

**TOWN OF ST. JOHNSBURY, VERMONT**

**AUDIT REPORT**

**JUNE 30, 2025**

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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, 2025, 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, 2025, 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 Principle***

As described in Note I.F. to the financial statements, in 2025, the Town adopted new accounting guidance, GASB Statement No. 101, "Compensated Absences". Our opinion is not modified with respect to this matter.

### ***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 a 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 the management's discussion and analysis on pages 5 through 12, the budgetary comparison information on Schedules 1 through 3, the Schedule of Proportionate Share of the Net Pension Liability for the Town's participation in VMERS on Schedule 4, the Schedule of Contributions for the Town's participation in VMERS on Schedule 5, the Schedule of Funding Progress for the Pension Trust Fund on Schedule 6, the Schedule of Changes in Net Position Liability and Related Ratios for the Pension Trust Fund on Schedule 7, the Schedule of Employer Contributions for the Pension Trust Fund on Schedule 8 and the Schedule of Investment Returns for the Pension Trust Fund on Schedule 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 November 3, 2025, on our consideration of the Town of St. Johnsbury, Vermont’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town 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.*

November 3, 2025  
Montpelier, Vermont  
VT Lic. #92-000180

**TOWN OF ST. JOHNSBURY, VERMONT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**

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, 2025. 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 \$48,661,362 (net position). The unrestricted net position is a deficit of \$1,342,441. The balance of net position is made up of \$49,260,966 net investment in capital assets and \$742,837 restricted for specific purposes.

The Town's total net position increased by \$2,970,305. Of this amount, net position attributable to governmental activities decreased by \$532,496 and net position attributable to business-type activities increased by \$3,502,801.

At the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$1,370,740, a decrease of \$2,865,879 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 \$1,535,509.

**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 seven individual governmental funds, including the General Fund, five 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

	2025			2024		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other Assets	\$ 6,612,964	\$ 2,083,085	\$ 8,696,049	\$ 5,110,261	\$ 2,026,028	\$ 7,136,289
Capital Assets	29,062,418	39,875,850	68,938,268	27,730,851	34,641,346	62,372,197
Total Assets	<u>35,675,382</u>	<u>41,958,935</u>	<u>77,634,317</u>	<u>32,841,112</u>	<u>36,667,374</u>	<u>69,508,486</u>
Deferred Outflows of Resources	<u>785,405</u>	<u>82,216</u>	<u>867,621</u>	<u>1,148,872</u>	<u>122,102</u>	<u>1,270,974</u>
Current Liabilities	1,785,829	811,406	2,597,235	385,687	1,346,603	1,732,290
Noncurrent Liabilities	11,586,873	15,614,416	27,201,289	9,992,147	13,329,958	23,322,105
Total Liabilities	<u>13,372,702</u>	<u>16,425,822</u>	<u>29,798,524</u>	<u>10,377,834</u>	<u>14,676,561</u>	<u>25,054,395</u>
Deferred Inflows of Resources	<u>41,697</u>	<u>355</u>	<u>42,052</u>	<u>33,266</u>	<u>742</u>	<u>34,008</u>
Net Position:						
Net Investment in Capital Assets	24,366,936	24,894,030	49,260,966	22,772,505	21,910,923	44,683,428
Restricted	742,837	0	742,837	658,626	0	658,626
Unrestricted/(Deficit)	(2,063,385)	720,944	(1,342,441)	147,753	201,250	349,003
Total Net Position	<u>\$ 23,046,388</u>	<u>\$ 25,614,974</u>	<u>\$ 48,661,362</u>	<u>\$ 23,578,884</u>	<u>\$ 22,112,173</u>	<u>\$ 45,691,057</u>

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 \$48,661,362. The Town's total net position is split between governmental activities net position of \$23,046,388 and business-type activities net position of \$25,614,974.

