651</u>	<u>-</u>	<u>8,007,482</u>
Net capital assets	<u>8,701,567</u>	<u>188,651</u>	<u>-</u>	<u>8,890,218</u>
<u>Business-type activities:</u>				
Non-depreciated assets:				
Land	109,100	-	-	109,100
Construction in progress	34,873	-	-	34,873
	<u>143,973</u>	<u>-</u>	<u>-</u>	<u>143,973</u>
Depreciated assets:				
Land, buildings and improvements	581,306	-	-	581,306
Distribution/collection systems	7,085,041	164,873	-	7,249,914
Phosphorus upgrade	3,939,064	-	-	3,939,064
Machinery and equipment	121,000	25,073	-	146,073
	<u>11,726,411</u>	<u>189,946</u>	<u>-</u>	<u>11,916,357</u>
Less: accumulated depreciation	<u>(3,695,897)</u>	<u>(247,766)</u>	<u>-</u>	<u>(3,943,663)</u>
	<u>8,030,514</u>	<u>(57,820)</u>	<u>-</u>	<u>7,972,694</u>
Net capital assets	<u>8,174,487</u>	<u>(57,820)</u>	<u>-</u>	<u>8,116,667</u>
Total government	<u>\$ 16,876,054</u>	<u>\$ 130,831</u>	<u>\$ -</u>	<u>\$ 17,006,885</u>
<u>Current year depreciation:</u>				
Town administration				\$ 1,806
Public safety				38,111
Fire				79,944
Public works				532,999
Recreation				3,120
Cemetery				850
Town-wide				44,691
Subtotal governmental				<u>701,521</u>
Water				107,462
Sewer				140,304
Subtotal business-type				<u>247,766</u>
Total depreciation expense				<u>\$ 949,287</u>

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

NOTE 6 - LONG-TERM DEBT

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

	Balance, 7/1/23	Additions	Deletions	Balance, 6/30/23	Current Portion
<i>Governmental Activities:</i>					
Bonds payable	\$ 416,400	\$ -	\$ (53,200)	\$ 363,200	\$ 53,200
Notes from direct borrowings payable	228,556	-	(129,491)	99,065	50,491
	<u>\$ 644,956</u>	<u>\$ -</u>	<u>\$ (182,691)</u>	<u>\$ 462,265</u>	<u>\$ 103,691</u>
<i>Business-type Activities:</i>					
Bonds payable	\$ 2,703,569	\$ -	\$ (172,143)	\$ 2,531,426	\$ 172,915
Notes from direct borrowings payable	51,714	-	(25,857)	25,857	25,857
	<u>\$ 2,755,283</u>	<u>\$ -</u>	<u>\$ (198,000)</u>	<u>\$ 2,557,283</u>	<u>\$ 198,772</u>

The following is a summary of the outstanding bonds and notes from direct borrowings payable:

	Governmental Activities	Business-type Activities Water	Sewer	Total
Bonds payable:				
2005 - \$215,000 General Obligation Bond. Annual principal payments of \$10,000 with a fixed interest rate ranging from 3.00% to 4.58% per annum. The bond matures in December of 2025.	\$ 20,000	\$ -	\$ -	\$ 20,000
2007 - \$360,050 General Obligation Bond. Annual principal payments range from \$11,671 to \$21,785 with a 0% fixed interest rate. The bond matures in March of 2026.	-	-	43,142	43,142
2011 - \$1,810,000 General Obligation Bond. Annual principal payments in the amount of \$37,705 with a fixed interest rate ranging from 4.66% to 0.08% per annum. The bond matures in December of 2031.	343,200	208,208	163,592	715,000
2013 - \$345,746 General Obligation Bond. Annual principal payments range from \$14,323 to \$20,724 with a 0% fixed interest rate. The bond matures in May of 2032.	-	-	154,852	154,852

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

NOTE 6 - LONG-TERM DEBT (CONTINUED)

	Governmental	Business-type Activities		Total
	Activities	Water	Sewer	
2018 - \$1,338,559 General Obligation Bond with principal forgiveness at closing of \$245,118. Annual principal payments in the amount of \$37,705 with a 0% fixed interest rate. The bond matures in July of 2047.	-	904,916	-	904,916
2018 - \$1,251,736 General Obligation Bond with principal forgiveness at closing of \$459,986. Annual principal payments in the amount of \$25,140 with a 0% fixed interest rate. The bond matures in May of 2047.	-	578,218	-	578,218
2018 - \$120,211 General Obligation Bond. Annual principal payments in the amount of \$12,021 with a 0% fixed interest rate. The bond matures in April of 2027.	-	-	36,064	36,064
2020 - \$789,228 General Obligation Bond with principal forgiveness at closing of \$394,614. Annual principal payments in the amount of \$9,865 with a 0% fixed interest rate. The bond matures in September of 2060.	-	365,018	-	365,018
2021 - \$317,605 General Obligation Bond with principal forgiveness at closing of \$238,204. Annual principal payments in the amount of \$1,985 with a 0% fixed interest rate. The bond matures in August of 2062.	-	77,416	-	77,416
Total bonds payable:	<u>\$ 363,200</u>	<u>\$ 2,133,776</u>	<u>\$ 397,650</u>	<u>\$ 2,894,626</u>
Notes from direct borrowings payable:				
2020 - Capital equipment note refinance for a dump truck. Annual principal payments in the amount of \$26,920 until the final payment of \$1,920. Interest is charged a fixed rate of 1.91% per annum. The capital equipment note matures in May of 2025.	\$ 1,921	\$ -	\$ -	\$ 1,921
2020 - Capital equipment note refinance for a fire truck. Annual principal payments in the amount of \$48,571. Interest is charged a fixed rate of 2.13% per annum. The capital equipment note matures in May of 2026.	97,144	-	-	97,144
2020 - Capital equipment note for a water tank. Annual principal and interest payments ranging from \$28,322 to \$26,350. Interest is charged a fixed rate of 1.91% per annum. The capital equipment note matures in May of 2025.	-	25,857	-	25,857
Total notes from direct borrowings payable	<u>\$ 99,065</u>	<u>\$ 25,857</u>	<u>\$ -</u>	<u>\$ 124,922</u>

