

TOWN OF ST. JOHNSBURY, VERMONT

AUDIT REPORT

JUNE 30, 2023

TOWN OF ST. JOHNSBURY, VERMONT
AUDIT REPORT
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Independent Auditor's Report

Board of Selectmen
Town of St. Johnsbury, Vermont
51 Depot Square
St. Johnsbury, Vermont 05819

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of St. Johnsbury, Vermont as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of St. Johnsbury, Vermont's basic financial statements as listed in the Table of Contents.

In our opinion, the 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 St. Johnsbury, Vermont, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principles

As described in Note I.F. to the financial statements, effective June 30, 2023, the Town implemented GASB Statement No. 96, "Subscription-Based Information Technology Arrangements".

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 St. Johnsbury, Vermont's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 11, the budgetary comparison information for the General Fund, the Highway Fund and the Special Services Fund, the Schedule of Proportionate Share of the Net Pension Liability and the Schedule of Contributions for the Town's participation in VMERS and the Schedule of Funding Progress, the Schedule of Changes in Net Position Liability and Related Ratios, the Schedule of Employer Contributions and the Schedule of Investment Returns for the Pension Trust Fund presented in Schedules 1 through 9, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Other Reporting Required by "Government Auditing Standards"

In accordance with "Government Auditing Standards", we have also issued our report dated October 10, 2023 on our consideration of the Town of St. Johnsbury, Vermont's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of St. Johnsbury, Vermont's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the Town of St. Johnsbury, Vermont's internal control over financial reporting and compliance.

Sullivan, Powers & Co.

October 10, 2023
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF ST. JOHNSBURY, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

Management of the Town of St. Johnsbury (the Town) offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2023. Please note that this section of the Basic Financial Statements is unaudited.

FINANCIAL HIGHLIGHTS

The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$43,130,966 (net position). Of this amount, \$3,329,614 (unrestricted net position) may be used to meet the Town's ongoing obligations. The balance of net position is made up of \$39,292,329 net investment in capital assets and \$509,023 restricted for specific purposes.

The Town's total net position increased by \$3,586,351. Of this amount, net position attributable to governmental activities decreased by \$471,677 and net position attributable to business-type activities increased by \$4,058,028.

At the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$5,503,137, an increase of \$991,069 over the prior year. Changes in net position were in accordance with spending plans approved by the Selectboard and/or the voters.

At the end of the current fiscal year, unrestricted fund balance (the total of the nonspendable, committed, assigned and unassigned components of fund balance) for the general fund was \$3,828,371.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements which are presented in three sections: (1) government-wide financial statements (2) fund financial statements and (3) notes to the financial statements. In addition to the basic financial statements, this report also contains other and required supplementary information such as a general fund budget to actual comparison and combining financial statements.

It is important for the reader to understand that, although governmental accounting resembles private sector accounting, there are significant differences between the two. For readers versed in private sector accounting, the government-wide financial statements will be the most familiar. The readers should know that the financial activities of the government unit are recorded in funds. A fund, generally, is a separate set of books for each major activity. For example the Town operates a wastewater treatment facility and a water treatment plant. These operations are referred to as business-type activities, they are supported by user fees, and are recorded in enterprise funds separately from the general governmental activities, which are accounted for primarily in the general fund and supported in large part by property tax revenues.

Government-Wide Financial Statements

The government-wide financial statements provide a general overview of the operations of the Town presenting all data on the full accrual basis, similar to the way a private sector business would present its financial statements. There are two statements presented at the government-wide level; the Statement of Net Position and the Statement of Activities. Within each of these statements, the governmental activities are presented separately from business-type activities. The governmental activities reflect the Town's basic services; including general government, public safety, public works, health and social services, parks and recreation and development and cultural programs. Property taxes finance the majority of these services supplemented by program fees, grant revenues, and other revenues. The business-type activities reflect private-sector-type operations for which user fees recover all or a significant portion of costs. The business-type activities of the Town include the water and sewer operations.

The Statement of Net Position presents information on all of the Town's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities reports how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused leave).

The government-wide financial statements include not only the Town itself (referred to as the primary government) but also other legally separate entities for which the Town is financially accountable (referred to as component units). During the period under audit, the Town was not responsible for any entities that qualify as component units.

The government-wide financial statements can be found in Exhibits A and B of this report.

Fund Financial Statements

A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. The funds of the Town are segregated into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund financial statements provide a detailed short-term view that helps the reader determine the level of financial resources that are available to finance the Town's programs in the near future. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided that reconciles the governmental fund financial statements to the government-wide statements explaining the relationship between the two.

The Town maintains six individual governmental funds, including the General Fund, four Special Revenue Funds, and a Permanent Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Highway Fund, the Special Services Fund and the Grant Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found in Exhibits C through E of the report. The Town adopts an annual appropriated budget for its General Fund, its Highway Fund and its Special Services Fund. Budgetary comparison statements are provided in Schedules 1 through 3 for the purpose of demonstrating compliance with the duly appropriated budgets.

Proprietary funds are used to account for a government's business – type activities. There are two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town maintains two enterprise funds; the Water Fund and the Sewer Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. At this time, the Town has no internal service funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund and the Sewer Fund.

The proprietary fund financial statements of the Town may be found in Exhibits F through H.

Fiduciary funds, account for resources for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the programs of the Town. The accounting used for fiduciary funds is much like that used for proprietary funds. The Town has two fiduciary funds at this time, the Pension Trust Fund and the Education Tax Fund.

Notes to the Financial Statements provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes serve to explain, clarify and expand upon the financial data presented in the financial statements and provide some additional information as well. The notes can be found immediately following the basic financial statements.

In addition to the basic financial statements and accompanying notes, certain **Supplementary Information** is provided, including a budgetary comparison statement for the General Fund and the Town's progress in funding its obligation to provide pension benefits to its employees. The supplementary information can be found immediately following the notes to the financial statements in this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on the budget and pension.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary Statement of Net Position

	2023			2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other Assets	\$ 6,188,016	\$ 3,769,228	\$ 9,957,244	\$ 4,843,674	\$ 3,683,225	\$ 8,526,899
Capital Assets	28,068,270	28,774,557	56,842,827	28,739,289	24,718,550	53,457,839
Total Assets	34,256,286	32,543,785	66,800,071	33,582,963	28,401,775	61,984,738
Deferred Outflows of Resources	2,517,877	164,223	2,682,100	673,548	15,136	688,684
Current Liabilities	524,106	1,056,213	1,580,319	214,445	930,740	1,145,185
Noncurrent Liabilities	11,380,502	12,711,792	24,092,294	7,857,939	12,590,801	20,448,740
Total Liabilities	11,904,608	13,768,005	25,672,613	8,072,384	13,521,541	21,593,925
Deferred Inflows of Resources	623,907	54,685	678,592	1,466,802	68,080	1,534,882
Net Position:						
Net Investment in Capital Assets	22,769,255	16,523,074	39,292,329	23,182,883	12,290,790	35,473,673
Restricted	509,023	0	509,023	513,761	0	513,761
Unrestricted	967,370	2,362,244	3,329,614	1,020,681	2,536,500	3,557,181
Total Net Position	\$ 24,245,648	\$ 18,885,318	\$ 43,130,966	\$ 24,717,325	\$ 14,827,290	\$ 39,544,615

As noted earlier, net position serves as a useful indicator of a government's financial position over time. At the end of the most recent fiscal year, the Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$43,130,966. The Town's total net position is split between governmental activities net position of \$24,245,648 and business-type activities net position of \$18,885,318.

The largest portion of the Town's total net position reflects its investment in capital assets (construction in progress, equipment, land, buildings and infrastructure) net of any outstanding debt used to acquire or construct those assets. The Town uses the capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The Town strives on an ongoing basis to work reserves into the annual budget to provide for financial contingencies and reserves for a long-term capital plan.

The Town's total net assets also include \$509,023 of restricted net position. These are assets representing resources subject to external restriction as to how they may be used. The remaining balance of unrestricted net position equal to \$3,329,614 may be used to meet the government's ongoing financial obligations. Included in unrestricted net position are amounts that management has assigned for particular purposes, such as capital reserve funds and reserves for expenditures in subsequent years.

Summary of the Statement of Activities

	2023			2022		
	Governmental	Business-type		Governmental	Business-type	
	Activities	Activities	Total	Activities	Activities	Total
Revenues:						
Program Revenues:						
Charges for Services	\$ 763,909	\$ 2,940,539	\$ 3,704,448	\$ 677,210	\$ 2,970,833	\$ 3,648,043
Operating Grants and Contributions	464,704	15,362	480,066	388,099	104,985	493,084
Capital Grants and Contributions	157,952	4,468,569	4,626,521	308,486	1,226,285	1,534,771
General Revenues:						
Property Taxes	6,555,682	0	6,555,682	6,323,623	0	6,323,623
Penalties and Interest in Delinquent Taxes	83,438	0	83,438	100,903	0	100,903
General State Grants	348,789	0	348,789	302,953	0	302,953
ARPA Funds	1,070,211	0	1,070,211	1,069,707	0	1,069,707
Unrestricted Investment Earnings	51,987	2,484	54,471	16,315	485	16,800
Insurance Proceeds	18,419	0	18,419	24,874	0	24,874
Gain on Sale of Property/Equipment/Vehicles	99,982	0	99,982	13,400	21,500	34,900
Other Revenues	5,314	0	5,314	3,712	0	3,712
Total Revenues	9,620,387	7,426,954	17,047,341	9,229,282	4,324,088	13,553,370
Expenses:						
General Government	1,571,754	0	1,571,754	1,245,116	0	1,245,116
Public Safety	4,114,480	0	4,114,480	3,310,258	0	3,310,258
Public Works	3,677,091	0	3,677,091	2,875,275	0	2,875,275
Culture and Recreation	281,527	0	281,527	216,670	0	216,670
Community Development	343,530	0	343,530	210,390	0	210,390
Cemetery	12,261	0	12,261	12,534	0	12,534
Interest on Long-term Debt	91,421	0	91,421	92,875	0	92,875
Water	0	1,585,825	1,585,825	0	1,442,699	1,442,699
Sewer	0	1,783,101	1,783,101	0	2,093,487	2,093,487
Total Expenses	10,092,064	3,368,926	13,460,990	7,963,118	3,536,186	11,499,304
Change in Net Position	(471,677)	4,058,028	3,586,351	1,266,164	787,902	2,054,066
Beginning Net Position	24,717,325	14,827,290	39,544,615	23,451,161	14,039,388	37,490,549
Ending Net Position	\$ 24,245,648	\$ 18,885,318	\$ 43,130,966	\$ 24,717,325	\$ 14,827,290	\$ 39,544,615

Governmental Activities

Governmental activities decreased the Town's net position by \$471,677 for the year ended June 30, 2023. Business type activities increased the Town's net position by \$4,058,028 due to the capital grants invested in capital assets.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The focus of the Town's governmental funds is to provide information on current year revenue, expenditures and balances of spendable resources. Such information is useful in assessing the Town's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$5,503,137, an increase of \$991,069 over the prior year. Of this total amount, \$81,936 is non-spendable (prepaid expenses and cemetery fund principal) and \$498,805 is restricted to indicate that it is not available for discretionary spending because it is otherwise restricted by grant agreements, statutes, or bond covenants. Of the remaining amount, \$817,548 has been assigned by the Town for various purposes, \$1,177,827 is committed for the Highway Fund and \$2,927,021 is unassigned.

The general fund is the chief operating fund of the Town. At the end of the year, total fund balance in the general fund was \$3,844,219, an increase of \$1,015,672 from the previous year. Of this amount, \$75,866 is non-spendable and \$15,848 is restricted. The remaining amount of \$817,548 has been assigned as detailed in the footnotes and \$2,934,957 is unassigned. Included in the General Fund are two other funds that do not qualify as special revenue funds, the Parking Meter Fund and the Recreation Fund.

At the end of the year, the total fund balance in the Highway Fund was \$1,177,827, a decrease of \$7,893 from the balance of the previous year. The entire fund balance in Highway is committed.

The Special Services Fund has an ending fund balance of \$262,710, a decrease of \$15,022 from the previous year. The entire fund balance in Special Services is restricted.

Proprietary Funds

The Town's proprietary fund provides the same type of information found in the government-wide financial statements but in more detail.

Total net position in the water fund is \$8,723,405, an increase of \$593,639 from the previous year. In the sewer fund, total net position is \$10,161,913, an increase of \$3,464,389 from the previous year.

BUDGETARY HIGHLIGHTS

The Town's budget for the year ended June 30, 2023 passed on the first vote in March of 2022. Notable variances are as follows:

General Fund:

- Housing grants were funded through the housing reserves.
- The Armory project was funded through armory and unallocated reserves.
- A new bathroom was installed in the Pomerleau building.
- Cemetery expenses were under budget by \$17,039 due to DPW mowing the cemeteries instead of contracting out.
- IT under budget by \$32,754 due to expected upgrades not being completed.
- Legal expenses were \$24,616 over budget.
- Management of the Knob was under budget by \$35,848.
- ARPA revenue of \$1,070,211 was received and projects of \$214,864 were expensed.
- The fund was budgeted with a deficit of expenditures over revenues of \$150,000.

Highway Fund:

- Summer maintenance was over budget due to completing FY 2024 paving in FY 2023.
- Unbudgeted local matches for projects totaling \$97,514 was offset by \$126,650 in grant revenue.
- Bike path local match was under budget by \$37,494 due to project still being on hold.
- New equipment purchase of \$329,926 was offset by loan proceeds of \$354,643.
- Winter maintenance expense was under budget by \$107,162 due to a relatively warm winter.

Special Services:

- Special Services had vacant positions during the fiscal year resulting in significant overtime.
- The fund was budgeted with a deficit of expenditures over revenues of \$40,000.
- Fingerprinting revenue exceeded budget by \$38,876.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town's capital assets for its governmental and business-type activities as of June 30, 2023 were \$97,969,062 (before depreciation). This investment in capital assets includes land, buildings and improvements, vehicles and equipment, roads and bridges, and water and wastewater distribution and collections systems.

Major capital asset events during the current fiscal year included the following: Water and Wastewater projects and equipment purchases for Department of Public Works and Special Services and building improvements in the General Fund. Additional information on the Town's capital assets can be found in Note IV.D of the notes to financial statements.

Long-term debt – At the end of the current year the Town had total long-term debt outstanding of \$17,632,742. Of this amount, \$11,129,768 represents bonded debt backed by the full faith and credit of the Town and \$6,502,974 represents revolving loans issued by the State of Vermont.

State statutes limit the amount of bonded debt any governmental entity may issue to 10 times its total assessed valuation. Bonds are issued through the Vermont Municipal Bond Bank. The Town issues no bonded debt on its own behalf and does not maintain its own credit rating.

Additional information on the Town's long-term debt can be found in note IV.I of the notes to financial statements.

Economic Factors and Next Year's Budget and Rates

The unemployment rate for the Town is currently 2.6 percent, down from 3.0 percent one year ago. This compares with 1.9 percent state-wide, down from 2.2 percent statewide one year ago.

The Town approved a General Fund budget for the 2023-24 fiscal year in the amount of \$4,287,930. This represents an increase of 12% over the previous budget excluding special appropriations for the previous year.

Economic Development Update 2023:

It has been an exciting year for St. Johnsbury as we witness public and private investment within our community. The Town continues to invest in water & waste-water infrastructure improvements to support growth, and the Town remains committed to redeveloping the former Armory building on Main Street into a state-of-the-art police, dispatch, and regional training facility. The Town also applied and was awarded a Neighborhood Development Area (NDA) in the Summerville neighborhood, which provides incentives to catalyze new housing development. Town Officials recently authorized \$2M through its St. Johnsbury Revitalization Fund to support new housing projects, business development, growth within our creative economy, support for a local food cooperative, and recreation initiatives that together will leverage \$40M-\$80M of investment over the next 3-5 years.

The private sector proves that St. Johnsbury is a good investment as new businesses are opening and existing ones are expanding. The opening of 98 Mill Street, the expansion of Boule bakery, the addition of many small businesses and professionals to 67 Eastern Avenue, the relocation and expansion of Northern Express Care to the former Caplan's building, and the addition of Yummies snack bar & café at 17 Eastern Avenue are just a few examples of new and expanded business activities during 2023.