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 \$742,837 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 is a \$1,342,441 deficit. 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**

	2025			2024		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 731,429	\$ 3,261,822	\$ 3,993,251	\$ 773,588	\$ 3,109,313	\$ 3,882,901
Operating Grants and Contributions	3,521,667	36,921	3,558,588	864,794	47,536	912,330
Capital Grants and Contributions	1,854,156	4,256,457	6,110,613	207,885	3,313,437	3,521,322
<b>General Revenues:</b>						
Property Taxes	7,347,427	0	7,347,427	6,883,782	0	6,883,782
Penalties and Interest in Delinquent Taxes	111,361	0	111,361	94,772	0	94,772
General State Grants	372,322	0	372,322	377,946	0	377,946
Unrestricted Investment Earnings	59,763	10,414	70,177	51,512	9,547	61,059
Insurance Proceeds	0	0	0	8,145	148,780	156,925
Other Revenues	7,637	0	7,637	12,192	0	12,192
Transfer from St. Johnsbury Center						
Cemetery Association	0	0	0	126,522	0	126,522
<b>Total Revenues</b>	<b>14,005,762</b>	<b>7,565,614</b>	<b>21,571,376</b>	<b>9,401,138</b>	<b>6,628,613</b>	<b>16,029,751</b>
<b>Expenses:</b>						
General Government	2,037,350	0	2,037,350	1,662,949	0	1,662,949
Public Safety	4,423,839	0	4,423,839	3,961,608	0	3,961,608
Public Works	6,941,829	0	6,941,829	3,238,488	0	3,238,488
Culture and Recreation	328,407	0	328,407	288,770	0	288,770
Community Development	644,562	0	644,562	791,201	0	791,201
Cemetery	35,004	0	35,004	37,549	0	37,549
Interest on Long-term Debt	127,267	0	127,267	87,337	0	87,337
Water	0	1,883,929	1,883,929	0	1,516,382	1,516,382
Sewer	0	2,178,884	2,178,884	0	1,885,376	1,885,376
<b>Total Expenses</b>	<b>14,538,258</b>	<b>4,062,813</b>	<b>18,601,071</b>	<b>10,067,902</b>	<b>3,401,758</b>	<b>13,469,660</b>
Change in Net Position	(532,496)	3,502,801	2,970,305	(666,764)	3,226,855	2,560,091
Beginning Net Position	23,578,884	22,112,173	45,691,057	24,245,648	18,885,318	43,130,966
<b>Ending Net Position</b>	<b>\$ 23,046,388</b>	<b>\$ 25,614,974</b>	<b>\$ 48,661,362</b>	<b>\$ 23,578,884</b>	<b>\$ 22,112,173</b>	<b>\$ 45,691,057</b>

**Governmental Activities**

Governmental activities decreased the Town’s net position by \$532,496 for the year ended June 30, 2025. Business type activities increased the Town’s net position by \$3,502,801 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 \$1,370,740, a decrease of \$2,865,879 over the prior year. Of this total amount, \$146,925 is non-spendable (prepaid expenses and cemetery fund principal) and \$2,368,067 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, \$1,086,766 has been assigned by the Town for various purposes, (\$2,090,057) committed for the Highway Fund and (\$2,231,018) 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 \$3,182,643, an increase of \$625,950 from the previous year. Of this amount, \$140,869 is non-spendable and \$1,647,134 is restricted. The remaining amount of \$1,086,766 has been assigned as detailed in the footnotes and \$307,874 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 (\$2,090,057), a decrease of \$3,387,061 from the balance of the previous year. The deficit is due to the July 2024 flooding events and the Town does expect funds from FEMA.

The Special Services Fund has an ending fund balance of \$386,895, an increase of \$51,093 from the previous year. The restricted fund balance is \$386,000 and nonspendable is \$895.

At the end of the year, the total fund balance in the Grant Fund was (\$448,835), a decreases of \$188,979 from the balance of the previous year. The deficit will be funded with the collection of grant receivables and the issuance of long-term debt.

### **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 \$15,022,937, an increase of \$3,482,965 from the previous year. In the sewer fund, total net position is \$10,592,037, an increase of \$19,836 from the previous year.

### **BUDGETARY HIGHLIGHTS**

The Town's budget for the year ended June 30, 2025 passed on the first vote in March of 2024. Notable variances are as follows:

#### **General Fund:**

- Housing grants were funded through the housing reserves.
- The Armory project was funded through unallocated reserves.
- Property tax revenue was \$75,004 under budget.
- Delinquent tax penalty revenue was \$30,637 over budget.
- Pomerleau building rental income was \$21,400 under budget.
- Fire department wages were over budget due to rate increases.
- IT upgrades/internet over budget by \$30,002 due to upgrades.
- The \$25,000 information reward was unbudgeted expense.
- Judgments and losses of \$17,870 was unbudgeted expense.
- Town managers office was \$85,723 over budget due to employee turnover.
- Line of credit interest payments of \$15,315 was unbudgeted expense.
- Fire department repairs were \$29,308 over budget due to truck repairs.
- Fire truck bond interest payment of \$16,226 was unbudgeted expense.