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

NOTE 6 - LONG-TERM DEBT (CONTINUED)

The following is a summary of outstanding bonds and notes from direct borrowings payable principal and interest requirements for the following fiscal years ending June 30:

Governmental Activities						
	Bonds Payable		Notes from Direct Borrowings Payable		Total	
	Principal	Interest	Principal	Interest		
2025	\$ 53,200	\$ 14,752	\$ 50,491	\$ 2,102	\$ 120,545	
2026	53,200	12,542	48,574	1,035	115,351	
2027	43,200	10,503	-	-	53,703	
2028	43,200	8,652	-	-	51,852	
2029	43,200	6,767	-	-	49,967	
2030-2034	127,200	8,690	-	-	135,890	
	<u>\$ 363,200</u>	<u>\$ 61,906</u>	<u>\$ 99,065</u>	<u>\$ 3,137</u>	<u>\$ 527,308</u>	
Business-type Activities						
	Bonds Payable		Note from Direct Borrowings Payable		Total	
	Principal	Interest	Principal	Interest		
2025	\$ 172,915	\$ 15,241	\$ 25,857	\$ 493	\$ 214,506	
2026	173,703	13,339	-	-	187,042	
2027	152,287	11,378	-	-	163,665	
2028	140,641	9,373	-	-	150,014	
2029	141,024	7,331	-	-	148,355	
2030-2034	572,238	9,414	-	-	581,652	
2035-2039	373,476	-	-	-	373,476	
2040-2044	373,476	-	-	-	373,476	
2045-2049	285,490	-	-	-	285,490	
2050-2054	59,252	-	-	-	59,252	
2055-2059	59,252	-	-	-	59,252	
2060-2064	27,672	-	-	-	27,672	
	<u>\$ 2,531,426</u>	<u>\$ 66,076</u>	<u>\$ 25,857</u>	<u>\$ 493</u>	<u>\$ 2,623,852</u>	

No interest costs were capitalized during the period. The amount of interest costs incurred and charged to business-type activities expense for the year ended June 30, 2024 was \$62,677.

All bonds payable are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt is payable from taxes or water/sewer user fees levied on all taxable property within the Town.

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

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2024 is as follows:

	Balance, 7/1/23	Additions	Deletions	Balance, 6/30/24	Current Portion
<i>Governmental Activities:</i>					
Accrued compensated absences	\$ 41,352	\$ 5,253	\$ -	\$ 46,605	\$ 6,991
Net pension liability	842,915	174,135	(127,748)	889,302	-
	<u>\$ 884,267</u>	<u>\$ 179,388</u>	<u>\$ (127,748)</u>	<u>\$ 935,907</u>	<u>\$ 6,991</u>
<i>Business-type Activities:</i>					
Accrued compensated absences	\$ 5,699	\$ -	\$ (1,925)	\$ 3,774	\$ 377
Net pension liability	177,189	83,595	(24,088)	236,696	-
	<u>\$ 182,888</u>	<u>\$ 83,595</u>	<u>\$ (26,013)</u>	<u>\$ 240,470</u>	<u>\$ 377</u>

Please see Notes 8 and 16 for detailed information on each of the other long-term obligations.

NOTE 8 - ACCRUED COMPENSATED ABSENCES

The Town's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation leave. Generally, the liability for these compensated absences are recorded as a long-term obligation in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2024, the Town's liability for compensated absences is \$50,379.

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

NOTE 9 - NET INVESTMENT IN CAPITAL ASSETS

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

	Governmental Activities	Business-type Activities	
		Water	Sewer
Invested in capital assets	\$ 15,063,130	\$ 5,350,389	\$ 6,709,941
Accumulated depreciation	(6,172,912)	(1,096,457)	(2,847,206)
Outstanding capital related debt	(462,265)	(2,159,634)	(397,649)
	\$ 8,427,953	\$ 2,094,298	\$ 3,465,086

NOTE 10 - RESTRICTED NET POSITION

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

Highway fund	\$ 345,868
Enterprise funds:	
Water fund	273,994
Sewer fund	474,603
Nonmajor special revenue funds:	
Grants	8,603
Nonmajor permanent funds:	
Cemetery funds	152,580
	\$ 1,255,648

NOTE 11 - NONSPENDABLE FUND BALANCES

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

General fund:	
Prepaid items	\$ 67,121
Nonmajor special revenue funds:	
Prepaid items	533
	\$ 67,654

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

NOTE 12 - RESTRICTED FUND BALANCES

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

Highway fund	\$	345,868
Nonmajor special revenue funds (Schedule C)		495,026
Nonmajor permanent funds (Schedule G)		152,580
		993,474
	\$	993,474

NOTE 13 - COMMITTED FUND BALANCES

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

Nonmajor special revenue funds (Schedule C)	\$	44,982
Nonmajor capital projects funds (Schedule E)		1,013,844
		1,058,826
	\$	1,058,826

NOTE 14 - ASSIGNED FUND BALANCES

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

Nonmajor special revenue funds (Schedule C)	\$	67,382
---	----	--------

NOTE 15 - DEFICIT FUND BALANCE

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

Nonmajor special revenue funds:		
Legal	\$	940

NOTE 16 - DEFINED BENEFIT PENSION PLAN

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost sharing, multi-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. The plan was established effective July 1, 1975 and is governed by Title 24, V.S.A. Chapter 125. It is designed for persons employed on a regular basis by a school district or by a supervisory union for no fewer than 1,040