2023-24 Business Outlook:

Business activity looks promising as new businesses prepare to open and new projects prepare to begin construction. This fall, a new restaurant will open at 25 Depot Square, Momentum Business Solutions will relocate to 1 Eastern Avenue, and the Northern Forest housing and commercial spaces project at 560 Railroad Street will begin. Town Officials continue to support longer-term projects that include the St. Johnsbury Development Fund's effort to develop housing at 151 Hastings Hill, Rural Edge's Packard Court plans for the Main Street Fire Site, and the Caledonia Food Cooperative's effort to secure a downtown location for a 10,000 sf food coop. Town Officials remain focused on completing the downtown LVRT connection, which will bring thousands of outdoor recreation enthusiasts to downtown St. Johnsbury when complete, and we are excited about Catamount Art's vision of a Creative Campus along the Eastern Avenue corridor. These projects will support population and grand list growth, essential to ensure a vibrant, sustainable community.

A special thank you goes out to our economic development partners, residents, and stakeholders who provide countless hours working on community and economic development initiatives. Your efforts, leadership, and commitment to St. Johnsbury are critical to developing long-term sustainable growth.

Request for Information:

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Finance Officer, Town Offices, 51 Depot Square, Suite 3, St. Johnsbury, VT 05819.

TOWN OF ST. JOHNSBURY, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash	\$ 6,956,085	\$ 408,275	\$ 7,364,360
Investments	199,290	201,827	401,117
Receivables	350,809	1,764,183	2,114,992
Internal Balances	(1,394,943)	1,394,943	0
Prepaid Expenses	76,775	0	76,775
Capital Assets:			
Land	558,197	185,592	743,789
Construction in Progress	162,127	8,423,757	8,585,884
Other Capital Assets, (Net of Accumulated Depreciation)	27,347,946	20,165,208	47,513,154
Total Assets	<u>34,256,286</u>	<u>32,543,785</u>	<u>66,800,071</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	750,059	0	750,059
Deferred Outflows of Resources Related to the Town's Pension Plan	1,767,818	164,223	1,932,041
Total Deferred Outflows of Resources	<u>2,517,877</u>	<u>164,223</u>	<u>2,682,100</u>
<u>LIABILITIES</u>			
Accounts Payable	434,029	1,017,590	1,451,619
Accrued Payroll and Benefits Payable	81,786	1,904	83,690
Unearned Revenue	1,120	6,404	7,524
Tax Sale Overpayments	242	0	242
Accrued Interest Payable	6,929	30,315	37,244
Noncurrent Liabilities:			
Due Within One Year	495,675	618,337	1,114,012
Due in More than One Year	10,884,827	12,093,455	22,978,282
Total Liabilities	<u>11,904,608</u>	<u>13,768,005</u>	<u>25,672,613</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Prepaid Property Taxes	23,901	0	23,901
Deferred Inflows of Resources Related to the Town's Participation in VMERS	11,340	0	11,340
Deferred Inflows of Resources Related to the Town's Pension Plan	588,666	54,685	643,351
Total Deferred Inflows of Resources	<u>623,907</u>	<u>54,685</u>	<u>678,592</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	22,769,255	16,523,074	39,292,329
Restricted For:			
Public Safety	262,710	0	262,710
Cemetery	226,317	0	226,317
Other	19,996	0	19,996
Unrestricted	967,370	2,362,244	3,329,614
Total Net Position	<u>\$ 24,245,648</u>	<u>\$ 18,885,318</u>	<u>\$ 43,130,966</u>

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

TOWN OF ST. JOHNSBURY, VERMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Primary Government:							
Governmental Activities:							
General Government	\$ 1,571,754	\$ 313,434	\$ 45,374	\$ 0	\$ (1,212,946)	\$ 0	\$ (1,212,946)
Public Safety	4,114,480	444,341	91,433	50,000	(3,528,706)	0	(3,528,706)
Public Works	3,677,091	3,034	263,040	107,952	(3,303,065)	0	(3,303,065)
Culture and Recreation	281,527	0	64,857	0	(216,670)	0	(216,670)
Community Development	343,530	0	0	0	(343,530)	0	(343,530)
Cemetery	12,261	3,100	0	0	(9,161)	0	(9,161)
Interest on Long-term Debt	91,421	0	0	0	(91,421)	0	(91,421)
Total Governmental Activities	10,092,064	763,909	464,704	157,952	(8,705,499)	0	(8,705,499)
Business-type Activities:							
Water	1,585,825	1,301,361	0	876,886	0	592,422	592,422
Sewer	1,783,101	1,639,178	15,362	3,591,683	0	3,463,122	3,463,122
Total Business-type Activities	3,368,926	2,940,539	15,362	4,468,569	0	4,055,544	4,055,544
Total Primary Government	\$ 13,460,990	\$ 3,704,448	\$ 480,066	\$ 4,626,521	(8,705,499)	4,055,544	(4,649,955)
General Revenues:							
Property Taxes					6,555,682	0	6,555,682
Penalties and Interest on Delinquent Taxes					83,438	0	83,438
General State Grants					348,789	0	348,789
ARPA Funds					1,070,211	0	1,070,211
Unrestricted Investment Earnings					51,987	2,484	54,471
Insurance Proceeds					18,419	0	18,419
Gain on Sale of Property					72,821	0	72,821
Gain on Sale of Equipment					22,941	0	22,941
Gain on Sale of Vehicles					4,220	0	4,220
Other Revenues					5,314	0	5,314
Total General Revenues					8,233,822	2,484	8,236,306
Change in Net Position					(471,677)	4,058,028	3,586,351
Net Position - July 1, 2022					24,717,325	14,827,290	39,544,615
Net Position - June 30, 2023					\$ 24,245,648	\$ 18,885,318	\$ 43,130,966

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

TOWN OF ST. JOHNSBURY, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Highway Fund	Special Services Fund	Grant Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash	\$ 6,928,978	\$ 0	\$ 0	\$ 0	\$ 27,107	\$ 6,956,085
Investments	0	0	0	0	199,290	199,290
Receivables (Net of Allowance for Uncollectibles)	188,316	50,000	4,754	107,739	0	350,809
Due from Other Funds	0	1,547,315	281,618	0	56	1,828,989
Prepaid Items	75,866	0	909	0	0	76,775
Total Assets	<u>\$ 7,193,160</u>	<u>\$ 1,597,315</u>	<u>\$ 287,281</u>	<u>\$ 107,739</u>	<u>\$ 226,453</u>	<u>\$ 9,411,948</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 17,847	\$ 395,633	\$ 10,263	\$ 10,286	\$ 0	\$ 434,029
Accrued Payroll and Benefits Payable	43,623	23,855	14,308	0	0	81,786
Due to Other Funds	3,130,491	0	0	93,305	136	3,223,932
Unearned Revenue	1,120	0	0	0	0	1,120
Tax Sale Overpayments	242	0	0	0	0	242
Total Liabilities	<u>3,193,323</u>	<u>419,488</u>	<u>24,571</u>	<u>103,591</u>	<u>136</u>	<u>3,741,109</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Prepaid Property Taxes	23,901	0	0	0	0	23,901
Unavailable Property Taxes, Penalties and Interest	131,717	0	0	0	0	131,717
Unavailable Grants	0	0	0	12,084	0	12,084
Total Deferred Inflows of Resources	<u>155,618</u>	<u>0</u>	<u>0</u>	<u>12,084</u>	<u>0</u>	<u>167,702</u>
<u>FUND BALANCES</u>						
Nonspendable	75,866	0	909	0	5,161	81,936
Restricted	15,848	0	261,801	0	221,156	498,805
Committed	0	1,177,827	0	0	0	1,177,827
Assigned	817,548	0	0	0	0	817,548
Unassigned/(Deficit)	2,934,957	0	0	(7,936)	0	2,927,021
Total Fund Balances	<u>3,844,219</u>	<u>1,177,827</u>	<u>262,710</u>	<u>(7,936)</u>	<u>226,317</u>	<u>5,503,137</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,193,160</u>	<u>\$ 1,597,315</u>	<u>\$ 287,281</u>	<u>\$ 107,739</u>	<u>\$ 226,453</u>	
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.						28,068,270
Other Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds.						143,801
Long-term and Accrued Liabilities, Including Bonds Payable and the Net Pension Liability, are not Due or Payable in the Current Period and, Therefore, are not Reported in the Funds.						(11,387,431)
Deferred Outflows and Inflows of Resources Related to the Town's Pension Plan and it's Participation in VMERS are Applicable to Future Periods and, Therefore, are not Reported in the Funds.						<u>1,917,871</u>
Net Position of Governmental Activities						<u>\$ 24,245,648</u>

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

TOWN OF ST. JOHNSBURY, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Highway Fund	Special Services Fund	Grant Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:						
Property Taxes	\$ 2,729,779	\$ 2,468,904	\$ 1,298,702	\$ 0	\$ 0	\$ 6,497,385
Penalties and Interest on Delinquent Taxes	83,438	0	0	0	0	83,438
Intergovernmental	1,354,005	480,382	118,324	158,116	0	2,110,827
Charges for Services	518,352	255,397	84,499	0	3,100	861,348
Permits, Licenses and Fees	201,198	875	0	0	0	202,073
Fines and Forfeits	43,365	0	11,247	0	0	54,612
Investment Income	44,153	0	0	0	7,834	51,987
Donations	0	0	100	0	0	100
Other	1,325	3,989	0	0	0	5,314
Total Revenues	4,975,615	3,209,547	1,512,872	158,116	10,934	9,867,084
Expenditures:						
General Government	1,497,472	0	0	33,784	0	1,531,256
Public Safety	1,831,041	0	1,332,468	53,216	0	3,216,725
Public Works	0	2,577,528	0	0	0	2,577,528
Culture and Recreation	216,670	0	0	64,857	0	281,527
Community Development	313,444	0	0	30,086	0	343,530
Cemetery	11,611	0	0	0	650	12,261
Capital Outlay:						
General Government	19,690	0	0	0	0	19,690
Public Safety	113,048	0	104,840	0	0	217,888
Public Works	0	391,114	0	53,134	0	444,248
Debt Service:						
Principal	70,000	542,034	0	0	0	612,034
Interest	28,355	64,017	0	0	0	92,372
Total Expenditures	4,101,331	3,574,693	1,437,308	235,077	650	9,349,059
Excess/(Deficiency) of Revenues Over Expenditures	874,284	(365,146)	75,564	(76,961)	10,284	518,025
Other Financing Sources/(Uses):						
Insurance Proceeds	18,419	0	0	0	0	18,419
Issuance of Long-term Debt	0	354,643	0	0	0	354,643
Proceeds from Sale of Property	72,821	0	0	0	0	72,821
Proceeds from Sale of Equipment	2,641	20,300	0	0	0	22,941
Proceeds from Sale of Vehicles	0	0	4,220	0	0	4,220
Transfers In	176,206	0	81,400	64,989	0	322,595
Transfers Out	(128,699)	(17,690)	(176,206)	0	0	(322,595)
Total Other Financing Sources/(Uses)	141,388	357,253	(90,586)	64,989	0	473,044
Net Change in Fund Balances	1,015,672	(7,893)	(15,022)	(11,972)	10,284	991,069
Fund Balances - July 1, 2022	2,828,547	1,185,720	277,732	4,036	216,033	4,512,068
Fund Balances/(Deficit) - June 30, 2023	\$ 3,844,219	\$ 1,177,827	\$ 262,710	\$ (7,936)	\$ 226,317	\$ 5,503,137

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

TOWN OF ST. JOHNSBURY, 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, 2023

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total government funds (Exhibit D)	\$ 991,069
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$681,826) is allocated over their estimated useful lives and reported as depreciation expense (\$1,352,845). This is the amount by which depreciation exceeded capital outlays in the current period.	(671,019)
The issuance of long-term debt (\$354,643) (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$612,034) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	257,391
Governmental funds report employer pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.	(1,025,206)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This amount is the net difference in the treatment of these items from the previous year.	39,026
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount is the net difference in the treatment of these items from the previous year.	<u>(62,938)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ (471,677)</u>

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

TOWN OF ST. JOHNSBURY, VERMONT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Water Fund	Sewer Fund	Total
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 124,768	\$ 283,507	\$ 408,275
Investments	100,917	100,910	201,827
Receivables	34,403	1,002,493	1,036,896
Unbilled Receivables	353,694	373,593	727,287
Due from Other Funds	1,744,055	0	1,744,055
Total Current Assets	2,357,837	1,760,503	4,118,340
Noncurrent Assets:			
Capital Assets:			
Land	135,894	49,698	185,592
Construction in Progress	2,786,094	5,637,663	8,423,757
Buildings and Building Improvements	5,157,096	14,355,364	19,512,460
Vehicles, Machinery and Equipment	361,102	808,859	1,169,961
Distribution and Collection Systems	14,263,296	13,303,749	27,567,045
Less: Accumulated Depreciation	(9,658,265)	(18,425,993)	(28,084,258)
Total Noncurrent Assets	13,045,217	15,729,340	28,774,557
Total Assets	15,403,054	17,489,843	32,892,897
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Pension Plan	164,223	0	164,223
Total Deferred Outflows of Resources	164,223	0	164,223
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	309,196	708,394	1,017,590
Accrued Payroll and Benefits Payable	1,904	0	1,904
Due to Other Funds	0	349,112	349,112
Unearned Revenue	6,404	0	6,404
Accrued Interest Payable	15,862	14,453	30,315
General Obligation Bonds Payable - Current Portion	244,154	374,183	618,337
Total Current Liabilities	577,520	1,446,142	2,023,662
Noncurrent Liabilities:			
Compensated Absences Payable	7,791	0	7,791
Net Pension Liability - Town's Pension Plan	370,274	0	370,274
General Obligation Bonds Payable - Noncurrent Portion	5,833,602	5,881,788	11,715,390
Total Noncurrent Liabilities	6,211,667	5,881,788	12,093,455
Total Liabilities	6,789,187	7,327,930	14,117,117
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources Related to the Town's Pension Plan	54,685	0	54,685
Total Deferred Inflows of Resources	54,685	0	54,685
<u>NET POSITION</u>			
Net Investment in Capital Assets	6,967,461	9,555,613	16,523,074
Unrestricted	1,755,944	606,300	2,362,244
Total Net Position	\$ 8,723,405	\$ 10,161,913	\$ 18,885,318

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

TOWN OF ST. JOHNSBURY, VERMONT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	\$ 1,295,249	\$ 1,624,410	\$ 2,919,659
Interest and Penalties	2,529	6,595	9,124
Other	3,583	8,173	11,756
	<u>1,301,361</u>	<u>1,639,178</u>	<u>2,940,539</u>
Total Operating Revenues			
Operating Expenses:			
Salaries and Benefits	256,255	0	256,255
Administrative	261,070	213,147	474,217
Utilities	85,581	204,525	290,106
Distribution and Collection	399,473	905,377	1,304,850
Taxes	41,299	0	41,299
Depreciation	415,774	354,197	769,971
	<u>1,459,452</u>	<u>1,677,246</u>	<u>3,136,698</u>
Total Operating Expenses			
Operating Income/(Loss)	<u>(158,091)</u>	<u>(38,068)</u>	<u>(196,159)</u>
Non-Operating Revenues/(Expenses):			
Debt Forgiveness	0	15,362	15,362
Wastewater System Evaluation Plan Expenses	0	(9,421)	(9,421)
Investment Income	1,217	1,267	2,484
Interest Expense	(126,373)	(96,434)	(222,807)
	<u>(125,156)</u>	<u>(89,226)</u>	<u>(214,382)</u>
Total Non-Operating Revenues/(Expenses)			
Net Income/(Loss) Before Capital Contributions	(283,247)	(127,294)	(410,541)
Capital Contributions	876,886	3,591,683	4,468,569
Change in Net Position	593,639	3,464,389	4,058,028
Net Position - July 1, 2022	<u>8,129,766</u>	<u>6,697,524</u>	<u>14,827,290</u>
Net Position - June 30, 2023	<u>\$ 8,723,405</u>	<u>\$ 10,161,913</u>	<u>\$ 18,885,318</u>