- Revitalization grants of \$231,193 were expensed from unallocated fund balance/revitalization funds.
- The fund was budgeted with a deficit of expenditures over revenues of \$200,000.

#### Highway Fund:

- Unbudgeted storm expense of \$3,119,684 due to two flooding events in July 2024.
- Repairs to equipment over budget by \$22,106 due to tractor truck.
- Old Center road expense \$154,337 was unbudgeted expense.
- Bike path local match of \$20,812 was unbudgeted expense.
- New equipment purchase of \$337,926 was offset by loan proceeds of \$336,725.
- Winter maintenance expense was over budget by \$92,032 due to a snowy winter.
- The fund was budgeted with a deficit of expenditures over revenues of \$80,000.

#### Special Services:

- Special Services had vacant positions during the fiscal year resulting in significant overtime however it netted out against regular salaries.
- The fund was budgeted with a deficit of expenditures over revenues of \$40,000.
- Benefits were under budget due to staffing shortages.
- Contracted services were \$37,615 over budget due to staffing shortages and outsourcing services.
- Fingerprinting revenue was \$39,565 under budget due to staff shortage and inability to provide service.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

The Town's capital assets for its governmental and business-type activities as of June 30, 2025 were \$114,299,084 (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 \$21,416,621. Of this amount, \$11,699,564 represents bonded debt backed by the full faith and credit of the Town and \$9,717,057 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.J of the notes to financial statements.

### **Economic Factors and Next Year's Budget and Rates**

The unemployment rate for the Town is currently 3.0 percent, down from 3.1 percent one year ago. This compares with 2.6 percent state-wide, up from 2.1 percent statewide one year ago.

The Town approved a General Fund budget for the 2025-26 fiscal year in the amount of \$5,111,014. This represents an increase of 10% over the previous budget excluding special appropriations for the previous year.

**Economic Development Update 2025:**

The Town Manager's Office continues to leverage town resources with state and federal funding sources to improve our town infrastructure, public facilities, parks, and outdoor recreation areas. St. Johnsbury continues a growth trajectory and downtown investment, as evidenced by the low commercial vacancies and brisk business activity.

2025 saw the completion of several large-scale development projects that included the Northern Forest Center's 560 Railroad Street housing project, which opened last spring with 100% occupancy and the grand opening of the rkMILES building materials and retail outlet in the vacant former JCPenney space at the Green Mountain Mall. rkMILES 60,000sf redevelopment project provides St. Johnsbury and surrounding communities with a state-of-the-art drive-thru lumber yard and beautiful retail and showroom space.

The Caledonia Food Co-op's (CFC) efforts to open a store at 502 Railroad Street are moving forward. The CFC recently announced that its co-op project received a \$600K VCDP CDBG Implementation Grant to help move the project forward with hopes of a 2026 Grand Opening. Weidman Electrical Technologies continues its \$44M expansion with expectations that the newly added facilities will create 67 FTEs and be operational by early 2026. In addition to the significant investment along Route 5, NVRH's \$24M West Wing expansion will provide the region with improved emergency and pharmaceutical services. The above projects represent approximately \$86M in investment and will create over 100 jobs in our community.

The addition of new businesses and the expansion of our existing business base are proof that St. Johnsbury remains a good investment. Town Officials will continue to work with developers and stakeholders to support new housing, commercial, industrial, and recreational asset development. Understanding the importance of placemaking, Town Officials are committed to supporting arts and culture, hospitality, downtown walkability, and events and activities that celebrate our history and heritage. The Town is committed to providing adequate infrastructure to support growth and identify ways to foster public-private collaboration that supports the vision for a vibrant, sustainable community.