TOWN OF RICHMOND, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

hours in a year and for no fewer than 30 hours a week for the school year, as defined in 16 V.S.A. § 1071 or for no fewer than 1,040 hours in a year and for no fewer than 24 hours a week year-round; provided, however, that if a person who was employed on a regular basis by a school district as either a special education or transportation employee and who was transferred to and is working in a supervisory union in the same capacity pursuant to 16 V.S.A. § 261a(a)(6) or (8)(E) and if that person is also employed on a regular basis by a school district within the supervisory union, then the person is an "employee" if these criteria are met by the combined hours worked for the supervisory union and school district. The term shall also mean persons employed on a regular basis by a municipality other than a school district for no fewer than 1,040 hours in a year and for no fewer than 24 hours per week, including persons employed in a library at least one-half of whose operating expenses are met by municipal funding. For the year ended June 30, 2022 (the most recent data available), the retirement system consisted of 17,253 participating members.

The general administration and responsibility for formulating administrative policy and procedures of the Retirement System for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system and two employer representatives - one elected by the governing bodies of participating employers of the system and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Annual Comprehensive Financial Report. The Annual Report may be viewed on the State's Department of Finance and Management website at: [Annual Comprehensive Financial Report | Department of Finance and Management \(vermont.gov\)](#).

Benefits Provided

The pension plan is divided into four membership groups:

- Group A - general employees whose legislative bodies have not elected to become a member of Group B or Group C
- Groups B and C - general employees whose legislative bodies have elected to become members of Group B or Group C

TOWN OF RICHMOND, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

- Group D - sworn police officers, firefighters and emergency medical personnel

The Town participates in Groups B and D. Benefits available to each group are based on average final compensation (AFC) and years of creditable service and are summarized below:

VMERS	Group A	Group B	Group C	Group D
Normal service retirement eligibility	Age 65 with 5 years of service or age 55 with 35 years of service	Age 62 with 5 years of service or age 55 with 30 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Average Final Compensation (AFC)	Highest 5 consecutive years	Highest 3 consecutive years	Highest 3 consecutive years	Highest 2 consecutive years
Benefit formula - Normal Service Retirement (no reduction)	1.4% x creditable service x AFC	1.7% x creditable service x AFC + previous service; 1.4% x Group A service x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC; 2.5% x Group C service x AFC
Maximum Benefit Payable	60% of AFC	60% of AFC	50% of AFC	50% of AFC
Post-Retirement COLA	50% of CPI, up to 2% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	N/A	Age 50 with 20 years of service
Early Retirement Reduction	6% per year from age 65 **	6% per year from age 62 **	N/A	No reduction

TOWN OF RICHMOND, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

** A special early retirement factor of 3% per year only for municipal police officers who have attained age 60

Members of all groups may qualify for vested deferred allowance, disability allowances and death benefit allowance subject to meeting various eligibility requirements. Benefits are based on AFC and service.

Contributions

Title 24 VSA Chapter 125 of Vermont Statutes grants the authority to the Retirement Board to annually review the amount of municipalities' contributions as recommended by the actuary of the retirement system in order to achieve and preserve the financial integrity of the fund and to certify the rates of contributions payable by employers. The Board of Trustees also certifies the rates of contribution payable by employees. Contribution rates for each group as of July 1, 2023 are as follows:

VMERS	Group A	Group B	Group C	Group D
Employee Contributions	3.750% of gross salary	6.125% of gross salary	11.250% of gross salary	12.600% of gross salary
Employer Contributions	5.250% of gross salary	6.750% of gross salary	8.500% of gross salary	11.100% of gross salary

Employee contributions are withheld pre-income tax by the Town and are remitted to the State of Vermont. Such withholdings for the year ended June 30, 2024 totaled \$80,233. The Town contributed \$88,420 for the year ended June 30, 2024. The Town's total payroll for the year ended June 30, 2024 for all employees covered under this plan was \$1,309,927.

Pension Liabilities

At June 30, 2024, the Town reported a liability of \$1,125,998 for its proportionate share of the net pension liabilities for each plan. The net pension liabilities were measured as of June 30, 2023 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of June 30, 2022. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all participating towns, actuarially determined.

At June 30, 2023, the Town's proportion was 0.35155% for VMERS, which was an increase of 0.01529% from its proportion measured as of June 30, 2022 for VMERS.

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

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2024, the Town recognized pension expense of \$137,691 for the VMERS plan. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	VMERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 70,617	\$ -
Changes of assumptions	36,702	-
Net difference between projected and actual earnings on pension plan investments	128,105	-
Changes in proportion and differences between contributions and proportionate share of contributions	24,759	21,040
Contributions subsequent to the measurement date	88,420	-
Total	\$ 348,603	\$ 21,040

\$88,420 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	VMERS Plan	
Plan year ended June 30:		
2024	\$	82,786
2025		35,719
2026		123,288
2027		(2,651)
2028		-
Thereafter		-

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

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Significant Actuarial Assumptions and Methods

The total pension liability for the June 30, 2023 measurement date was determined by rolling forward the total pension liability as of June 30, 2022 to June 30, 2023. The total pension liability was calculated using the following actuarial assumptions:

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

Inflation: 2.30%

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

Deaths After Retirement: Mortality rates for pre-retirement, healthy retirees and disabled retirees in the VMERS plan for Groups A, B, C and D were based on historical and current demographic data, adjusted to reflect health characteristics of the underlying groups and estimated future experience and professional judgment. The mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Pre-Retirement:

- Groups A/B/C - 40% PubG-2010 General Employee Amount-Weighted below-median and 60% of PubG-2010 General Employee Amount-Weighted, with generational projection using Scale MP-2021.
- Group D - PubG-2010 General Employee Amount-Weighted above-median, with generational projection using scale MP-2021.