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

TOWN OF ST. JOHNSBURY, VERMONT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 1,267,137	\$ 1,605,377	\$ 2,872,514
Payments for Goods and Services	(569,051)	(1,148,472)	(1,717,523)
Payments for Interfund Services	(223,062)	(181,062)	(404,124)
Payments for Wages and Benefits	(137,031)	0	(137,031)
Net Cash Provided by Operating Activities	<u>337,993</u>	<u>275,843</u>	<u>613,836</u>
Cash Flows From Noncapital Financing Activities:			
Issuance of Long-term Debt	0	30,724	30,724
Wastewater System Evaluation Plan Expenses	0	(9,421)	(9,421)
(Increase)/Decrease in Due from Other Funds	61,479	21,827	83,306
Increase/(Decrease) in Due to Other Funds	0	349,112	349,112
Net Cash Provided by Noncapital Financing Activities	<u>61,479</u>	<u>392,242</u>	<u>453,721</u>
Cash Flows From Capital and Related Financing Activities:			
Issuance of Long-term Debt	1,130,848	240,008	1,370,856
Proceeds from Capital Grants	0	3,029,237	3,029,237
Acquisition and Construction of Capital Assets	(1,184,228)	(3,493,900)	(4,678,128)
Principal Paid on Long-term Debt	(223,460)	(346,402)	(569,862)
Interest Paid on Long-term Debt	(122,633)	(96,796)	(219,429)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(399,473)</u>	<u>(667,853)</u>	<u>(1,067,326)</u>
Cash Flows From Investing Activities:			
Receipt of Interest and Dividends	1,217	1,267	2,484
Net (Increase)/Decrease in Investments	(100,917)	(100,910)	(201,827)
Net Cash Provided/(Used) by Investing Activities	<u>(99,700)</u>	<u>(99,643)</u>	<u>(199,343)</u>
Net Increase/(Decrease) in Cash	(99,701)	(99,411)	(199,112)
Cash - July 1, 2022	<u>224,469</u>	<u>382,918</u>	<u>607,387</u>
Cash - June 30, 2023	<u>\$ 124,768</u>	<u>\$ 283,507</u>	<u>\$ 408,275</u>
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating Income/(Loss)	\$ (158,091)	\$ (38,068)	\$ (196,159)
Depreciation	415,774	354,197	769,971
(Increase)/Decrease in Receivables	(19,844)	(33,801)	(53,645)
(Increase)/Decrease in Deferred Outflows of Resources Related to the Town's Pension Plan	(149,087)	0	(149,087)
Increase/(Decrease) in Accounts Payable	(4,690)	(6,485)	(11,175)
Increase/(Decrease) in Accrued Payroll and Benefits Payable	(858)	0	(858)
Increase/(Decrease) in Unearned Revenue	(13,722)	0	(13,722)
Increase/(Decrease) in Compensated Absences Payable	172	0	172
Increase/(Decrease) in Net Pension Liability	281,734	0	281,734
Increase/(Decrease) in Deferred Inflows of Resources Related to the Town's Pension Plan	(13,395)	0	(13,395)
Net Cash Provided by Operating Activities	<u>\$ 337,993</u>	<u>\$ 275,843</u>	<u>\$ 613,836</u>

The Water Fund recognized a forgiveness of debt from the State of Vermont in the amounts of \$876,886.

The Sewer Fund recognized a forgiveness of debt from the State of Vermont in the amounts of \$115,747.

There was \$110,515 of capital acquisitions in the Water Fund included in accounts payable at June 30, 2022.

There was \$298,847 of capital acquisitions in the Water Fund included in accounts payable at June 30, 2023.

There was \$735,817 of capital acquisitions in the Sewer Fund included in accounts payable at June 30, 2022.

There was \$695,335 of capital acquisitions in the Sewer Fund included in accounts payable at June 30, 2023.

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

TOWN OF ST. JOHNSBURY, VERMONT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

	Pension Trust Fund	Custodial Fund Education Tax Fund
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 86,794	\$ 0
Investments	9,820,575	0
Prepaid Benefit Payments	<u>193,018</u>	<u>0</u>
Total Assets	<u>10,100,387</u>	<u>0</u>
<u>LIABILITIES</u>		
Liabilities:	<u>0</u>	<u>0</u>
<u>NET POSITION</u>		
Held in Trust For:		
Employees' Pension Benefits	<u>10,100,387</u>	<u>0</u>
Total Net Position	<u>\$ 10,100,387</u>	<u>\$ 0</u>

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

TOWN OF ST. JOHNSBURY, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Pension Trust Fund	Custodial Fund Education Tax Fund
Additions:		
Employer Contributions	\$ 135,000	\$ 0
Employee Contributions	38,770	0
Investment Income	859,478	0
Education Taxes Collected for Other Governments	<u>0</u>	<u>6,558,598</u>
Total Additions	<u>1,033,248</u>	<u>6,558,598</u>
Deductions:		
Benefits - Pension	805,902	0
Administrative Expenses	16,100	0
Education Taxes Distributed to Other Governments	<u>0</u>	<u>6,558,598</u>
Total Deductions	<u>822,002</u>	<u>6,558,598</u>
Change in Net Position	211,246	0
Net Position - July 1, 2022	<u>9,889,141</u>	<u>0</u>
Net Position - June 30, 2023	<u>\$ 10,100,387</u>	<u>\$ 0</u>

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

TOWN OF ST. JOHNSBURY, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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The Town of St. Johnsbury, Vermont, (herein the "Town") operates under a Manager/Board of Selectmen form of government and provides the following services as authorized by its charter: public safety, public works, sanitation, health and social services, culture and recreation, community/economic development, public improvements, planning and zoning, water, sewer and general administrative services.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Town of St. Johnsbury, Vermont (the "Town") conform to generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant accounting policies employed in the preparation of these financial statements.

A. The Financial Reporting Entity

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

B. Basis of Presentation

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

The basic financial statements of the Town include both government-wide statements and fund financial statements. The focus of the government-wide statements is on reporting the operating results and financial position of the Town as a whole and present a longer-term view of the Town's finances. The focus of the fund financial statements is on reporting on the operating results and financial position of the most significant funds of the Town and present a shorter-term view of how operations were financed and what remains available for future spending.

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

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

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

The Town reports on the following major governmental funds:

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

Highway Fund – This fund accounts for highway operations of the Town.

Special Services Fund – This fund primarily accounts for the police operations of the Town.

Grant Fund – This fund account for the various grant activities of the Town.

The Town reports on the following major enterprise funds:

Water Fund – This fund accounts for the activities of the Water Department of the Town.

Sewer Fund – This fund accounts for the activities of the Sewer Department of the Town.

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

TOWN OF ST. JOHNSBURY, VERMONT
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Additionally, the Town reports the following fund types:

Pension Trust Fund – This fund accounts for monies contributed by the Town and its employees and the income on investments expended for the pensions of retired Town employees.

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

C. Measurement Focus

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

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

D. Basis of Accounting

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

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

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

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt, acquisitions under financed purchases arrangements, insurance proceeds and sales of capital assets are reported as other financing sources.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town’s policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

Recognition of revenues on funds received in connection with loan programs are recognized when loans are awarded and expenses incurred in excess of current grants and program income. An offsetting deferred inflows of resources is recognized for all loans receivable. Loan repayment revenue is recognized as the loans are repaid.

E. Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows and inflows of resources and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. New Pronouncement – Subscription-Based Information Technology Arrangements

Effective June 30, 2023, the Town implemented GASB Statement No. 96, “Subscription-Based Information Technology Arrangements”. GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. To the extent relevant, the standards for SBITAs are based on the standards established in GASB Statement No. 87, “Leases”, as amended. The Town currently has no subscription-based information technology arrangements applicable to this Statement that are material to the financial statements.

TOWN OF ST. JOHNSBURY, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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

1. Cash

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

Excess cash of individual funds are shown as due from other funds and excess withdrawals are shown as due to other funds.

2. Investments

The Town invests in investments as allowed by State Statute. Investments with readily determinable fair values are reported at their fair values on the balance sheet. Unrealized gains and losses are included in revenue.

3. Receivables

Receivables are shown net of an allowance for uncollectible accounts for the estimated losses that will be incurred in the collection of the receivables. The estimated losses are based on the judgment of management and a review of the current status of existing receivables.

4. Internal Balances

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

5. Pensions

For purposes of measuring the proportionate share of the net pension liability and the related deferred outflows/inflows of resources and pension expense, information about the fiduciary net position of the Vermont Municipal Employees’ Retirement System (VMERS) plan and the Town of St. Johnsbury Retirement Plan and additions to/deductions from the VMERS’ and Town of St. Johnsbury Retirement Plan’s fiduciary net position have been determined on the same basis as they are reported by VMERS and the Town of St. Johnsbury Retirement 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.

6. Prepaid Expenses/Items

Certain payments to vendors reflect costs that are applicable to future accounting periods and are recorded as prepaid expenses/items.

Reported prepaid items of governmental funds in the fund financial statements are offset by a nonspendable fund balance as these are not in spendable form.

TOWN OF ST. JOHNSBURY, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statements element, “deferred outflows of resources”, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. These amounts are deferred and recognized as an outflow of resources in the future periods to which the outflows are related.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, “deferred inflows of resources”, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the future periods to which the inflows are related or when the amounts become available.

8. Capital Assets

Capital assets are reported at actual cost or estimated historical cost based on appraisals or deflated current replacement cost if purchased or constructed. Contributed assets are recorded at their estimated acquisition value at the time received. Major outlays for capital assets and improvements are capitalized as constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets’ lives are not capitalized. Infrastructure assets are reported starting with fiscal year ended June 30, 2004. The Town has elected to not report major general infrastructure assets retroactively.

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

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Service Life</u>
Land	\$ 10,000	N/A
Land Improvements	\$ 10,000	10-50 Years
Buildings and Building Improvements	\$ 20,000	10-75 Years
Vehicles, Machinery and Equipment	\$ 1,000	3-25 Years
Infrastructure	\$ 10,000	3-75 Years
Distribution and Collection Systems	\$ 10,000	20-75 Years

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

TOWN OF ST. JOHNSBURY, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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9. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused leave time. The accrual for unused compensated absences time, based on current pay rates, is recorded in the government-wide and proprietary fund financial statements. The liability for unused compensated absences is not reported in the governmental fund financial statements. Payments for unused compensated absences in the governmental funds are recorded as expenditures in the year they are paid.

10. Long-term Liabilities

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

11. Fund Equity

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

II. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND AND GOVERNMENT-WIDE STATEMENTS

Governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting, whereas government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. These differences in the measurement focus and basis of accounting lead to differences between the governmental fund financial statements and the government-wide financial statements as follows:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas government-wide statements report revenues when they are earned. Long-term expense differences arise because governmental funds report expenditures (including interest) using the modified accrual basis of accounting, whereas government-wide statements report expenses using the accrual basis of accounting.

TOWN OF ST. JOHNSBURY, VERMONT
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Loans receivable differences arise because governmental funds report the issuance of loans receivable as expenditures and repayments of loans receivable as revenues, whereas government-wide statements report those transactions as increases and decreases in assets, respectively.

Capital-related differences arise because governmental funds report capital outlays as current period expenditures, whereas government-wide statements report depreciation as an expense. Further, governmental funds report the proceeds from the sale of capital assets as other financing sources, whereas government-wide statements report the gain or loss from the sale of capital assets as revenue or expense.

Long-term debt transaction differences arise because governmental funds report proceeds of long-term debt as other financing sources and principal payments as expenditures, whereas government-wide statements report those transactions as increases and decreases in liabilities, respectively.

Pension-related differences arise because governmental funds report the current year's required employer contributions as current period expenditures if made after the measurement date, whereas government-wide statements report those transactions as deferred outflows of resources. In addition, the accrual for the Town's proportionate share of the net pension liability is recorded in the government-wide financial statements along with the related deferred outflows and inflows of resources.

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Selectboard prepares an annual budget for the General Fund, the Highway Fund and the Special Services Fund. The annual budgets and other articles providing for the appropriation of funds are voted by Australian ballot at the annual Town meeting in March. Any amendments to the budget require voter approval. There were no amendments to the budget. The budgets presented herein are for the Town's "General Fund" only and does not include the Parking Meter Fund and Recreation Fund activity that is included with the General Fund, unbudgeted income and expenses and transfers to reserve accounts for the General Fund, unbudgeted capital purchases and related funding and transfers to reserve accounts for the Highway Fund and transfers to reserve accounts for the Special Services Fund.

B. Budgeted Deficits

The Town budgeted a current year's deficiency of revenues over expenditures in the General Fund in the amount of \$150,000 in order to utilize a portion of the previous year's surplus. This is reflected as a budgeted deficiency of revenues over expenditures on Schedule 1.

The Town budgeted a current year's deficiency of revenues over expenditures in the Special Services Fund in the amount of \$40,000 in order to utilize a portion of the previous year's surplus. This is reflected as a budgeted deficiency of revenues over expenditures on Schedule 3.

TOWN OF ST. JOHNSBURY, VERMONT
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C. Excess of Expenditures Over Appropriations

For the year ended June 30, 2023 expenditures in the Highway Fund exceeded appropriations by \$62,068. These over-expenditures were funded by available fund balance.

For the year ended June 30, 2023 expenditures in the Special Services Fund exceeded appropriations by \$112,331. These over-expenditures were funded by excess revenues.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Town's cash, cash equivalents and investments as of June 30, 2023 consisted of the following:

Cash and Cash Equivalents:

Deposits with Financial Institutions	\$ 7,364,119
Deposits with Investment Company	41
Money Market Mutual Funds – U.S. Government Securities	86,794
Cash on Hand	<u>200</u>
Total Cash and Cash Equivalents	<u>7,451,154</u>

Investments:

Certificates of Deposit	548,646
Corporate Bonds	950,630
Municipal Bonds	47,425
U.S. Treasury Notes	2,481,302
Exchange-Traded Funds	6,043,961
Mutual Funds - Mixed Holdings	<u>149,728</u>
Total Investments	<u>10,221,692</u>

Total Cash, Cash Equivalents and Investments	<u>\$17,672,846</u>
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The Town has five (5) certificates of deposit with various banks ranging from \$99,554 to \$147,042 with interest rates ranging from 2.71% to 5.00%. All certificates of deposit will mature by fiscal year 2027.

TOWN OF ST. JOHNSBURY, VERMONT
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Custodial Credit Risk

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

	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC Insured	\$5,495,154	\$5,495,154
Uninsured, Collateralized by U.S. Government Securities Held by the Bank in the Town's Name	<u>2,417,652</u>	<u>2,682,327</u>
Total	<u>\$7,912,806</u>	<u>\$8,177,481</u>

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

The book balance is comprised of the following:

Cash – Deposits with Financial Institutions	\$7,364,119
Cash – Deposits with Investment Company	41
Investments – Certificates of Deposit	<u>548,646</u>
Total	<u>\$7,912,806</u>

The investment policy for the Pension Trust Fund is as follows:

The primary objectives of this portfolio are:

Growth of capital, income generation, and capital preservation using high-quality investments.

The portfolio will contain equities, bonds and cash equivalents. The equity and fixed income portions of the investment portfolio are to be diversified in order to control risk by providing reasonable assurance that investments in either a single security or class of securities cannot have an excessive impact on the total portfolio. The investment objectives are long term rather than short term in nature. The overall investment return of the portfolio will be measured against those of a target portfolio based a benchmark comprised of 50% equities and 50% bonds.

TOWN OF ST. JOHNSBURY, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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Asset Mix Table*

<i>Asset Class</i>	<i>Min Wt</i>	<i>Max Wt</i>	<i>Representative Index</i>
Total Equities	35%	65%	S&P 500
<i>Domestic Equities</i>	<i>85%</i>	<i>100%</i>	<i>% of Total Equities</i>
<i>Int'l Equities*</i>	<i>0%</i>	<i>15%</i>	<i>% of Total Equities</i>
Fixed Income	15%	65%	Lehman Int. Gov't/Credit Bond Index
Cash & Equivalents	0%	20%	

*International equities investments will be made only in an Exchange Traded Funds designed to replicate the MSCI-EAFE Index (symbol EFA).