Healthy Post-Retirement - Beneficiaries:

- Groups A/B/C - 70% Pub-2010 Contingent Survivor Amount-Weighted below-median and 30% of Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2021.
- Group D - Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2021.

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

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Disabled Post-Retirement:

- All Groups - PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with generational projection using Scale MP-2021.

Inactive Members: Valuation liability equals 100% of accumulated contributions. Inactive who are vested immediately become Deferred Members and the liabilities for all Deferred Members are based on the accrued benefit.

Future Administrative Expenses: An expense adjustment based on actual expenses for the previous year is reflected in the development of recommended employer contribution levels.

Unknown Data for Participants: The same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.

Percent Married: 85% of male members and 50% of female members are assumed to be married.

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

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

Actuarial Cost Method: The Projected Benefit Cost Method is used. Normal contribution rates for each Group are equal to rates from the prior year, adjusted for increases or decreases in rates due to assumption changes or plan provision changes.

Amortization Method: Amortization payments calculated to fully fund unfunded actuarial accrued liability with annual increases of 3% over a closed period. The amortization of unfunded actuarial accrued liability (UAAL) within the actuarially determined contribution rate calculation is based on the level percentage of pay required to amortize the UAAL over the 30-year closed period that began on July 1, 2008. As of July 1, 2022, the remaining amortization period is 16 years.

TOWN OF RICHMOND, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

A smoothing *asset valuation method* was used for funding purposes in the VMERS plan, under which the value of assets for actuarial purposes equals market value less a five-year phase-in of the differences between actual and assumed investment return. Then value of assets for actuarial purposes may not differ from the market value of assets by more than 20%.

The *long-term expected rate of return* on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) developed for each major asset class. These best estimate ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equities	44.00%	5.35%
Private Equity	10.00%	7.50%
Emerging Markets Debt	2.00%	5.00%
Private and Alternative Credit	10.00%	5.50%
Non-Core Real Estate	4.00%	5.50%
Core Fixed Income	19.00%	1.50%
Core Real Estate	4.00%	3.25%
US TIPS	2.00%	1.50%
Infrastructure/Farmland	5.00%	4.25%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for the VMERS plan. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy which exceeds the actuarially determined contribution rate. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

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

NOTE 16 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the Town’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 7.00% for the VMERS plan, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease	Discount Rate	1% Increase
<u>VMERS:</u>			
Discount rate	6.00%	7.00%	8.00%
 Town's proportionate share of the net pension liability	 \$ 1,694,801	 \$ 1,125,998	 \$ 658,464

Pension Plan Fiduciary Net Position

The schedule of employer allocations and schedule of pension amounts by employer are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The schedules present amounts that are elements of the financial statements of VMERS or their participating employers. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont’s Annual Comprehensive Financial Report. The Annual Report can be viewed on the State’s Department of Finance and Management website at: [Annual Comprehensive Financial Report | Department of Finance and Management \(vermont.gov\)](http://AnnualComprehensiveFinancialReport|DepartmentofFinanceandManagement.vermont.gov).

NOTE 17 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and others; environmental liability and natural disasters. The Town manages these risks through commercial insurance policies. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. There were no settlements in excess of insurance coverage in any of the past three years.

TOWN OF RICHMOND, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 18 - 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 19 - LETTERS OF CREDIT

At June 30, 2024, the Town had an outstanding irrevocable standby letter of credit issued by the Federal Home Loan Bank of Pittsburgh serving as collateral for its deposits held at TD, Bank, N.A. The letters of credit, which expire at the close of business on August 1, 2024, authorizes one draw only, up to the amount of \$8,500,000. There were no draws for the year ended June 30, 2024.

NOTE 20 - RESTATEMENTS

In fiscal year 2024, the Town determined that restatements to the governmental and business-type activities were required. The transactions are as follows:

	6/30/23 As Previously Reported	Change from Major to Nonmajor Fund	Capital Asset Correction	6/30/23 As Restated
Government-Wide:				
Governmental Activities	\$ 12,224,955	\$ -	\$ 40,508	\$ 12,265,463
Business-Type Activities	7,101,579	-	(112,186)	6,989,393
	<u>\$ 19,326,534</u>	<u>\$ -</u>	<u>\$ (71,678)</u>	<u>\$ 19,254,856</u>
Governmental Funds:				
Major Funds:				
General Fund	\$ 944,196	\$ -	\$ -	\$ 944,196
Highway Fund	708,712	-	-	708,712
Community Development Fund	-	-	-	-
Town Center Reserve Fund	255,419	(255,419)	-	-
ARPA Fund	-	-	-	-
Other Governmental Funds	1,602,775	255,419	-	1,858,194
	<u>\$ 3,511,102</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,511,102</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
- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Highway Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pension
- Notes to Required Supplementary Information