Because security market conditions can vary greatly throughout a market cycle, the Fund's investment advisors are granted full discretion to change the asset mix, within the ranges above, for the purpose of increasing investment returns and/or reducing risk.

Investment Guidelines

Investments should be made consistent with the quality deemed appropriate in a relationship and to which a prudent investor would adhere. All assets must have readily ascertainable fiduciary market value and be easily marketable. The portfolio should be diversified to the extent a prudent investor might propose and to avoid any undue exposure to any segment of the economy or any industry segment.

The following are some general prohibited transactions or assets:

- Commodity trading, including future contracts;
- Purchase of lettered or restricted stock;
- Short selling;
- Option trading;
- Limited partnerships;
- Private placements;
- Derivative securities
- Acquiring securities of companies that have filed for Chapter 11 protection;

Equities

Equity investments are to be chosen from the New York Stock Exchange, American Stock Exchange, the regional exchanges, or the national over-the-counter market.

No more than 30% of the market value of the equity portion of the portfolio should be in any one industry and no more than 10% in any one security.

Fixed Income

Bonds should be of investment grade (meet or exceed a credit rating of BBB from Standard & Poor's and/or a Baa from Moody's). No more than 10% of the market value of the fixed income portion should be in any one issuer with the exception of the U.S. Government and its agencies.

TOWN OF ST. JOHNSBURY, VERMONT
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Fixed income securities with a maturity greater than 30 years are prohibited.

Fixed income or interest rate futures are prohibited.

Risky or volatile derivative securities as commonly defined by the financial industry are prohibited.

Zero coupon Treasury bonds are permitted as well as non-volatile CMO securities.

Cash reserves should be invested in interest bearing securities or in an appropriate money market fund.

Interest Rate Risk

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

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Town's investments by maturity. The corporate bonds, municipal bonds and U.S. Treasury notes are shown at their actual maturity.

Investment Type	Remaining Maturity			Total
	Less Than 1 Year	1 to 5 Years	5 to 10 Years	
Corporate Bonds	\$ 0	\$ 867,377	\$ 83,253	\$ 950,630
Municipal Bonds	0	0	47,425	47,425
U.S. Treasury Notes	447,217	906,695	1,127,390	2,481,302
Total	\$ 447,217	\$ 1,774,072	\$ 1,258,068	\$ 3,479,357

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. These organizations look at a number of factors in order to evaluate the risk of an obligation and rate the risk. The rating allows the investor to make informed buying and selling decisions. The Town's pension plan investments are required to meet or exceed a credit rating of BBB from Standard & Poor's and/or a Baa rating from Moody's. The Town's certificates of deposit, exchange-traded funds and U.S. Treasury notes are not subject to credit risk disclosure. The Town's mutual funds that are open-ended are also excluded from the credit risk analysis. The credit ratings for the corporate bonds and municipal bonds are as follows:

TOWN OF ST. JOHNSBURY, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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Investment Type	Standard and Poor's Rating as of June 30, 2023						Total
	AA+	AA	A+	A	A-	BBB+	
Corporate Bonds	\$ 83,253	\$ 179,280	\$ 121,558	\$ 48,814	\$ 275,470	\$ 242,255	\$ 950,630
Municipal Bonds	0	47,425	0	0	0	0	47,425
Total	\$ 83,253	\$ 226,705	\$ 121,558	\$ 48,814	\$ 275,470	\$ 242,255	\$ 998,055

Concentration of Credit Risk

Concentration of credit risk is the risk that a large percentage of the Town's investments are held within one security. The Town, other than the Pension Trust Fund, does not have any limitations on the amount that can be invested in any one issuer. The Town's certificates of deposit and U.S. Treasury notes are exempt from concentration of credit risk analysis. The mutual funds that are open-ended are also excluded from the concentration of credit risk analysis. There are no other investments in any one issuer that represent more than 5% of total investments.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board (GASB) Statement No. 72, "Fair Value Measurement and Application." The hierarchy is based on the valuation inputs used to measure fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The Town's certificates of deposit are not subject to fair value disclosures.

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

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

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

The Town has the following fair value measurements as of June 30, 2023:

Description	Total	Fair Value Measurements Using:		
		Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Corporate Bonds	\$ 950,630	\$ 950,630	\$ 0	\$ 0
Municipal Bonds	47,425	47,425	0	0
U.S. Treasury Notes	2,481,302	2,481,302	0	0
Exchange-Traded Funds	6,043,961	6,043,961	0	0
Mutual Funds - Mixed Holdings	149,728	149,728	0	0
Total	\$ 9,673,046	\$ 9,673,046	\$ 0	\$ 0

TOWN OF ST. JOHNSBURY, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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B. Receivables

Receivables as of June 30, 2023, as reported in the statement of net position, are as follows:

	Governmental Activities	Business-type Activities	Total
Delinquent Taxes Receivable	\$ 145,265	\$ 0	\$ 145,265
Penalties and Interest Receivable	15,981	0	15,981
Grants Receivable	162,364	923,228	1,085,592
Accounts Receivable	27,199	0	27,199
Billed Services	0	113,668	113,668
Unbilled Services	0	727,287	727,287
	<u>0</u>	<u>727,287</u>	<u>727,287</u>
Total	\$ <u>350,809</u>	\$ <u>1,764,183</u>	\$ <u>2,114,992</u>

C. Loans Receivable

Loans receivable as of June 30, 2023 are as follows:

Loan Receivable, Hilltop Family Housing Partnership, Interest at 2%, Deferred until August, 2030 at which time all Principal is Due, Secured by Mortgage	\$ 280,099
Loan Receivable, Hilltop Family Housing Partnership, Interest at 2%, Deferred until July, 2044 at which time all Principal is Due, Secured by Mortgage	300,000
Loan Receivable, Caledonia Housing Partnership, Interest at 3%, Deferred until December, 2032 at which time all Principal is Due, Secured by Mortgage	650,000
Loan Receivable, Mountain View Street Jay Housing Limited Partnership, Interest at 0%, Deferred until October, 2033 at which time all Principal is Due, Secured by Real Estate and Personal Property	322,000
Loan Receivable, Dean Hale, LLC, Interest at 4%, Deferred until December, 2043 at which time all Principal is Due, Secured by Mortgage	41,000
Loan Receivable, Passumpsic View, Inc., Interest at 0%, Deferred until December, 2042 at which time all Principal is Due, Secured by Mortgage	447,000

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Loan Receivable, Passumpsic View Commercial, Interest at 0%,
Deferred until December, 2047 at which time all Principal is Due,
Secured by Mortgage \$ 250,000

Loan Receivable, Passumpsic Housing Limited Partnership, Interest
at 0%, Deferred until December, 2039 at which time all Principal is
Due, Secured by Real Estate and Personal Property 55,000

Loan Receivable, Northern Senior Housing Limited Partnership,
Interest at 0%, Deferred until July, 2031 at which time all Principal
is Due, Secured by Mortgage Receivable 480,000

Total 2,825,099

Less: Allowance for Doubtful Loans Receivable (2,825,099)

Reported Value as of June 30, 2023 \$ 0

D. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 558,197	\$ 0	\$ 0	\$ 558,197
Construction in Progress	<u>106,571</u>	<u>55,556</u>	<u>0</u>	<u>162,127</u>
Total Capital Assets, Not Being Depreciated	<u>664,768</u>	<u>55,556</u>	<u>0</u>	<u>720,324</u>
Capital Assets, Being Depreciated:				
Land Improvements	468,172	0	0	468,172
Buildings and Building Improvements	2,801,654	11,420	0	2,813,074
Vehicles, Machinery and Equipment	6,920,510	562,406	147,488	7,335,428
Infrastructure	<u>29,720,805</u>	<u>52,444</u>	<u>0</u>	<u>29,773,249</u>
Totals	<u>39,911,141</u>	<u>626,270</u>	<u>147,488</u>	<u>40,389,923</u>
Less Accumulated Depreciation for:				
Land Improvements	468,172	0	0	468,172
Buildings and Building Improvements	1,111,670	62,666	0	1,174,336
Vehicles, Machinery and Equipment	4,508,831	551,608	147,488	4,912,951
Infrastructure	<u>5,747,947</u>	<u>738,571</u>	<u>0</u>	<u>6,486,518</u>
Totals	<u>11,836,620</u>	<u>1,352,845</u>	<u>147,488</u>	<u>13,041,977</u>
Total Capital Assets, Being Depreciated	<u>28,074,521</u>	<u>(726,575)</u>	<u>0</u>	<u>27,347,946</u>
Governmental Activities Capital Assets, Net	<u>\$ 28,739,289</u>	<u>\$ (671,019)</u>	<u>\$ 0</u>	<u>\$ 28,068,270</u>

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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 185,592	\$ 0	\$ 0	\$ 185,592
Construction in Progress	3,773,470	4,650,287	0	8,423,757
Total Capital Assets, Not Being Depreciated	3,959,062	4,650,287	0	8,609,349
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	19,512,460	0	0	19,512,460
Vehicles, Machinery and Equipment	994,270	175,691	0	1,169,961
Distribution and Collection Systems	27,567,045	0	0	27,567,045
Totals	48,073,775	175,691	0	48,249,466
Less Accumulated Depreciation for:				
Buildings and Building Improvements	18,317,369	99,698	0	18,417,067
Vehicles, Machinery and Equipment	511,220	84,802	0	596,022
Distribution and Collection Systems	8,485,698	585,471	0	9,071,169
Totals	27,314,287	769,971	0	28,084,258
Total Capital Assets, Being Depreciated	20,759,488	(594,280)	0	20,165,208
Business-type Activities Capital Assets, Net	\$ 24,718,550	\$ 4,056,007	\$ 0	\$ 28,774,557

Depreciation was charged as follows:

Governmental Activities:		Business-type Activities:	
General Government	\$ 77,101	Water	\$ 415,774
Public Safety	251,898	Sewer	354,197
Public Works	<u>1,023,846</u>		
Total Depreciation Expense - Governmental Activities	\$ <u>1,352,845</u>	Total Depreciation Expense - Business-type Activities	\$ <u>769,971</u>

E. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2023 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 0	\$ 3,130,491
Highway Fund	1,547,315	0
Special Services Fund	281,618	0
Grant Fund	0	93,305
Non-Major Governmental Funds	56	136
Water Fund	1,744,055	0
Sewer Fund	<u>0</u>	<u>349,112</u>
Total	\$ <u>3,573,044</u>	\$ <u>3,573,044</u>

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Interfund transfers during the year ended June 30, 2023 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Recreation Fund	\$ 10,000	* Appropriation
General Fund	Special Services Fund	61,400	Fund Police Services
General Fund	Grant Fund	47,299	Fund Grant Expenses
Parking Meter Fund	General Fund	9,243	* Fund Parking Ticket Staff Expenses
Parking Meter Fund	Special Services Fund	20,000	* Fund Dispatching Staff Expenses
Highway Fund	Grant Fund	17,690	Fund Grant Expenses
Special Services Fund	General Fund	<u>176,206</u>	Fund Dispatch Services
Total		<u>\$ 341,838</u>	

- * The transfer from the General Fund to the Recreation Fund and the transfer from the Parking Meter Fund to the General Fund are netted within the General Fund as these funds are consolidated within the General Fund and the transfer from the Parking Meter Fund to the Special Services Fund is included with the General Fund to comply with GASB Statement No. 54.

F. Deferred Outflows of Resources

Deferred outflows of resources in the governmental activities consists of \$134,473 from the differences between the expected and actual experience, \$290,699 from the net difference between the projected and actual investment earnings on pension plan investments, \$91,542 from changes in assumptions and \$52,378 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$180,967 of required employer pension contributions subsequent to the measurement date. It also includes \$1,767,818 from the net difference between the projected and actual investment earnings on pension plan investments related to the Town's single-employer defined benefit plan. Total deferred outflows of resources in the governmental activities is \$2,517,877.

Deferred outflows of resources in the business-type activities and the Water Fund consists of \$164,223 from the net difference between the projected and actual investment earnings on pension plan investments related to the Town's single-employer defined benefit plan.

G. Unearned Revenue

Unearned revenue in the governmental activities and the General Fund consists of \$1,120 of rental registration fees received in advance.

Unearned revenue in the business-type activities and the Water Fund consists of \$6,404 of user fees received in advance.

TOWN OF ST. JOHNSBURY, VERMONT
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H. Deferred Inflows of Resources

Deferred inflows of resources in the governmental activities consists of \$23,901 of prepaid property taxes. It also includes \$11,340 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$588,666 from the net difference between the projected and actual investment earnings on pension plan investments related to the Town's single-employer defined benefit plan. Total deferred inflows of resources in the governmental activities is \$623,907.

Deferred inflows of resources in the business-type activities and the Water Fund consists of \$54,685 from the net difference between the projected and actual investment earnings on pension plan investments related to the Town's single-employer defined benefit plan.

Deferred inflows of resources in the General Fund consists of \$131,717 of delinquent property taxes, penalties and interest on those taxes not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. It also includes \$23,901 of prepaid property taxes. Total deferred inflows of resources in the General Fund is \$155,618.

Deferred inflows of resources in the Grant Fund consists of \$12,084 of grant revenue not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities.

I. Long-term Liabilities

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

General obligation bonds are direct obligations and pledge the full faith and credit of the Town. New bonds generally are issued as 10 to 20 year bonds. Refunding bonds are issued for various terms based on the debt service of the debt refunded.

The Town has notes payable to finance various capital purchases through local banks.

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

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The United States Department of Agriculture (USDA) offers a number of low interest loan programs for various purposes. The Town has borrowed money from the USDA, in the form of bonds, for capital projects.

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

The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside to pay current employees, retirees, and beneficiaries.

The accrual for the Town's net pension liability related to the Town's single-employer defined benefit pension plan as well as the Town's share of the net pension liability associated with VMERS is recorded in the government-wide and proprietary fund financial statements.

The Town entered into an agreement with the St. Johnsbury - Lyndonville Industrial Park to pay them for the tax liability over five (5) to eight (8) years through the performance of summer and winter maintenance on the roads within the Industrial Park.

Long-term liabilities outstanding as of June 30, 2023 were as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Welcome Center Improvements, Principal Payments of \$70,000 Payable on December 1 Annually, Interest Rates Ranging from 1.984% to 4.664% Payable on June 1 and December 1, Due December, 2031	\$ 700,000	\$ 0	\$ 70,000	\$ 630,000
Bond Payable, State of Vermont Special Environmental Revolving Fund, CSO Project, Principal Payments of \$174,813 in Total Payable December 1 Annually, 0% Interest, Due December, 2036. This is the Governmental Activities Portion of the Bond.	1,586,416	0	105,761	1,480,655
Bond Payable, U.S. Department of Agriculture, Westside Project, Principal and Interest Payments of \$102,832 in Total Payable on June 15 and December 15 Semi-Annually, Interest at 2.25%, Due December, 2041. This is the Governmental Activities Portion of the Bond.	2,036,060	0	84,228	1,951,832

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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, State of Vermont Special Environmental Revolving Fund, CSO Project, Principal Payments of \$69,220 in Total Payable December 1 Annually, 0% Interest, Due December, 2046. This is the Governmental Activities Portion of the Bond.	\$ 652,393	\$ 0	\$ 26,096	\$ 626,297
Note Payable, Community National Bank, Highway Equipment, Principal and Interest Payments of \$129,943 Payable on June 15 Annually, Interest at 2.7%, Due and Paid June, 2023	126,527	0	126,527	0
Note Payable, Community National Bank, Highway Equipment, Principal and Interest Payments of \$73,728 Payable on January 22 Annually, Interest at 2.1%, Due January, 2025	212,209	0	69,271	142,938
Note Payable, Union Bank, Highway Equipment, Principal and Interest Payments of \$63,441 Payable on June 14 Annually, Interest at 1.79%, Due June, 2026	242,801	0	59,095	183,706
Note Payable, Mascoma Bank, Highway Equipment, Principal and Interest Payments of \$78,041 Payable on June 21 Annually, Interest at 3.95%, Due June, 2027	<u>0</u>	<u>354,643</u>	<u>71,056</u>	<u>283,587</u>
Total Governmental Activities	<u>\$5,556,406</u>	<u>\$354,643</u>	<u>\$612,034</u>	<u>\$5,299,015</u>

Business-type Activities:

Water Fund:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Water System Expansion, Principal Payments Ranging from \$160,000 to \$255,000 in Total Payable on December 1 Annually, Interest Rates Ranging from 2% to 2.55% Payable on June 1 and December 1, Due December, 2024. This is the Water Fund Portion of the Bond.	\$ 244,800	\$ 0	\$ 81,600	\$ 163,200

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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, U.S. Department of Agriculture, Westside Project, Principal and Interest Payments of \$102,832 in Total Payable on June 15 and December 15 Semi-Annually, Interest at 2.25%, Due December, 2041. This is the Water Fund Portion of the Bond.	\$ 743,325	\$ 0	\$ 30,750	\$ 712,575
Bond Payable, U.S. Department of Agriculture, Phase II Water Construction, Principal and Interest Payments of \$15,384 Payable on June 21 and December 21 Semi-Annually, Interest at 2.5%, Due December, 2049	609,003	0	15,640	593,363
Bond Payable, U.S. Department of Agriculture, Phase I Water Construction, Principal and Interest Payments of \$11,149 Payable on May 2 and November 2 Semi-Annually, Interest at 4.25%, Due November, 2049	359,276	0	7,095	352,181
Bond Payable, U.S. Department of Agriculture, Phase I Water Construction, Principal and Interest Payments of \$47,338 Payable on May 2 and November 2 Semi-Annually, Interest at 4.25%, Due November, 2049	1,525,437	0	30,129	1,495,308
Bond Payable, State of Vermont Special Environmental Revolving Fund, CSO Project, Principal Payments of \$69,220 in Total Payable December 1 Annually, 0% Interest, Due December, 2046. This is the Water Fund Portion of the Bond.	1,078,095	0	43,124	1,034,971
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water System Improvements, Authorized to \$9,974,898, but Eligible for \$6,407,210 Subsidy, Principal Payments of \$89,192 Payable on November 1 Annually Beginning November 1, 2025, 0% Interest, Due November, 2064. The Town Recognized \$25,000 of the Subsidy during the Year.	534,600	0	25,000	509,600

TOWN OF ST. JOHNSBURY, VERMONT
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water System Improvements, Authorized to \$2,842,370, but Eligible for \$2,131,778 Subsidy, Principal Payments of \$17,765 Payable on December 1 Annually Beginning December 1, 2023, 0% Interest, Due December, 2062. The Town Recognized \$851,886 of the Subsidy during the Year.	\$ 169,811	\$1,130,848	\$ 851,886	\$ 448,773
Bond Payable, U.S. Department of Agriculture, Water System Improvements, Principal and Interest Payments of \$4,764 Payable on March 19 and September 19 Semi-Annually, Interest at 2.625%, Due September, 2048	222,769	0	3,704	219,065
Bond Payable, U.S. Department of Agriculture, Water System Improvements, Principal and Interest Payments of \$9,192 Payable on May 20 and November 20 Semi-Annually, Interest at 1.25%, Due November, 2060	<u>560,138</u>	<u>0</u>	<u>11,418</u>	<u>548,720</u>
Total Water Fund	<u>6,047,254</u>	<u>1,130,848</u>	<u>1,100,346</u>	<u>6,077,756</u>
Sewer Fund:				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Sewer System Expansion, Principal Payments Ranging from \$160,000 to \$255,000 in Total Payable on December 1 Annually, Interest Rates Ranging from 2% to 2.55% Payable on June 1 and December 1, Due December, 2024. This is the Sewer Fund Portion of the Bond.	235,200	0	78,400	156,800
Bond Payable, U.S. Department of Agriculture, Westside Project, Principal and Interest Payments of \$102,832 in Total Payable on June 15 and December 15 Semi-Annually, Interest at 2.25%, Due December, 2041. This is the Sewer Fund Portion of the Bond.	452,458	0	18,718	433,740

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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, State of Vermont Special Environmental Revolving Fund, Westside South Project, Principal Payments of \$56,677 Payable on August 1 Annually, 0% Interest, Due August, 2028	\$ 396,735	\$ 0	\$ 56,677	\$ 340,058
Bond Payable, State of Vermont Special Environmental Revolving Fund, Sewer Planning Project, Principal Payments of \$33,405 Payable on August 1 Annually, 0% Interest, Due August, 2030	300,644	0	33,405	267,239
Bond Payable, State of Vermont Special Environmental Revolving Fund, CSO Project, Principal Payments of \$174,813 in Total Payable December 1 Annually, 0% Interest, Due December, 2036. This is the Sewer Portion of the Bond.	1,035,760	0	69,052	966,708
Bond Payable, U.S. Department of Agriculture, Sewer Pump, Principal and Interest Payments of \$18,369 Payable on August 1 and February 1 Semi-Annually, Interest at 2.75%, Due August 1, 2047	660,824	0	18,693	642,131
Bond Payable, U.S. Department of Agriculture, Sewer System Improvements, Principal and Interest Payments of \$70,829 Payable on May 26 and November 26 Semi-Annually, Interest at 2.625%, Due November, 2048	2,692,079	0	71,457	2,620,622
Bond Payable, State of Vermont Special Environmental Revolving Fund, Sewer System Improvements, Authorized to \$1,740,587, but Eligible for \$728,264 Subsidy, Principal and Administrative Fee Payments of \$45,200 Payable on July 1 Annually Beginning July 1, 2023, 2% Administrative Fee, Due July, 2052. The Town Recognized \$100,010 of the Subsidy during the Year.	588,671	239,258	100,010	727,919

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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, State of Vermont Special Environmental Revolving Fund, CSO Long-term Control Project, Authorized to \$236,230, but Eligible for \$200,000 Subsidy, Principal Payments of \$7,246 Payable on May 1 Annually Beginning May 1, 2026, 0% Interest, Due May, 2030	\$ 32,208	\$ 0	\$ 0	\$ 32,208
Bond Payable, State of Vermont Special Environmental Revolving Fund, Sewer System Improvements, Authorized to \$40,300, but Eligible for \$20,150 Subsidy, Principal Payments of \$4,030 Payable on October 1 Annually Beginning October 1, 2026, 0% Interest, Due October, 2030. The Town Recognized \$375 of the Subsidy during the Year.	18,135	750	375	18,510
Bond Payable, State of Vermont Special Environmental Revolving Fund, Sewer System Evaluation, Authorized to \$150,000, but Eligible for \$75,000 Subsidy, Principal Payments of \$7,500 Payable on October 1 Annually Beginning October 1, 2026, 0% Interest, Due October, 2035. The Town Recognized \$15,362 of the Subsidy during the Year.	<u>34,674</u>	<u>30,724</u>	<u>15,362</u>	<u>50,036</u>
Total Sewer Fund	<u>6,447,388</u>	<u>270,732</u>	<u>462,149</u>	<u>6,255,971</u>
Total Business-type Activities	<u>\$12,494,642</u>	<u>\$1,401,580</u>	<u>\$1,562,495</u>	<u>\$12,333,727</u>

TOWN OF ST. JOHNSBURY, VERMONT
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Changes in long-term liabilities during the year were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds Payable	\$ 4,974,869	\$ 0	\$ 286,085	\$ 4,688,784	\$ 287,992
Notes Payable	581,537	354,643	325,949	610,231	197,683
Compensated Absences Payable	159,556	73,233	0	232,789	0
Net Pension Liability - VMERS	833,835	956,734	0	1,790,569	0
Net Pension Liability - Town Pension Plan	1,221,436	2,759,331	0	3,980,767	0
Industrial Park Liability	86,706	0	9,344	77,362	10,000
Total Governmental Activities					
Long-term Liabilities	<u>\$ 7,857,939</u>	<u>\$ 4,143,941</u>	<u>\$ 621,378</u>	<u>\$ 11,380,502</u>	<u>\$ 495,675</u>
Business-type Activities					
General Obligation Bonds Payable	\$ 12,494,642	\$ 1,401,580	\$ 1,562,495	\$ 12,333,727	\$ 618,337
Compensated Absences Payable	7,619	172	0	7,791	0
Net Pension Liability - Town Pension Plan	88,540	281,734	0	370,274	0
Total Business-type Activities					
Long-term Liabilities	<u>\$ 12,590,801</u>	<u>\$ 1,683,486</u>	<u>\$ 1,562,495</u>	<u>\$ 12,711,792</u>	<u>\$ 618,337</u>

Compensated absences and required contributions to the pension plans are paid by the applicable fund where the employee is charged.

The change in the net pension liability is allocated to the function where the employee is charged.

Debt service requirements to maturity are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 485,675	\$ 86,682	\$ 618,337	\$ 233,260
2025	492,864	76,748	624,767	209,956
2026	426,481	66,559	567,823	175,373
2027	369,047	57,619	586,164	217,171
2028	296,055	49,572	593,177	210,159
2029-2033	1,443,227	166,992	2,543,150	938,149
2034-2038	1,117,119	84,246	2,228,509	728,866
2039-2043	564,167	19,731	2,079,515	487,475
2044-2048	104,380	0	1,911,044	228,319
2049-2053	0	0	402,162	29,212
2054-2058	0	0	129,969	9,591
2059-2061	0	0	49,110	1,377
Total	<u>\$ 5,299,015</u>	<u>\$ 608,149</u>	<u>\$ 12,333,727</u>	<u>\$ 3,468,908</u>

J. Fund Balances

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

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

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

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

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

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

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

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

Major Funds

General Fund:

Nonspendable Prepaid Items	\$75,866
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Special Services Fund:

Nonspendable Prepaid Items	909
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Non-Major Funds

Permanent Funds:

Nonspendable Goss Hollow Cemetery Fund Principal	<u>5,161</u>
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Total Nonspendable Fund Balances	<u>\$81,936</u>
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TOWN OF ST. JOHNSBURY, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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

Major Funds

General Fund:

Restricted for Knob Property Expenditures by Donations (Source of Revenue is Donations)	\$ <u>15,848</u>
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Special Services Fund:

Restricted for Public Safety Expenditures by Charter (Source of Revenue is Property Taxes)	<u>261,801</u>
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Non-Major Funds

Special Revenue Fund:

Restricted for Grove Cemetery Expenses by Donations and Sale of Lots (Source of Revenue is Donations and Sale of Lots)	219,968
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Permanent Fund:

Restricted for Goss Hollow Cemetery Expenses by Trust Agreement – Expendable Portion	<u>1,188</u>
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Total Non-Major Funds	<u>221,156</u>
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Total Restricted Fund Balances	<u>\$498,805</u>
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The fund balance in the following fund is committed as follows:

Major Funds

Highway Fund:

Committed for Highway Expenditures by the Voters	<u>\$1,177,827</u>
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Total Committed Fund Balances	<u>\$1,177,827</u>
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TOWN OF ST. JOHNSBURY, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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

Major Funds

General Fund:

Assigned for Fire Equipment Reserve	\$204,122
Assigned for Municipal Building Reserve	68,020
Assigned for Records Restoration Reserve	49,851
Assigned for Economic Development Reserve	138,333
Assigned for Fountain Fund Reserve	20,302
Assigned for Revaluation Reserve	126,276
Assigned for Dispatch Equipment	35,000
Assigned for Pomerleau Building Reserve	46,302
Assigned for Fire Department Catastrophic Reserve	25,000
Assigned for Dispatch Move Reserve	25,000
Assigned for Armory Reserve	10,000
Assigned for Housing Development Reserve	59,914
Assigned for Recreation Department Reserve	<u>9,428</u>
Total Assigned Fund Balances	<u>\$817,548</u>

The unassigned deficit of \$7,936 in the Grant Fund will be funded with the collection of grant receivables.

K. Net Position

The restricted net position of the governmental activities as of June 30, 2023 consisted of the following:

Governmental Activities:

Restricted for Knob Property Expenditures by Donations	\$ 15,848
Restricted for Public Safety Expenditures by Charter	262,710
Restricted for Grant Expenditures by Grant Agreements	4,148
Restricted for Grove Cemetery by Donations	219,968
Restricted for Goss Hollow Cemetery by Trust Agreement – Nonexpendable Portion	5,161
Restricted for Goss Hollow Cemetery by Trust Agreement – Expendable Portion	<u>1,188</u>
Total Governmental Activities	<u>\$509,023</u>

TOWN OF ST. JOHNSBURY, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

The designated net position of the Town as of June 30, 2023 consisted of the following:

Business-type Activities:

Water Fund:

Designated for Water Capital	\$225,685
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Sewer Fund:

Designated for Sewer Capital	<u>384,417</u>
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Total Business-type Activities	<u>\$610,102</u>
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V. OTHER INFORMATION

A. Pension Plans

Defined Benefit Plans

The Vermont Municipal Employees' Retirement System (VMERS)

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. As of June 30, 2022, the measurement date selected by the State of Vermont, the retirement system consisted of 359 participating employers.

The plan was established effective July 1, 1975, and is governed by Title 24, V.S.A. Chapter 125.

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

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

TOWN OF ST. JOHNSBURY, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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

As of June 30, 2022, the measurement date selected by the State of Vermont, VMERS was funded at 73.60% and had a plan fiduciary net position of \$845,979,471 and a total pension liability of \$1,149,351,427 resulting in a net position liability of \$303,371,956. As of June 30, 2023, the Town's proportionate share of this was 0.5902% resulting in a net pension liability of \$1,790,569. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. The Town's proportion of 0.5902% was an increase of 0.0237 from its proportion measured as of the prior year.

For the year ended June 30, 2023, the Town recognized pension expense of \$356,361.

As of June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 134,473	\$ 0
Net difference between projected and actual investment earnings on pension plan investments	290,699	0
Changes in assumptions	91,542	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	52,378	11,340
Town's required employer contributions made subsequent to the measurement date	180,967	0
	<u>\$ 750,059</u>	<u>\$ 11,340</u>

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of \$180,967 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

TOWN OF ST. JOHNSBURY, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Year Ending <u>June 30</u>	
2024	\$179,355
2025	138,408
2026	48,924
2027	<u>191,065</u>
Total	<u>\$557,752</u>

Summary of System Provisions

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

Creditable Service – Service as a member plus purchased service.

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

Service Retirement Allowance:

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

Amount – Group A – 1.4% of AFC times service. Group B – 1.7% of AFC times service as a Group B member plus percentage earned as a Group A member times AFC. Group C – 2.5% of AFC times service as a Group C member plus percentage earned as a Group A or B member times AFC. Group D – 2.5% of AFC times service as a Group D member plus percentage earned as a Group A, B or C member times AFC.

Maximum benefit is 60% of AFC for Groups A and B and 50% of AFC for Groups C and D. The previous amounts include the portion of the allowance provided by member contributions.

Early Retirement Allowance:

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

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

TOWN OF ST. JOHNSBURY, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Vested Retirement Allowance:

Eligibility – Five (5) years of service.

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

Disability Retirement Allowance:

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

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

Death Benefit:

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

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

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

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

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

Member Contribution Rates – Group A – 3.25%. Group B – 5.625%. Group C – 10.75%. Group D – 12.10%.

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

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

TOWN OF ST. JOHNSBURY, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Significant Actuarial Assumptions and Methods

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

Inflation: 2.30% per year.

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

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

Mortality:

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

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

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

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

Spouse's Age: Females three years younger than males.

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

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

TOWN OF ST. JOHNSBURY, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Long-term Expected Rate of Return:

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

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

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates set by the Board (employers) and statute (members). The Board voted to authorize employer contribution rate increases of 0.50% each year for a period of four years beginning July 1, 2022. In 2022, the Legislature passed H.740, which effectively split the Board-authorized increases evenly between members and employers by including an increase in the employee rate of 0.25% for each group for four years, beginning July 1, 2022. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plans' Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

TOWN OF ST. JOHNSBURY, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$2,683,089	\$1,790,569	\$1,056,434

Additional Information

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

The Town of St. Johnsbury Retirement Plan

Plan Description

The Town of St. Johnsbury Retirement Plan is a single employer defined benefit pension plan administered by the Town of St. Johnsbury. The Town of St. Johnsbury Plan provides retirement, disability and death benefits to plan members and beneficiaries. The Town of St. Johnsbury established and may amend benefit provisions of the plan. The plan does not issue stand-alone financial statements. The plan covers all employees of the Town who work at least 1,000 hours on a twelve (12) month consecutive period and who agree to make minimum contributions. Effective July 1, 2016, the Town stopped allowing new participants to enter the plan.