TOWN OF RICHMOND, VERMONT

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

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 944,196	\$ 944,196	\$ 944,196	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	9,854,751	9,854,751	9,860,513	5,762
Intergovernmental revenues:				
State PILOT	4,942	4,942	4,942	-
Act 60 Reappraisal grant	15,000	15,000	15,079	79
Equalization grant	1,761	1,761	1,774	13
Railroad tax	3,800	3,800	3,601	(199)
Current use program	85,675	85,675	81,082	(4,593)
Other	15,187	15,187	48,724	33,537
Charges for services	139,305	139,305	134,792	(4,513)
Interest income	14,000	14,000	203,760	189,760
Interest on taxes/penalties	30,000	30,000	21,159	(8,841)
Proceeds from sale of assets	5,000	5,000	9,987	4,987
Miscellaneous	29,100	29,100	49,734	20,634
Amounts Available for Appropriation	11,142,717	11,142,717	11,379,343	236,626
Charges to Appropriations (Outflows):				
Town administration	783,744	783,744	824,186	(40,442)
Assessors	32,500	32,500	37,740	(5,240)
Planning and zoning	244,507	244,507	232,701	11,806
Police department	710,061	710,061	490,461	219,600
Library department	312,223	312,223	332,830	(20,607)
Fire department	226,148	226,148	225,002	1,146
Recreation and trails	28,204	28,204	36,760	(8,556)
Charitable appropriations	107,139	107,139	109,005	(1,866)
Unclassified	102,663	102,663	195,861	(93,198)
Education	7,444,332	7,444,332	7,444,332	-
Transfers to other funds	207,000	207,000	207,000	-
Total Charges to Appropriations	10,198,521	10,198,521	10,135,878	62,643
Budgetary Fund Balance, June 30	\$ 944,196	\$ 944,196	\$ 1,243,465	\$ 299,269

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

TOWN OF RICHMOND, VERMONT

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

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 708,712	\$ 708,712	\$ 708,712	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	-	-	1,237,646	1,237,646
Intergovernmental Revenues:				
State aid	113,500	113,500	124,685	11,185
Better roads grants	-	-	20,000	20,000
FEMA reimbursement	1,237,646	1,237,646	323,983	(913,663)
Charges for services	3,400	3,400	3,000	(400)
Miscellaneous revenues	-	-	8,464	8,464
Amounts Available for Appropriation	<u>2,063,258</u>	<u>2,063,258</u>	<u>2,426,490</u>	<u>363,232</u>
Charges to Appropriations (Outflows):				
Payroll and benefits	580,083	580,083	603,253	(23,170)
Office expenses	41,689	41,689	42,500	(811)
Buildings and grounds	23,200	23,200	20,305	2,895
General expenses	18,900	18,900	15,386	3,514
Vehicles	121,700	121,700	131,034	(9,334)
Road maintenance	793,500	793,500	600,286	193,214
FEMA	-	-	392,175	(392,175)
Debt service:				
Principal	124,120	124,120	124,187	(67)
Interest	24,354	24,354	24,496	(142)
Transfers to other funds	127,000	127,000	127,000	-
Total Charges to Appropriations	<u>1,854,546</u>	<u>1,854,546</u>	<u>2,080,622</u>	<u>(226,076)</u>
Budgetary Fund Balance, June 30	<u>\$ 208,712</u>	<u>\$ 208,712</u>	<u>\$ 345,868</u>	<u>\$ 137,156</u>
Utilization of Unassigned Fund Balance	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ (500,000)</u>

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

TOWN OF RICHMOND, VERMONT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>VMERS:</u>										
Proportion of the net pension liability/(asset)	0.35%	0.34%	0.34%	0.36%	0.37%	0.36%	0.37%	0.35%	0.35%	0.35%
Proportionate share of the net pension liability/(asset)	\$ 1,125,998	\$ 1,020,104	\$ 505,248	\$ 906,137	\$ 640,774	\$ 513,000	\$ 440,234	\$ 456,034	\$ 268,497	\$ 32,043
Covered payroll	\$ 1,222,657	\$ 1,236,448	\$ 1,145,843	\$ 1,145,659	\$ 1,081,764	\$ 1,043,304	\$ 1,078,914	\$ 940,245	\$ 905,706	\$ 640,860
Proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	92.09%	82.50%	44.09%	79.09%	59.23%	49.17%	40.80%	48.50%	29.65%	5.00%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	74.01%	73.60%	86.29%	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

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

TOWN OF RICHMOND, VERMONT

SCHEDULE OF CONTRIBUTIONS - PENSION
LAST 10 FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>VMERS:</u>										
Contractually required contribution	\$ 88,420	\$ 79,472	\$ 84,130	\$ 74,237	\$ 70,963	\$ 63,874	\$ 59,340	\$ 53,856	\$ 48,682	\$ 45,288
Contributions in relation to the contractually required contribution	<u>(88,420)</u>	<u>(79,472)</u>	<u>(84,130)</u>	<u>(74,237)</u>	<u>(70,963)</u>	<u>(63,874)</u>	<u>(59,340)</u>	<u>(53,856)</u>	<u>(48,682)</u>	<u>(45,288)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,309,927	\$ 1,222,657	\$ 1,236,448	\$ 1,145,843	\$ 1,145,659	\$ 1,081,764	\$ 1,043,304	\$ 1,078,914	\$ 940,245	\$ 905,706
Contributions as a percentage of covered payroll	6.75%	6.50%	6.80%	6.48%	6.19%	5.90%	5.69%	4.99%	5.18%	5.00%

* The amounts presented for each fiscal year are for those years for which information is available.

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

TOWN OF RICHMOND, VERMONT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024

Changes of Assumptions

VMERS Pension Plan:

- Assumed rates of salary increase were adjusted, generally increased, based on plan experience.
- Assumed active retirement rates for all groups were adjusted based on plan experience.
- Assumed termination rates were adjusted based on plan experience. Rates are now split between Groups A and B and C and D.
- Assumed disability rates were adjusted based on plan experience. Rates are now split between Groups A and B and C and D.