Funding Policy

The Plan requires members, other than employees of the Fire Department, to contribute 5% of base salary and members of the Fire Department to contribute 6% of base salary. The total actuarially determined contribution to the system for 2023 was \$134,812 which was computed through an actuarial valuation performed as of January 1, 2022, however the Town contributed \$135,000.

As of January 1, 2023, there were 13 active members, 3 inactive members and 49 retirees and beneficiaries. Additionally, there are 26 former employees with vested rights.

The market value of plan assets maintained at Fidelity Wealth Management is \$9,907,369 as of June 30, 2023.

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

As of January 1, 2023, the measurement date selected by the Town of St. Johnsbury, the pension was funded at 68.68% and had a plan fiduciary net position of \$9,541,758 and a total pension liability of \$13,892,799 resulting in a net pension liability of \$4,351,041. The net pension liability was measured as of January 1, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the year ended June 30, 2023, the Town recognized pension expense of \$1,104,062.

TOWN OF ST. JOHNSBURY, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

As of June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$ 1,932,041	\$ 643,351
	<u>\$ 1,932,041</u>	<u>\$ 643,351</u>

The deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30	
2024	\$ 119,105
2025	322,774
2026	363,802
2027	<u>483,009</u>
Total	<u>\$1,288,690</u>

Significant Actuarial Assumptions and Methods

The system uses the level dollar closed method to amortize the unfunded accrued liability over a twenty (20) year period. The significant actuarial assumptions used to compute the actuarially determined contribution requirement are as follows:

Actuarial Cost Method	Individual Entry Age
Asset Valuation Method	Market Value
Investment Rate of Return	6.5%
Salary increases	3.75%
COLA Adjustment	None
Mortality Table	Pri-2012 Total Dataset Generational Mortality, projected with MP-2021.

Summary of Plan Provisions

Benefits

Normal Retirement Benefits

Normal Retirement Benefit	Benefit Formula: 2% of Average Compensation per year of credited service Maximum total years of service: 35
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TOWN OF ST. JOHNSBURY, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Average Compensation	Average Compensation over the 3 highest consecutive years of service
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Vested Retirement Benefit	Vesting Schedule: Cliff vesting (100% after 5 years) Computation period: Plan years Based on periods of service rounded to the nearest year
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Accrued Retirement Benefit	Units accrued to date
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Form of Payment

The normal form of pension is a single life annuity with monthly payments commencing on the member's retirement date.

Early Retirement Benefit

Early Retirement Benefit	Accrued Retirement Benefit Eligibility Requirements: Minimum years of service: 10 Minimum age: 55
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Benefit Commencement Date	Benefit Adjustment: The benefit is actuarially reduced for each year by which retirement age precedes normal retirement age, or if retirement is after normal retirement, the benefit is the greater of the in-service benefit as of the retirement date and the normal retirement benefit actuarially increased to the retirement date.
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The Early Retirement Benefit is unreduced with 25 years of service

Termination Benefit

Termination of Employment	An employee who terminates from service prior to attaining retirement age, other than due to becoming disabled, shall be entitled to receive the vested portion of the accrued benefit upon meeting the requirements for early or normal retirement. A vested participant may elect to withdraw their employee contribution account on separation from service in return for a reduced accrued benefit payable at retirement age.
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An employee who terminates from service prior to attaining retirement age and is not vested shall receive a distribution of their employee contribution account.

TOWN OF ST. JOHNSBURY, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Death Benefit

Pre-Retirement Death Benefit	Lump sum payable on death of participant Qualified pre-retirement survivor annuity payable to the surviving spouse, unless waived with spousal consent.
Benefit Amount	100% present value of accrued benefit

Disability Benefit

Disability Benefit	Monthly benefit for life Benefit Amount: 1 times the current monthly accrued retirement benefit provided the participant has 10 years of service.
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Investment Policy

The investment policy was approved by the Retirement Plan Committee. The investment policy is described in Note IV.A.

Discount Rate

The discount rate used to measure the total pension liability was 6.5 percent and represents the long-term expected rate of return on pension plan investments based on the current allocation of assets.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Town's net pension liability calculated using the discount rate of 6.5 percent, as well as what the liability would be if it were calculated using a discount rate that is one percent lower (5.5%) or one percent higher (7.5%):

<u>1% Decrease (5.5%)</u>	<u>Discount Rate (6.5%)</u>	<u>1% Increase (7.5%)</u>
\$5,973,877	\$4,351,041	\$2,989,017

TOWN OF ST. JOHNSBURY, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Changes in the Net Pension Liability

The change in the Net Pension Liability for the Plan is as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at January 1, 2022	\$ 13,158,697	\$ 11,848,721	\$ 1,309,976
Changes for the year:			
Service cost	60,804	0	60,804
Interest	831,324	0	831,324
Difference between expected and actual experience	152,825	0	152,825
Change in Benefit Terms	488,988	0	488,988
Contributions - employer	0	135,000	(135,000)
Contributions - members	0	39,954	(39,954)
Net investment income/(loss)	0	(1,662,678)	1,662,678
Administrative expenses	0	(19,400)	19,400
Benefit payments, including refunds of member contributions	(799,839)	(799,839)	0
Net changes	734,102	(2,306,963)	3,041,065
Balances at December 31, 2022	\$ 13,892,799	\$ 9,541,758	\$ 4,351,041

B. Contingent Liabilities

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

There are currently pending claims against the Town where the Town's insurance carrier is providing defense. The Town is vigorously defending the claims. The Town and the insurer do not believe that the claims could exceed the insurance policy limits in the event of unfavorable rulings.

C. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains insurance coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this coverage in any of the past three fiscal years. The Town must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving sixty days notice. Fund underwriting and ratesetting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

TOWN OF ST. JOHNSBURY, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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

D. Property Taxes

The Town is responsible for assessing and collecting its own property taxes, as well as education taxes for the State of Vermont. Property taxes are assessed based on property valuations as of April 1, the voter approved budgets and the State education property tax liability. During the tax year ended June 30, 2023, taxes became due and payable on October 15, 2022 and March 15, 2023. The Town assesses an 8% penalty on delinquent taxes and interest is assessed at 1% per month. Unpaid taxes become an enforceable lien on the property and such properties are subject to tax sale. The tax rates for 2023 were as follows:

	<u>Homestead</u>	<u>Non-Homestead</u>
Education	1.3256	1.5427
General	0.4870	0.4870
Appropriations	0.0603	0.0603
Highway	0.4870	0.4870
Special Services District	0.6009	0.6009
Local Agreement	<u>0.0027</u>	<u>0.0027</u>
Total	<u>2.9635</u>	<u>3.1806</u>

E. Property Tax Stabilization Agreements

The Town enters into property tax stabilization agreements with local businesses pursuant to Section 2741 of Title 24, Vermont Statutes Annotated. The Board of Selectmen under certain conditions may enter into contracts with new and existing owners, lessees or operators of industrial and commercial real and personal property for the purpose, among others, of fixing and maintaining the valuation of the of the real personal property of such persons for a period of up to ten years to provide incentives to foster sustainable business development. The specific goals of the program are: 1) to create jobs, 2) increase the tax base 3) increase economic activity in the Town, and 4) address vacant and blighted property.

Stabilization shall be considered for:

1. Construction and/or renovation of new commercial or industrial property.
2. Occupying vacant commercial property.
3. Renovation of blighted or vacant property into industrial/commercial use.
4. New machinery and equipment only if it is considered "Real Property".

TOWN OF ST. JOHNSBURY, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

When considering a tax stabilization request, the Board of Selectmen shall review the following criteria:

1. The number of full time-permanent jobs to be created.
2. The number of part-time permanent jobs to be created.
3. The number of temporary full and part-time jobs to be created.
4. The total investment in buildings, machinery, and equipment by the business.
5. The impact to the overall tax base. Specifically, the increase in the Grand List for the potentially stabilized property.
6. The financial stability and condition of the applicant at the time of application.
7. Whether the project is new or existing property.
8. Whether the project addresses a vacant and/or blighted property.

Special Consideration: The Town of St. Johnsbury may offer special consideration to any businesses meeting the following criteria: 1) creating permanent full-time jobs, 2) offer wages and benefits at or above the average for that sector as determined by the latest data available through the Department of Employment and Training, 3) increase the grand list for the Town, 4) make improvements to vacant or blighted properties.

Annual reporting will be required by the company participating in a tax stabilization agreement to ensure that employment and economic impact thresholds are being met. Employment and economic impact threshold must be maintained in order to continue with the scheduled tax stabilization.

During the year ended June 30, 2023, the Town had four (4) active stabilization agreements. The total reduction of taxes was \$14,079.

TOWN OF ST. JOHNSBURY, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes	\$ 2,468,762	\$ 2,424,209	\$ (44,553)
Special Appropriation Tax	305,570	305,570	0
Delinquent Tax Penalties	35,000	58,381	23,381
Interest on Delinquent Taxes	38,000	25,057	(12,943)
VT Pilot Payments	102,000	147,093	45,093
Hold Harmless VT Payments	42,000	57,897	15,897
Education Billing Fee Retained	15,000	15,581	581
State Parcel Payment	26,000	25,772	(228)
Beverage Licenses	4,000	3,660	(340)
Vendor Permits	100	0	(100)
Dog Licenses	3,000	6,253	3,253
Zoning Permits	3,000	5,188	2,188
Housing Fees	42,000	42,150	150
Fines for Blighted Property	0	2,800	2,800
Transfer Station Reimbursements	1,800	2,275	475
Overweight Permits	500	455	(45)
Dumpster Reimbursement - St. Johnsbury Athenaeum	800	840	40
Dispatch Services	312,872	310,473	(2,399)
Fire Department Services	50,000	52,804	2,804
Listers' Services	3,000	3,032	32
Town Clerk's Fees	75,000	74,730	(270)
Records Restoration	18,000	18,150	150
Interest and Dividends	28,000	44,153	16,153
Pomerleau Building 2nd Floor Rent	50,175	50,175	0
Transfer from Water Fund & Sewer Fund	16,423	16,424	1
Transfer to Town Manager	45,609	42,100	(3,509)
Transfer to Town Clerk	4,243	4,243	0
Transfer to Treasurer	78,000	82,680	4,680
Transfer to Dispatch	176,206	176,206	0
Sale of Equipment	0	2,641	2,641
Sale of Property	0	72,821	72,821
Insurance Proceeds	0	18,419	18,419
Revenue for the Knob	35,848	0	(35,848)
Miscellaneous	0	1,325	1,325
Total Revenues	3,980,908	4,093,557	112,649

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TOWN OF ST. JOHNSBURY, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Expenditures:			
Town Manager's Office:			
Regular Salaries	\$ 310,442	\$ 325,488	\$ (15,046)
Social Security	23,749	23,873	(124)
Group Insurance	58,525	60,378	(1,853)
HBA Expense	10,000	8,176	1,824
Workman's Compensation	604	761	(157)
VMERS	20,955	21,149	(194)
Unemployment Compensation	880	826	54
Office Supplies	3,000	4,560	(1,560)
Training	500	677	(177)
Postage	500	136	364
Advertising	200	773	(573)
Printing	2,000	2,180	(180)
New Equipment	1,000	731	269
Gas, Oil, Mileage	500	451	49
Telephone	4,000	3,461	539
Contracted Services	3,000	2,299	701
Dues	400	622	(222)
Grant Expenses	0	2,312	(2,312)
Total Town Manager's Office	440,255	458,853	(18,598)
Town Clerk's Office:			
Regular Salaries	83,736	84,383	(647)
Overtime Pay	500	922	(422)
Social Security	6,444	6,465	(21)
Group Insurance	14,308	10,752	3,556
HBA Expense	2,000	365	1,635
Workman's Compensation	264	266	(2)
Retirement Contributions	2,289	1,921	368
VMERS	4,884	5,692	(808)
Unemployment Compensation	440	370	70
Recording Supplies	1,000	769	231
Training	400	306	94
Office Supplies	2,500	2,932	(432)
Postage	2,500	1,688	812
Advertising	500	0	500
New Equipment	1,000	1,049	(49)
Transfer to Records Restoration Reserve	8,500	8,500	0
Gas, Oil & Mileage	100	105	(5)
Telephone	2,300	2,225	75
Contracted Services	18,000	14,116	3,884
Repair & Maintenance Services	400	483	(83)
Dues	75	73	2
Total Town Clerk's Office	152,140	143,382	8,758

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TOWN OF ST. JOHNSBURY, VERMONT
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STATEMENT OF REVENUES, EXPENDITURES
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BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Town Treasurer's Office:			
Regular Salaries	\$ 83,736	\$ 85,132	\$ (1,396)
Overtime Pay	500	129	371
Social Security	6,444	6,459	(15)
Group Insurance	14,308	10,752	3,556
HBA Expense	2,000	365	1,635
Workman's Compensation	264	266	(2)
Retirement Contributions	2,289	1,921	368
VMERS	4,884	3,786	1,098
Unemployment Compensation	440	370	70
Office Supplies	1,000	1,500	(500)
Training	400	332	68
Postage	2,500	2,306	194
Advertising	500	0	500
New Equipment	500	260	240
Gas, Oil & Mileage	100	91	9
Contracted Services	2,000	1,200	800
Repair & Maintenance Services	200	110	90
Dues	75	73	2
	<u>122,140</u>	<u>115,052</u>	<u>7,088</u>
Total Town Treasurer's Office			
	<u>122,140</u>	<u>115,052</u>	<u>7,088</u>
Board of Civil Authority:			
Regular Salaries	1,000	685	315
Social Security	153	52	101
Office Supplies	1,000	342	658
Training	100	0	100
Postage	1,500	244	1,256
Advertising	500	300	200
Contracted Services	8,000	2,316	5,684
	<u>12,253</u>	<u>3,939</u>	<u>8,314</u>
Total Board of Civil Authority			
	<u>12,253</u>	<u>3,939</u>	<u>8,314</u>

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TOWN OF ST. JOHNSBURY, VERMONT
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STATEMENT OF REVENUES, EXPENDITURES
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BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Assessor's Office:			
Regular Salaries	\$ 28,596	\$ 25,841	\$ 2,755
Overtime Pay	0	94	(94)
Social Security	2,188	2,107	81
Group Insurance	8,243	8,377	(134)
Retirement Contributions	5,749	4,825	924
Workman's Compensation	75	127	(52)
Unemployment Compensation	220	210	10
Office Supplies	300	0	300
Training	300	0	300
Postage	400	88	312
Advertising	100	0	100
Gas, Oil & Mileage	0	4	(4)
Transfer to Reappraisal Reserve	27,500	27,500	0
Telephone	550	566	(16)
Contracted Services	55,000	47,200	7,800
Repair & Maintenance Services	0	20	(20)
Total Assessor's Office	129,221	116,959	12,262
Economic Development:			
Office Supplies	200	103	97
Travel & Mileage	1,500	9	1,491
Housing Grants	0	30,086	(30,086)
Armory Project	0	50,046	(50,046)
Designated Downtown	25,000	25,000	0
NVDA Dues	3,500	3,500	0
Industrial Park Taxes	59,120	60,961	(1,841)
Transfer to Housing Development Reserve	20,000	20,000	0
Transfer to Economic Development Reserve	20,000	20,000	0
Total Economic Development	129,320	209,705	(80,385)
Zoning Board & Planning Commission:			
Regular Salaries	31,387	25,245	6,142
Social Security	2,401	1,931	470
Workman's Compensation	151	165	(14)
VMERS	2,119	0	2,119
Unemployment Compensation	220	210	10
Office Supplies	400	758	(358)
Training	0	208	(208)
Postage	500	816	(316)
Advertising	4,200	4,098	102
Telephone	800	592	208
New Equipment	0	1,156	(1,156)
Gas, Oil, Mileage	600	541	59
Professional Services	2,000	1,000	1,000
Planning Grant Expenses	3,000	0	3,000
Total Zoning Board & Planning Commission	47,778	36,720	11,058

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BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Code Enforcement:			
Regular Salaries	\$ 63,068	\$ 60,973	\$ 2,095
Social Security	4,825	4,368	457
Group Insurance	22,726	23,784	(1,058)
HBA Expense	3,000	2,013	987
Workman's Compensation	150	192	(42)
VMERS	3,754	3,613	141
Unemployment Compensation	220	100	120
Office Supplies	300	447	(147)
Training	300	265	35
Postage	800	424	376
Telephone	400	588	(188)
New Equipment	1,000	0	1,000
Gas, Oil, Mileage	300	615	(315)
Contracted Services	100	2,978	(2,878)
Repair & Maintenance Supplies	0	33	(33)
Total Code Enforcement	100,943	100,393	550
Public Safety Building:			
Heating Fuel	11,000	15,115	(4,115)
Public Utility Services	11,500	13,676	(2,176)
Waste Disposal Services	2,000	3,002	(1,002)
Contracted Services	15,000	22,261	(7,261)
Repair & Maintenance Supplies	8,000	10,209	(2,209)
Total Public Safety Building	47,500	64,263	(16,763)
Community Center - Armory:			
Repair & Maintenance Supplies	0	1,131	(1,131)
Total Community Center - Armory	0	1,131	(1,131)
Dog Control:			
Contracted Services	1,000	728	272
Total Dog Control	1,000	728	272
Board of Selectmen:			
Salaries	6,400	6,400	0
Social Security	490	490	0
Training	100	415	(315)
New Equipment	5,000	5,246	(246)
Total Board of Selectmen	11,990	12,551	(561)

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TOWN OF ST. JOHNSBURY, VERMONT
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GENERAL FUND
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	Budget	Actual	Variance Favorable/ (Unfavorable)
Dispatch Center:			
Regular Salaries	\$ 351,951	\$ 332,338	\$ 19,613
Overtime Pay	40,000	64,322	(24,322)
Social Security	29,984	29,279	705
Group Insurance	98,454	78,885	19,569
HBA Expense	8,000	7,701	299
Workman's Compensation	906	1,076	(170)
Retirement Contributions	11,098	9,314	1,784
VMERS	23,614	26,388	(2,774)
Unemployment Compensation	1,540	1,402	138
Office Supplies	3,500	3,574	(74)
Training Supplies	1,000	1,751	(751)
Postage	100	68	32
New Equipment	10,000	8,529	1,471
Mileage	250	338	(88)
Uniforms	1,000	917	83
Telephone	9,800	11,214	(1,414)
Contracted Services	11,000	7,490	3,510
Repair & Maintenance Services	10,000	4,500	5,500
Transfer to Dispatch Equipment Reserve	5,000	5,000	0
Total Dispatch Center	617,197	594,086	23,111
Fire Department:			
Regular Salaries	575,485	512,223	63,262
Overtime Pay	65,000	104,872	(39,872)
Social Security	48,997	45,633	3,364
Group Insurance	138,769	118,179	20,590
HBA Expense	18,000	9,140	8,860
Workman's Compensation	54,210	40,557	13,653
Retirement Contributions	44,959	37,732	7,227
VMERS	27,585	33,369	(5,784)
Unemployment Compensation	2,302	2,290	12
Office Supplies	2,000	1,359	641
Training Supplies	14,000	5,818	8,182
Postage	200	80	120
Advertising	200	0	200
New Equipment	50,000	111,341	(61,341)
Gas, Oil & Mileage	9,700	14,246	(4,546)
Uniforms	10,000	10,613	(613)
Telephone	3,000	2,879	121
Heating Fuel	2,500	3,263	(763)
Public Utility Services	820	828	(8)
Contracted Services	16,500	20,123	(3,623)
Supplies	12,000	8,863	3,137
Repair & Maintenance Services	20,000	36,771	(16,771)
Motor Vehicle Supplies	1,000	307	693
Alarm System Supplies	5,000	825	4,175
Transfer to Fire Equipment Reserve	93,500	93,500	0
Total Fire Department	1,215,727	1,214,811	916

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TOWN OF ST. JOHNSBURY, VERMONT
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BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Solid Waste:			
Waste & Disposal Services	\$ 35,000	\$ 31,710	\$ 3,290
Contracted Services	5,000	3,710	1,290
Total Solid Waste	40,000	35,420	4,580
Pomerleau Building:			
Heating Fuel	12,000	16,769	(4,769)
Public Utility Services	14,000	11,899	2,101
Waste Disposal Services	2,000	1,907	93
Contracted Services	35,000	32,416	2,584
Bond Principal	70,000	70,000	0
Bond Interest	28,355	28,355	0
Repair & Maintenance Supplies	3,000	20,276	(17,276)
Building Taxes	26,000	12,617	13,383
New Equipment	0	11,420	(11,420)
Total Pomerleau Building	190,355	205,659	(15,304)
General Expenses:			
Public Utility Services	1,500	804	696
Internet Expense	30,000	23,993	6,007
Web Site Expense	5,500	3,830	1,670
IT Upgrades	35,000	2,246	32,754
Contracted Services	9,000	15,286	(6,286)
Audit	6,380	7,346	(966)
Legal Services	25,000	49,616	(24,616)
Judgments & Losses	0	310	(310)
VLCT Dues	10,422	10,422	0
Community Justice Center	5,000	5,000	0
Property & Liability Insurance	54,649	54,604	45
Health Insurance Account Expense	2,600	2,507	93
County Taxes	59,000	58,275	725
Ambulance Service Contract	167,570	167,570	0
Cemetery Expenses	28,650	11,611	17,039
Transfer to Special Services Fund	61,400	61,400	0
Beautification Operating Supplies	18,000	22,662	(4,662)
Beautification Repairs & Maintenance	2,000	1,480	520
Management of the Knob	35,848	0	35,848
Transfer to Recreation Fund	10,000	10,000	0
Total General Expenses	567,519	508,962	58,557

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TOWN OF ST. JOHNSBURY, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES
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BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Special Appropriations:			
American Red Cross	\$ 1,800	\$ 1,800	\$ 0
Area Agency on Aging	7,200	7,200	0
Caledonia Home Health Care and Hospice	18,382	18,382	0
Catamount Arts	5,000	5,000	0
First Night	3,000	3,000	0
Fairbanks Museum	63,000	63,000	0
Good Living Senior Center	20,000	20,000	0
Kingdom Animal Shelter	2,000	2,000	0
NEK Human Services	7,983	7,983	0
NEK Youth Services	5,500	5,500	0
Retired Senior Volunteer Program	810	810	0
Rural Community Transportation	13,050	13,050	0
Sash Program	2,000	2,000	0
St. Johnsbury Athenaeum	115,000	115,000	0
St. Johnsbury Town Band	770	770	0
St. Johnsbury Kiwanis Club Pool	19,900	19,900	0
St. Johnsbury Nutritional Center	10,000	10,000	0
Umbrella	9,500	9,500	0
VT Association for the Blind	675	675	0
Total Special Appropriations	305,570	305,570	0
Total Expenditures	4,130,908	4,128,184	2,724
Excess/(Deficiency) of Revenues Over Expenditures	\$ (150,000)	(34,627)	\$ 115,373
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Accrual Basis of Accounting:			
Parking Meter Fund Income		91,177	
Parking Meter Fund Expenses		(41,482)	
Parking Meter Fund Transfer Out		(29,243)	
Recreation Fund Transfer In		10,000	
Recreation Fund Expenses		(10,000)	
Unbudgeted ARPA Grant Income		1,070,211	
Unbudgeted Revitalization Expenses		(214,864)	
Transfer to Records Restoration Reserve		8,500	
Transfer to Reappraisal Reserve		27,500	
Transfer to Housing Development Reserve		20,000	
Transfer to Economic Development Reserve		20,000	
Transfer to Dispatch Equipment Reserve		5,000	
Transfer to Fire Equipment Reserve		93,500	
Net Change in Fund Balance		1,015,672	
Fund Balance - July 1, 2022		2,828,547	
Fund Balance - June 30, 2023		\$ 3,844,219	

The reconciling items are due to combining two (2) funds, the Parking Meter Fund and the Recreation Fund, with the General Fund in order to comply with GASB Statement No. 54, unbudgeted income and expenses and transfers to reserve accounts.

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BUDGET AND ACTUAL - BUDGETARY BASIS
HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes	\$ 2,468,904	\$ 2,468,904	\$ 0
VT Pilot Payment	60,000	78,107	18,107
Hold Harmless VT Payment	26,000	35,485	9,485
State Aid Class I Highways	53,000	56,668	3,668
State Aid Class II Highways	46,000	49,161	3,161
State Aid Class III Highways	128,000	134,064	6,064
State Aid Lane Mileage	247	247	0
Highway Department Services	0	1,230	1,230
Transfer from Water Fund	139,750	139,750	0
Transfer from Sewer Fund	97,750	97,750	0
Transfer from General Fund	20,000	0	(20,000)
Transfer from Water Fund & Sewer Fund - PILOT	15,738	15,738	0
Better Back Roads Grant Income	50,000	0	(50,000)
Transfer from Construction Reserve	150,000	0	(150,000)
Special Programs Grant Income	0	126,650	126,650
Sale of Equipment	0	20,300	20,300
Sale of Materials	0	1,804	1,804
Miscellaneous	0	3,989	3,989
Total Revenues	3,255,389	3,229,847	(25,542)
Expenditures:			
Highway Garage & Equipment:			
Regular Salaries	53,481	53,707	(226)
Overtime Pay	5,000	677	4,323
Social Security	4,474	3,765	709
Group Insurance	22,191	22,492	(301)
HBA Expense	5,000	2,012	2,988
Workman's Compensation	2,547	2,157	390
VMERS	3,597	3,466	131
Unemployment Compensation	232	220	12
Office Supplies	2,000	851	1,149
Training	3,000	734	2,266
Advertising	200	120	80
New Equipment	10,000	8,520	1,480
New Tools	5,000	3,236	1,764
Gas & Oil for Equipment	80,000	95,139	(15,139)
Uniforms	7,700	7,303	397
Telephone	3,800	1,446	2,354
Heating Fuel	8,000	11,343	(3,343)
Public Utility Services	8,500	8,705	(205)
Waste Disposal Services	6,000	13,307	(7,307)
Contracted Services	6,500	3,035	3,465
Equipment Rentals	13,000	3,550	9,450
Repairs to Equipment	75,000	75,618	(618)
Maintenance Supplies	35,000	32,613	2,387
Safety Supplies	2,500	2,814	(314)
DPW Supplies	3,500	4,165	(665)
Outside Repairs	17,000	3,127	13,873
Repairs to Garage	15,000	32,959	(17,959)
Transfer to Equipment Reserve	10,000	10,000	0
Total Highway Garage & Equipment	408,222	407,081	1,141

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TOWN OF ST. JOHNSBURY, VERMONT
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BUDGET AND ACTUAL - BUDGETARY BASIS
HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Summer Maintenance:			
Regular Salaries	\$ 367,167	\$ 338,741	\$ 28,426
Overtime Pay	20,000	15,868	4,132
Social Security	29,618	26,229	3,389
Group Insurance	95,225	97,784	(2,559)
HBA Expense	18,000	19,599	(1,599)
Workman's Compensation	17,831	15,467	2,364
Retirement Contributions	26,495	22,236	4,259
VMERS	15,284	13,887	1,397
Unemployment Compensation	1,508	1,530	(22)
Contracted Services	60,000	42,159	17,841
Stormwater Permit Fee - ANR	6,000	3,178	2,822
Materials & Supplies	237,500	217,060	20,440
Maintenance (Paving)	225,000	378,645	(153,645)
Total Summer Maintenance	1,119,628	1,192,383	(72,755)
Winter Maintenance:			
Regular Salaries	333,887	337,958	(4,071)
Overtime Pay	75,000	69,342	5,658
Social Security	31,280	29,907	1,373
Group Insurance	95,223	96,193	(970)
HBA Expense	18,000	12,398	5,602
Workman's Compensation	17,831	15,467	2,364
Retirement Contributions	26,495	22,236	4,259
VMERS	15,285	15,746	(461)
Unemployment Compensation	1,508	1,530	(22)
Contracted Services	0	762	(762)
Materials & Supplies	186,500	92,308	94,192
Total Winter Maintenance	801,009	693,847	107,162
Street Safety & Traffic:			
Public Utility Services	90,000	89,186	814
Railroad St. Parking Lot	771	1,871	(1,100)
Regular Salaries	31,200	21,887	9,313
Social Security	2,387	1,674	713
Contracted Services	3,000	5,398	(2,398)
Repair & Maintenance Services	1,000	143	857
Materials & Supplies	12,000	9,061	2,939
Total Street Safety & Traffic	140,358	129,220	11,138

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BUDGET AND ACTUAL - BUDGETARY BASIS
HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Highway Fund:			
Advertising	\$ 300	\$ 0	\$ 300
Audit	6,380	7,346	(966)
Health Insurance Account Expense	1,800	1,165	635
Contracted Services	0	166	(166)
State Stormwater Operating Fee	2,000	640	1,360
Transfer to Sidewalk Reserve	40,000	40,000	0
Transfer to Construction Reserve	5,000	5,000	0
Property & Liability Insurance	29,219	29,413	(194)
Industrial Park Taxes	59,537	60,961	(1,424)
Storm Damage Expenses	0	960	(960)
Eastern Pearl Sidewalk Project	0	37,544	(37,544)
Interest - Westside USDA 93/15	45,340	45,340	0
Principal - Westside USDA 93/15	84,228	84,228	0
CSO Payment	131,857	131,857	0
New Equipment 18-19 Debt Payment	129,943	129,416	527
New Equipment 19-20 Debt Payment	73,728	73,728	0
New Equipment 21-22 Debt Payment	60,000	63,441	(3,441)
New Equipment 22-23 Debt Payment	75,000	78,041	(3,041)
Local Share - Bike Path	38,340	846	37,494
Local Share - NBRC	0	16,844	(16,844)
Portland Street Bridge	0	2,422	(2,422)
VTRANS Culvert Grant Expenses	0	27,632	(27,632)
Grants-in-Aid Grant Expenses	0	26,356	(26,356)
Special Project Expenses	0	14,900	(14,900)
Stormwater Ponds	0	9,360	(9,360)
Internet Expense	3,500	7,320	(3,820)
Total Highway Fund	786,172	894,926	(108,754)
Total Expenditures	3,255,389	3,317,457	(62,068)
Excess/(Deficiency) of Revenues Over Expenditures	\$ 0	(87,610)	\$ (87,610)
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Accrual Basis of Accounting:			
Unbudgeted Proceeds from Long-term Debt		354,643	
Unbudgeted Equipment Purchases		(329,926)	
Transfer to Equipment Reserve		10,000	
Transfer to Sidewalk Reserve		40,000	
Transfer to Construction Reserve		5,000	
Net Change in Fund Balance		(7,893)	
Fund Balance - July 1, 2022		1,185,720	
Fund Balance - June 30, 2023		\$ 1,177,827	

The reconciling items are due to unbudgeted capital purchases and related funding and transfers to reserve accounts.