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

Other Supplementary Information

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

- 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 Statement of Net Position - Fiduciary Funds - Private-Purpose Trust Funds
- Combining Statement of Changes in Net Position - Fiduciary Funds - Private-Purpose Trust Funds

TOWN OF RICHMOND, VERMONT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2024

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 293,585	\$ -	\$ 152,880	\$ 446,465
Due from other governments	3,558	-	-	3,558
Prepaid items	533	-	-	533
Due from other funds	476,961	1,017,022	-	1,493,983
TOTAL ASSETS	\$ 774,637	\$ 1,017,022	\$ 152,880	\$ 1,944,539
LIABILITIES				
Accounts payable	\$ 10,242	\$ 3,178	\$ -	\$ 13,420
Due to other funds	10,417	-	300	10,717
TOTAL LIABILITIES	20,659	3,178	300	24,137
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	146,995	-	-	146,995
TOTAL DEFERRED INFLOWS OF RESOURCES	146,995	-	-	146,995
FUND BALANCES				
Nonspendable	533	-	-	533
Restricted	495,026	-	152,580	647,606
Committed	44,982	1,013,844	-	1,058,826
Assigned	67,382	-	-	67,382
Unassigned (deficit)	(940)	-	-	(940)
TOTAL FUND BALANCES	606,983	1,013,844	152,580	1,773,407
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 774,637	\$ 1,017,022	\$ 152,880	\$ 1,944,539

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

TOWN OF RICHMOND, 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	\$ 20,000	\$ -	\$ -	\$ 20,000
Charges for services	160,810	-	-	160,810
Interest income	8,748	-	2,247	10,995
Other	35,442	86,235	32,182	153,859
TOTAL REVENUES	<u>225,000</u>	<u>86,235</u>	<u>34,429</u>	<u>345,664</u>
EXPENDITURES				
Capital outlay	-	525,872	-	525,872
Other	183,159	1,716	53,704	238,579
TOTAL EXPENDITURES	<u>183,159</u>	<u>527,588</u>	<u>53,704</u>	<u>764,451</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>41,841</u>	<u>(441,353)</u>	<u>(19,275)</u>	<u>(418,787)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	329,000	-	334,000
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,000</u>	<u>329,000</u>	<u>-</u>	<u>334,000</u>
NET CHANGE IN FUND BALANCES	<u>46,841</u>	<u>(112,353)</u>	<u>(19,275)</u>	<u>(84,787)</u>
FUND BALANCES - JULY 1, AS PREVIOUSLY PRESENTED	304,723	1,126,197	171,855	1,602,775
CHANGE WITHIN REPORTING ENTITY	<u>255,419</u>	<u>-</u>	<u>-</u>	<u>255,419</u>
FUND BALANCES - JULY 1, AS RESTATED	<u>560,142</u>	<u>1,126,197</u>	<u>171,855</u>	<u>1,858,194</u>
FUND BALANCES - JUNE 30	<u>\$ 606,983</u>	<u>\$ 1,013,844</u>	<u>\$ 152,580</u>	<u>\$ 1,773,407</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.

TOWN OF RICHMOND, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2024

	July 4th Celebration	Reappraisal Fund	Records Restoration Fund	Adam Muller Flag Fund	Recreation Path Fund	Recreation (Soccer/Tennis) Fund	Town Center Reserve Fund	Opioid
ASSETS								
Cash and cash equivalents	\$ 6,238	\$ -	\$ -	\$ -	\$ -	\$ 351	\$ 277,881	\$ -
Due from other governments	-	-	-	-	-	-	-	3,558
Prepaid items	533	-	-	-	-	-	-	-
Due from other funds	-	44,982	215,328	1,543	1,201	17,342	-	8,389
TOTAL ASSETS	\$ 6,771	\$ 44,982	\$ 215,328	\$ 1,543	\$ 1,201	\$ 17,693	\$ 277,881	\$ 11,947
LIABILITIES								
Accounts payable	\$ 145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	10,417	-
TOTAL LIABILITIES	145	-	-	-	-	-	10,417	-
DEFERRED INFLOWS OF RESOURCES								
Deferred revenue	-	-	-	-	-	-	1,284	8,389
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	1,284	8,389
FUND BALANCES (DEFICITS)								
Nonspendable	533	-	-	-	-	-	-	-
Restricted	-	-	215,328	-	-	-	266,180	3,558
Committed	-	44,982	-	-	-	-	-	-
Assigned	6,093	-	-	1,543	1,201	17,693	-	-
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	6,626	44,982	215,328	1,543	1,201	17,693	266,180	3,558
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 6,771	\$ 44,982	\$ 215,328	\$ 1,543	\$ 1,201	\$ 17,693	\$ 277,881	\$ 11,947

TOWN OF RICHMOND, VERMONT

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

	Tree Replacement Fund	Richmond Fire Dept Fund	Richmond Free Library Fund	Lister Education Fund	Grants Fund	Legal	Andrews Community Forest Fund	Fund 48	Total
ASSETS									
Cash and cash equivalents	\$ -	\$ 6,061	\$ 3,054	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 293,585
Due from other governments	-	-	-	-	-	-	-	-	3,558
Prepaid items	-	-	-	-	-	-	-	-	533
Due from other funds	237	-	-	1,357	155,082	-	29,500	2,000	476,961
TOTAL ASSETS	<u>\$ 237</u>	<u>\$ 6,061</u>	<u>\$ 3,054</u>	<u>\$ 1,357</u>	<u>\$ 155,082</u>	<u>\$ -</u>	<u>\$ 29,500</u>	<u>\$ 2,000</u>	<u>\$ 774,637</u>
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 9,157	\$ 940	\$ -	\$ -	\$ 10,242
Due to other funds	-	-	-	-	-	-	-	-	10,417
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,157</u>	<u>940</u>	<u>-</u>	<u>-</u>	<u>20,659</u>
DEFERRED INFLOWS OF RESOURCES									
Deferred revenue	-	-	-	-	137,322	-	-	-	146,995
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>137,322</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,995</u>
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	-	-	-	-	533
Restricted	-	-	-	1,357	8,603	-	-	-	495,026
Committed	-	-	-	-	-	-	-	-	44,982
Assigned	237	6,061	3,054	-	-	-	29,500	2,000	67,382
Unassigned	-	-	-	-	-	(940)	-	-	(940)
TOTAL FUND BALANCES (DEFICITS)	<u>237</u>	<u>6,061</u>	<u>3,054</u>	<u>1,357</u>	<u>8,603</u>	<u>(940)</u>	<u>29,500</u>	<u>2,000</u>	<u>606,983</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 237</u>	<u>\$ 6,061</u>	<u>\$ 3,054</u>	<u>\$ 1,357</u>	<u>\$ 155,082</u>	<u>\$ -</u>	<u>\$ 29,500</u>	<u>\$ 2,000</u>	<u>\$ 774,637</u>