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF ST. JOHNSBURY, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
SPECIAL SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes	\$ 1,298,702	\$ 1,298,702	\$ 0
VT Pilot Payments	20,000	30,042	10,042
Hold Harmless VT Payments	100	165	65
District Court Fines	3,600	11,247	7,647
Report Revenue	1,500	1,620	120
Police Department Services	1,200	4,321	3,121
Fingerprinting Services	25,000	63,876	38,876
SIU Revenue	30,000	30,000	0
Governor's Highway Safety Grant - Salaries	5,000	6,284	1,284
Transfer from General Fund	61,400	61,400	0
Transfer from Water Fund & Sewer Fund - PILOT	14,681	14,682	1
Transfer from Parking Meter Fund	20,000	20,000	0
Donations	0	100	100
Grant Income	0	50,000	50,000
Asset Forfeiture Income	0	1,833	1,833
Sale of Equipment	0	4,220	4,220
Total Revenues	1,481,183	1,598,492	117,309
Expenditures:			
Police Department:			
Regular Salaries	739,513	624,762	114,751
Overtime Pay	70,000	230,491	(160,491)
Social Security	61,928	63,721	(1,793)
Group Insurance	175,446	145,779	29,667
HBA Expense	16,000	16,160	(160)
Workman's Compensation	40,945	37,669	3,276
Retirement Contributions	27,802	23,333	4,469
VMERS	45,686	52,254	(6,568)
Unemployment Compensation	2,998	2,499	499
Office Supplies	4,200	3,984	216
Training	7,000	4,032	2,968
Postage	400	898	(498)
Advertising	300	539	(239)
New Equipment	5,000	108,407	(103,407)
Gas, Oil & Mileage	20,000	18,457	1,543
Uniforms	10,000	4,068	5,932
Telephone	4,200	5,314	(1,114)
Heating Fuel	2,800	4,646	(1,846)
Public Utility Services	3,750	3,251	499
Waste Disposal Services	1,200	847	353
Contracted Services	10,000	8,543	1,457
Ammunition	4,000	2,769	1,231
Repairs to Equipment	1,500	729	771
Dues	1,500	500	1,000
Repairs to Cruisers	13,000	22,182	(9,182)
Investigation Supplies	2,300	2,600	(300)
Governor's Highway Safety Grant Expenditures	5,000	0	5,000
Transfer to Equipment Reserve	20,000	20,000	0
Total Police Department	1,296,468	1,408,434	(111,966)

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF ST. JOHNSBURY, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
SPECIAL SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Special Services Fund:			
Audit	\$ 6,380	\$ 7,346	\$ (966)
Health Insurance Account Expense	1,200	586	614
Contracted Services	1,500	810	690
Property & Liability Insurance	27,504	31,467	(3,963)
Internet Expense	10,000	8,665	1,335
Transfer to Dispatch Services	<u>178,131</u>	<u>176,206</u>	<u>1,925</u>
Total Special Services Fund	<u>224,715</u>	<u>225,080</u>	<u>(365)</u>
Total Expenditures	<u>1,521,183</u>	<u>1,633,514</u>	<u>(112,331)</u>
Excess/(Deficiency) of Revenues Over Expenditures	\$ <u>(40,000)</u>	(35,022)	\$ <u>4,978</u>
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Accrual Basis of Accounting:			
Transfer to Equipment Reserve		<u>20,000</u>	
Net Change in Fund Balance		(15,022)	
Fund Balance - July 1, 2022		<u>277,732</u>	
Fund Balance - June 30, 2023		\$ <u>262,710</u>	

The reconciling item is due to the transfer to the reserve account.

TOWN OF ST. JOHNSBURY, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
VMERS DEFINED BENEFIT PLAN
JUNE 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	\$ 303,371,956	\$ 147,184,198	\$ 252,974,064	\$ 173,491,807	\$ 140,675,892	\$ 121,155,552	\$ 128,696,167	\$ 77,095,810	\$ 9,126,613
Town's Proportion of the Net Pension Liability	0.5902%	0.5665%	0.5775%	0.5574%	0.5230%	0.5268%	0.4359%	0.3934%	0.3111%
Town's Proportionate Share of the Net Pension Liability	\$ 1,790,569	\$ 833,835	\$ 1,460,826	\$ 967,024	\$ 735,681	\$ 638,209	\$ 560,984	\$ 303,298	\$ 28,395
Town's Covered Employee Payroll	\$ 2,074,507	\$ 1,862,450	\$ 1,831,323	\$ 1,672,480	\$ 1,434,846	\$ 1,342,806	\$ 1,046,350	\$ 888,649	\$ 821,904
Town's Proportionate Share of the Net Pension Liability as a Percentage of Town's Covered Employee Payroll	86.3130%	44.7709%	79.7689%	57.8198%	51.2725%	47.5280%	53.6134%	34.1302%	3.4548%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.60%	86.29%	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%

Notes to Schedule

Benefit Changes: None.

Changes in Assumptions and Methods: None.

Changes in Plan Provisions: At the November 17, 2020 Board meeting, the Board voted unanimously to authorize employer contribution rate increases of 0.50% each year for a period of four years, beginning July 1, 2022. In 2022, the Legislature passed H.740, which effectively split the Board-authorized increases evenly between members and employers by including an increase in the employee rate of 0.25% for each group for four years, beginning July 1, 2022.

Fiscal year 2015 was the first year of implementation, therefore, only nine years are shown.

TOWN OF ST. JOHNSBURY, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
VMERS DEFINED BENEFIT PLAN
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution (Actuarially Determined)	\$ 180,967	\$ 147,673	\$ 125,855	\$ 119,214	\$ 107,093	\$ 91,576	\$ 86,026	\$ 66,250	\$ 55,038
Contributions in Relation to the Actuarially Determined Contributions	<u>180,967</u>	<u>147,673</u>	<u>125,855</u>	<u>119,214</u>	<u>107,093</u>	<u>91,576</u>	<u>86,026</u>	<u>66,250</u>	<u>55,038</u>
Contribution Excess/(Deficiency)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Town's Covered Employee Payroll	\$ 2,449,104	\$ 2,074,507	\$ 1,862,450	\$ 1,831,323	\$ 1,672,480	\$ 1,434,846	\$ 1,342,806	\$ 1,046,350	\$ 888,649
Contributions as a Percentage of Town's Covered Employee Payroll	7.389%	7.118%	6.757%	6.510%	6.403%	6.382%	6.406%	6.332%	6.193%

Notes to Schedule

Valuation Date: June 30, 2022

Fiscal year 2015 was the first year of implementation, therefore, only nine years are shown.

TOWN OF ST. JOHNSBURY, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 PENSION TRUST FUND
 JUNE 30, 2023

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess/ (Deficiency) of Assets Over AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess/ (Deficiency) as a Percentage of Covered Payroll (a-b/c)
1/1/2014	9,217,480	10,311,956	(1,094,476)	89%	1,525,618	-71.7%
1/1/2015	9,362,798	10,800,376	(1,437,578)	87%	1,474,283	-97.5%
1/1/2016	9,117,722	11,282,205	(2,164,483)	81%	1,487,309	-145.5%
1/1/2017	9,668,301	11,670,327	(2,002,026)	83%	1,408,393	-142.1%
1/1/2018	10,541,534	12,074,434	(1,532,900)	87%	1,314,736	-117%
1/1/2019	9,690,615	12,384,325	(2,693,710)	78%	1,103,148	-244%
1/1/2020	10,911,570	13,030,704	(2,119,134)	84%	1,013,837	-209%
1/1/2021	11,304,463	13,130,936	(1,826,473)	86%	1,020,208	-179%
1/1/2022	11,848,721	13,158,697	(1,309,976)	90%	804,348	-163%
1/1/2023	9,541,758	13,892,799	(4,351,041)	69%	960,275	-453%

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF ST. JOHNSBURY, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
PENSION TRUST FUND
JUNE 30, 2023

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:									
Service Cost	\$ 60,804	\$ 72,792	\$ 85,259	\$ 79,645	\$ 100,951	\$ 115,097	\$ 123,154	\$ 115,139	\$ 168,300
Interest	831,324	832,838	826,926	846,547	830,076	804,914	770,068	766,804	862,671
Difference Between Expected and Actual Experience	152,825	61,966	(10,623)	310,902	190,276	120,265	(220,202)	154,539	0
Change in Benefit Terms	488,988	0	0	(474,858)	0	0	0	0	0
Changes in Assumptions	0	24,603	(44,863)	646,005	(133,641)	(62,871)	277,567	0	0
Benefit Payments, Including Refunds of Member Contributions	<u>(799,839)</u>	<u>(964,438)</u>	<u>(756,467)</u>	<u>(761,862)</u>	<u>(677,771)</u>	<u>(573,298)</u>	<u>(562,465)</u>	<u>(554,653)</u>	<u>(542,551)</u>
Net Change in Total Pension Liability	734,102	27,761	100,232	646,379	309,891	404,107	388,122	481,829	488,420
Total Pension Liability, January 1	<u>13,158,697</u>	<u>13,130,936</u>	<u>13,030,704</u>	<u>12,384,325</u>	<u>12,074,434</u>	<u>11,670,327</u>	<u>11,282,205</u>	<u>10,800,376</u>	<u>10,311,956</u>
Total Pension Liability, December 31	<u>13,892,799</u>	<u>13,158,697</u>	<u>13,130,936</u>	<u>13,030,704</u>	<u>12,384,325</u>	<u>12,074,434</u>	<u>11,670,327</u>	<u>11,282,205</u>	<u>10,800,376</u>
Plan Fiduciary Net Position:									
Contributions - Employer	135,000	181,965	207,815	272,713	183,928	249,761	255,115	307,593	171,300
Contributions - Members	39,954	43,828	43,402	47,686	56,442	58,955	47,723	35,703	20,023
Net Investment Income/(Loss)	(1,662,678)	1,315,703	899,043	1,681,968	(395,618)	1,153,615	878,054	64,102	606,957
Administrative Expenses	(19,400)	(32,800)	(900)	(19,550)	(17,900)	(15,800)	(67,848)	(97,821)	(110,411)
Benefit Payments, Including Refunds of Member Contributions	<u>(799,839)</u>	<u>(964,438)</u>	<u>(756,467)</u>	<u>(761,862)</u>	<u>(677,771)</u>	<u>(573,298)</u>	<u>(562,465)</u>	<u>(554,653)</u>	<u>(542,551)</u>
Net Change in Fiduciary Net Position	(2,306,963)	544,258	392,893	1,220,955	(850,919)	873,233	550,579	(245,076)	145,318
Plan Fiduciary Net Position, January 1	<u>11,848,721</u>	<u>11,304,463</u>	<u>10,911,570</u>	<u>9,690,615</u>	<u>10,541,534</u>	<u>9,668,301</u>	<u>9,117,722</u>	<u>9,362,798</u>	<u>9,217,480</u>
Plan Fiduciary Net Position, December 31	<u>9,541,758</u>	<u>11,848,721</u>	<u>11,304,463</u>	<u>10,911,570</u>	<u>9,690,615</u>	<u>10,541,534</u>	<u>9,668,301</u>	<u>9,117,722</u>	<u>9,362,798</u>
Net Pension Liability, December 31	<u>\$ 4,351,041</u>	<u>\$ 1,309,976</u>	<u>\$ 1,826,473</u>	<u>\$ 2,119,134</u>	<u>\$ 2,693,710</u>	<u>\$ 1,532,900</u>	<u>\$ 2,002,026</u>	<u>\$ 2,164,483</u>	<u>\$ 1,437,578</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.68%	90.04%	86.09%	83.74%	78.25%	87.30%	82.85%	80.82%	86.69%
Covered Employee Payroll	\$ 960,275	\$ 804,348	\$ 1,020,208	\$ 1,013,837	\$ 1,103,148	\$ 1,314,736	\$ 1,408,393	\$ 1,474,283	\$ 1,525,618
Net Pension Liability as a Percentage of Covered Employee Payroll	453.10%	162.86%	179.03%	209.02%	244.18%	116.59%	142.15%	146.82%	94.23%

Notes to Schedule

Benefit Changes: None.

Change in Benefit Terms: The most recent collective bargaining agreement removed the requirement for all DPW employees to transition to VMERS by July 1, 2023.

Changes in Assumptions: None.

GASB No. 67 required supplementary information is not available for years prior to 2014. Data for future years will be added prospectively.

TOWN OF ST. JOHNSBURY, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PENSION TRUST FUND
JUNE 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016 (18 Months)	2014	2013
Actuarially Determined Contribution	\$ 134,812	\$ 181,586	\$ 207,815	\$ 272,713	\$ 183,928	\$ 230,812	\$ 255,115	\$ 362,938	\$ 168,300	\$ 280,984
Contributions in Relation to the Actuarially Determined Contribution	<u>135,000</u>	<u>181,965</u>	<u>207,815</u>	<u>272,713</u>	<u>183,928</u>	<u>249,761</u>	<u>255,115</u>	<u>307,593</u>	<u>171,300</u>	<u>280,984</u>
Contribution Deficiency/(Excess)	\$ <u>(188)</u>	\$ <u>(379)</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(18,949)</u>	\$ <u>0</u>	\$ <u>55,345</u>	\$ <u>(3,000)</u>	\$ <u>0</u>
Covered-Employee Payroll	\$ 960,275	\$ 804,348	\$ 1,020,208	\$ 1,013,837	\$ 1,103,148	\$ 1,314,736	\$ 1,408,393	\$ 1,474,283	\$ 1,525,618	\$ 1,593,018
Contribution as a Percentage of Covered-Employee Payroll	14.06%	22.62%	20.37%	26.90%	16.67%	19.00%	18.11%	20.86%	11.22%	15.75%

Notes to Schedule

Valuation Date: January 1, 2023

Actuarially determined contribution rates are calculated as of January 1 of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Closed Method
Asset Valuation Method	Market Value
Salary Increases	3.75%
Investment Rate of Return	6.50%
Retirement Age	60 with 25 Years of Service but no later than 65
Mortality	Pri-2012 Total Dataset Generational Mortality, projected with MP-2021

TOWN OF ST. JOHNSBURY, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
PENSION TRUST FUND
JUNE 30, 2023

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Annual Money-Weighted Rate of Return, Net of Investment Expense	(14.42%)	12.05%	8.43%	17.78%	(3.84%)	12.11%	9.02%	(0.36%)	5.49%	14.82%

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TOWN OF ST. JOHNSBURY, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2023

	Special Revenue Fund <hr/> Grove Cemetery Fund <hr/>	Permanent Fund <hr/> Goss Hollow Cemetery Fund <hr/>	<hr/> Total <hr/>
<u>ASSETS</u>			
Cash	\$ 20,622	\$ 6,485	\$ 27,107
Investments	199,290	0	199,290
Due from Other Funds	<hr/> 56	<hr/> 0	<hr/> 56
Total Assets	\$ <u><u>219,968</u></u>	\$ <u><u>6,485</u></u>	\$ <u><u>226,453</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Due to Other Funds	\$ <hr/> 0	\$ <hr/> 136	\$ <hr/> 136
Total Liabilities	<hr/> 0	<hr/> 136	<hr/> 136
Fund Balances:			
Nonspendable	0	5,161	5,161
Restricted	<hr/> 219,968	<hr/> 1,188	<hr/> 221,156
Total Fund Balances	<hr/> 219,968	<hr/> 6,349	<hr/> 226,317
Total Liabilities and Fund Balances	\$ <u><u>219,968</u></u>	\$ <u><u>6,485</u></u>	\$ <u><u>226,453</u></u>

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TOWN OF ST. JOHNSBURY, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Fund	Permanent Fund	
	Grove Cemetery Fund	Goss Hollow Cemetery Fund	Total
Revenues:			
Charges for Services	\$ 3,100	\$ 0	\$ 3,100
Investment Income	<u>7,822</u>	<u>12</u>	<u>7,834</u>
Total Revenues	<u>10,922</u>	<u>12</u>	<u>10,934</u>
Expenditures:			
Cemetery	<u>650</u>	<u>0</u>	<u>650</u>
Total Expenditures	<u>650</u>	<u>0</u>	<u>650</u>
Net Change in Fund Balances	10,272	12	10,284
Fund Balances - July 1, 2022	<u>209,696</u>	<u>6,337</u>	<u>216,033</u>
Fund Balances - June 30, 2023	<u>\$ 219,968</u>	<u>\$ 6,349</u>	<u>\$ 226,317</u>

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

Board of Selectmen
Town of St. Johnsbury, Vermont
51 Depot Square
St. Johnsbury, Vermont 05819

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of St. Johnsbury, Vermont as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of St. Johnsbury, Vermont's basic financial statements and have issued our report thereon dated October 10, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of St. Johnsbury, Vermont's internal control or on compliance. This report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the Town of St. Johnsbury, Vermont's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sullivan, Powers & Co.

October 10, 2023
Montpelier, Vermont
VT Lic. #92-000180