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

TOWN OF RICHMOND, VERMONT

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

	July 4th Celebration	Reappraisal Fund	Records Restoration Fund	Adam Muller Flag Fund	Recreation Path Fund	Recreation (Soccer/Tennis) Fund	Town Center Reserve Fund	Opioid
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	14,500	19,073	-	-	4,980	122,257	-
Interest income	-	-	-	-	-	2	8,726	-
Other	10,858	-	-	-	-	-	-	3,558
TOTAL REVENUES	10,858	14,500	19,073	-	-	4,982	130,983	3,558
EXPENDITURES								
Other	8,583	50	546	3,862	-	-	120,222	-
TOTAL EXPENDITURES	8,583	50	546	3,862	-	-	120,222	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,275	14,450	18,527	(3,862)	-	4,982	10,761	3,558
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICIT)	2,275	14,450	18,527	(3,862)	-	4,982	10,761	3,558
FUND BALANCES - JULY 1, AS PREVIOUSLY PRESENTED	4,351	30,532	196,801	5,405	1,201	12,711	-	-
CHANGE WITHIN REPORTING ENTITY	-	-	-	-	-	-	255,419	-
FUND BALANCES (DEFICITS) - JULY 1, AS RESTATED	4,351	30,532	196,801	5,405	1,201	12,711	255,419	-
FUND BALANCES (DEFICITS) - JUNE 30	\$ 6,626	\$ 44,982	\$ 215,328	\$ 1,543	\$ 1,201	\$ 17,693	\$ 266,180	\$ 3,558

TOWN OF RICHMOND, VERMONT

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

	Tree Replacement Fund	Richmond Fire Dept Fund	Richmond Free Library Fund	Lister Education Fund	Grants Fund	Legal	Andrews Community Forest Fund	Fund 48	Total
REVENUES									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Charges for services	-	-	-	-	-	-	-	-	160,810
Interest income	-	20	-	-	-	-	-	-	8,748
Other	-	15,509	1,532	-	1,985	-	-	2,000	35,442
TOTAL REVENUES	-	15,529	1,532	-	21,985	-	-	2,000	225,000
EXPENDITURES									
Other	-	20,208	1,763	-	21,985	5,940	-	-	183,159
TOTAL EXPENDITURES	-	20,208	1,763	-	21,985	5,940	-	-	183,159
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(4,679)	(231)	-	-	(5,940)	-	2,000	41,841
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	5,000	-	-	5,000
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	5,000	-	-	5,000
NET CHANGE IN FUND BALANCES (DEFICIT)	-	(4,679)	(231)	-	-	(940)	-	2,000	46,841
FUND BALANCES - JULY 1, AS PREVIOUSLY PRESENTED	237	10,740	3,285	1,357	8,603	-	29,500	-	304,723
CHANGE WITHIN REPORTING ENTITY	-	-	-	-	-	-	-	-	255,419
FUND BALANCES (DEFICITS) - JULY 1, AS RESTATED	237	10,740	3,285	1,357	8,603	-	29,500	-	560,142
FUND BALANCES (DEFICITS) - JUNE 30	\$ 237	\$ 6,061	\$ 3,054	\$ 1,357	\$ 8,603	\$ (940)	\$ 29,500	\$ 2,000	\$ 606,983

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 RICHMOND, VERMONT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2024

	Fire Safety Equipment Fund	Police Reserve Fund	Library Reserve Fund	Fire Reserve Fund	Fire Impact Fees Fund	Sidewalk Reserve Fund
ASSETS						
Due from other funds	\$ 25,199	\$ 40,783	\$ 61,027	\$ 43,247	\$ 33,357	\$ 65,000
TOTAL ASSETS	\$ 25,199	\$ 40,783	\$ 61,027	\$ 43,247	\$ 33,357	\$ 65,000
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 3,178	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	3,178	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	25,199	40,783	57,849	43,247	33,357	65,000
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	25,199	40,783	57,849	43,247	33,357	65,000
TOTAL LIABILITIES AND FUND BALANCES	\$ 25,199	\$ 40,783	\$ 61,027	\$ 43,247	\$ 33,357	\$ 65,000

TOWN OF RICHMOND, VERMONT

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

	Highway Reserve Fund	Bridge and Culvert Reserve Fund	Guardrail Reserve Fund	Railroad Street Project Fund	Conservation Fund	Total
ASSETS						
Due from other funds	\$ -	\$ 418,926	\$ 29,016	\$ 7,069	293,398	\$ 1,017,022
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 418,926</u>	<u>\$ 29,016</u>	<u>\$ 7,069</u>	<u>\$ 293,398</u>	<u>\$ 1,017,022</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,178
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,178</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	418,926	29,016	7,069	293,398	1,013,844
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>418,926</u>	<u>29,016</u>	<u>7,069</u>	<u>293,398</u>	<u>1,013,844</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 418,926</u>	<u>\$ 29,016</u>	<u>\$ 7,069</u>	<u>\$ 293,398</u>	<u>\$ 1,017,022</u>

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

TOWN OF RICHMOND, VERMONT

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

	Fire Safety Equipment Fund	Police Reserve Fund	Library Reserve Fund	Fire Reserve Fund	Fire Impact Fees Fund	Sidewalk Reserve Fund
REVENUES						
Other	\$ -	\$ -	\$ -	\$ -	\$ 8,072	\$ -
TOTAL REVENUES	-	-	-	-	8,072	-
EXPENDITURES						
Capital outlay	28,529	-	9,385	269,257	-	-
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	28,529	-	9,385	269,257	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(28,529)	-	(9,385)	(269,257)	8,072	-
OTHER FINANCING SOURCES (USES)						
Transfers in	40,000	-	12,000	150,000	-	25,000
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	40,000	-	12,000	150,000	-	25,000
NET CHANGE IN FUND BALANCES	11,471	-	2,615	(119,257)	8,072	25,000
FUND BALANCES - JULY 1	13,728	40,783	55,234	162,504	25,285	40,000
FUND BALANCES - JUNE 30	\$ 25,199	\$ 40,783	\$ 57,849	\$ 43,247	\$ 33,357	\$ 65,000

TOWN OF RICHMOND, VERMONT

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

	Highway Reserve Fund	Bridge and Culvert Reserve Fund	Guardrail Reserve Fund	Railroad Street Project Fund	Conservation Fund	Total
REVENUES						
Other	\$ -	\$ -	\$ -	\$ -	\$ 78,163	\$ 86,235
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,163</u>	<u>86,235</u>
EXPENDITURES						
Capital outlay	168,701	-	-	-	50,000	525,872
Other	-	-	-	-	1,716	1,716
TOTAL EXPENDITURES	<u>168,701</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,716</u>	<u>527,588</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(168,701)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,447</u>	<u>(441,353)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	50,000	37,000	15,000	-	-	329,000
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>50,000</u>	<u>37,000</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>329,000</u>
NET CHANGE IN FUND BALANCES	<u>(118,701)</u>	<u>37,000</u>	<u>15,000</u>	<u>-</u>	<u>26,447</u>	<u>(112,353)</u>
FUND BALANCES - JULY 1	<u>118,701</u>	<u>381,926</u>	<u>14,016</u>	<u>7,069</u>	<u>266,951</u>	<u>1,126,197</u>
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ 418,926</u>	<u>\$ 29,016</u>	<u>\$ 7,069</u>	<u>\$ 293,398</u>	<u>\$ 1,013,844</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 Richmond, 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 the provision and/or maintenance of cemeteries.

TOWN OF RICHMOND, VERMONT

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2024

	Cemetery Funds	Total
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 152,880	\$ 152,880
TOTAL ASSETS	<u>\$ 152,880</u>	<u>\$ 152,880</u>
 LIABILITIES		
Due to other funds	\$ 300	\$ 300
TOTAL LIABILITIES	<u>300</u>	<u>300</u>
 FUND BALANCES		
Nonspendable	-	-
Restricted	152,580	152,580
Committed	-	-
Assigned	-	-
Unassigned	-	-
TOTAL FUND BALANCES	<u>152,580</u>	<u>152,580</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 152,880</u>	 <u>\$ 152,880</u>

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

TOWN OF RICHMOND, VERMONT

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

	Cemetery Funds	Total
REVENUES		
Interest income	\$ 2,247	\$ 2,247
Other	32,182	32,182
TOTAL REVENUES	<u>34,429</u>	<u>34,429</u>
EXPENDITURES		
Other	53,704	53,704
TOTAL EXPENDITURES	<u>53,704</u>	<u>53,704</u>
NET CHANGE IN FUND BALANCES	(19,275)	(19,275)
FUND BALANCES - JULY 1	<u>171,855</u>	<u>171,855</u>
FUND BALANCES - JUNE 30	<u>\$ 152,580</u>	<u>\$ 152,580</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 the Town's programs.

TOWN OF RICHMOND, VERMONT

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

	Edmunds Trust Fund	Shanyon Athletic Fund	Shanyon Trust Fund	Total
ASSETS				
Cash and cash equivalents	\$ 25,450	\$ 3,255	\$ 3,519	\$ 32,224
TOTAL ASSETS	<u>\$ 25,450</u>	<u>\$ 3,255</u>	<u>\$ 3,519</u>	<u>\$ 32,224</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Restricted	25,450	3,255	3,519	32,224
TOTAL NET POSITION	<u>25,450</u>	<u>3,255</u>	<u>3,519</u>	<u>32,224</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 25,450</u>	<u>\$ 3,255</u>	<u>\$ 3,519</u>	<u>\$ 32,224</u>

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

TOWN OF RICHMOND, VERMONT

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

	Edmunds Trust Fund	Shanyon Athletic Fund	Shanyon Trust Fund	Total
ADDITIONS				
Investment earnings:				
Interest income	\$ 255	\$ 33	\$ 35	\$ 323
TOTAL REVENUES	<u>255</u>	<u>33</u>	<u>35</u>	<u>323</u>
DEDUCTIONS				
Other	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	255	33	35	323
NET POSTION - JULY 1	<u>25,195</u>	<u>3,222</u>	<u>3,484</u>	<u>31,901</u>
NET POSITION - JUNE 30	<u>\$ 25,450</u>	<u>\$ 3,255</u>	<u>\$ 3,519</u>	<u>\$ 32,224</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 Richmond
Richmond, 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, business-type activities, each major fund and the aggregate remaining fund information of the Town of Richmond as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Town of Richmond's basic financial statements and have issued our report thereon dated January 15, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Richmond'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 Richmond's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Richmond, 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.

3 Old Orchard Road, Buxton, Maine 04093
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609
www.rhrsmith.com

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 Richmond's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the Town of Richmond in a separate letter dated January 15, 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.

RHR Smith & Company

Buxton, Maine
January 15, 2025