**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, 2025

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash	\$ 1,123,406	\$ 410,983	\$ 1,534,389
Restricted Cash Equivalents	1,661,286	0	1,661,286
Investments	270,298	219,082	489,380
Receivables	3,952,747	916,483	4,869,230
Internal Balances	(536,537)	536,537	0
Prepaid Expenses	111,764	0	111,764
Deposit on Fire Truck	30,000	0	30,000
Capital Assets:			
Land	614,197	185,592	799,789
Construction in Progress	2,722,659	11,687,178	14,409,837
Other Capital Assets, (Net of Accumulated Depreciation)	<u>25,725,562</u>	<u>28,003,080</u>	<u>53,728,642</u>
Total Assets	<u>35,675,382</u>	<u>41,958,935</u>	<u>77,634,317</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	701,133	72,853	773,986
Deferred Outflows of Resources Related to the Town's Pension Plan	<u>84,272</u>	<u>9,363</u>	<u>93,635</u>
Total Deferred Outflows of Resources	<u>785,405</u>	<u>82,216</u>	<u>867,621</u>
<u>LIABILITIES</u>			
Accounts Payable	481,344	757,134	1,238,478
Accrued Payroll and Benefits Payable	104,566	11,929	116,495
Unearned Revenue	2,401	6,018	8,419
Tax Sale Overpayments	56,024	0	56,024
Short-term Debt Payable	1,124,000	0	1,124,000
Accrued Interest Payable	17,494	36,325	53,819
Noncurrent Liabilities:			
Due Within One Year	608,179	490,700	1,098,879
Due in More than One Year	<u>10,978,694</u>	<u>15,123,716</u>	<u>26,102,410</u>
Total Liabilities	<u>13,372,702</u>	<u>16,425,822</u>	<u>29,798,524</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Prepaid Property Taxes	38,272	0	38,272
Deferred Inflows of Resources Related to the Town's Participation in VMERS	<u>3,425</u>	<u>355</u>	<u>3,780</u>
Total Deferred Inflows of Resources	<u>41,697</u>	<u>355</u>	<u>42,052</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	24,366,936	24,894,030	49,260,966
Restricted:			
Non-Expendable:			
Cemetery	5,161	0	5,161
Expendable:			
Public Safety	386,895	0	386,895
Cemetery	334,933	0	334,933
Other	15,848	0	15,848
Unrestricted/(Deficit)	<u>(2,063,385)</u>	<u>720,944</u>	<u>(1,342,441)</u>
Total Net Position	<u>\$ 23,046,388</u>	<u>\$ 25,614,974</u>	<u>\$ 48,661,362</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, 2025

	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
<b>Functions/Programs:</b>							
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General Government	\$ 2,037,350	\$ 243,370	\$ 46,586	\$ 0	\$ (1,747,394)	\$ 0	\$ (1,747,394)
Public Safety	4,423,839	472,752	46,425	1,735,578	(2,169,084)	0	(2,169,084)
Public Works	6,941,829	6,757	3,227,115	35,330	(3,672,627)	0	(3,672,627)
Culture and Recreation	328,407	0	51,811	83,248	(193,348)	0	(193,348)
Community Development	644,562	0	149,730	0	(494,832)	0	(494,832)
Cemetery	35,004	8,550	0	0	(26,454)	0	(26,454)
Interest on Long-term Debt	127,267	0	0	0	(127,267)	0	(127,267)
<b>Total Governmental Activities</b>	<b>14,538,258</b>	<b>731,429</b>	<b>3,521,667</b>	<b>1,854,156</b>	<b>(8,431,006)</b>	<b>0</b>	<b>(8,431,006)</b>
<b>Business-type Activities:</b>							
Water	1,883,929	1,446,176	33,846	3,881,928	0	3,478,021	3,478,021
Sewer	2,178,884	1,815,646	3,075	374,529	0	14,366	14,366
<b>Total Business-type Activities</b>	<b>4,062,813</b>	<b>3,261,822</b>	<b>36,921</b>	<b>4,256,457</b>	<b>0</b>	<b>3,492,387</b>	<b>3,492,387</b>
<b>Total Primary Government</b>	<b>\$ 18,601,071</b>	<b>\$ 3,993,251</b>	<b>\$ 3,558,588</b>	<b>\$ 6,110,613</b>	<b>(8,431,006)</b>	<b>3,492,387</b>	<b>(4,938,619)</b>
<b>General Revenues:</b>							
Property Taxes					7,347,427	0	7,347,427
Penalties and Interest on Delinquent Taxes					111,361	0	111,361
General State Grants					372,322	0	372,322
Unrestricted Investment Earnings					59,763	10,414	70,177
Other Revenues					7,637	0	7,637
<b>Total General Revenues</b>					<b>7,898,510</b>	<b>10,414</b>	<b>7,908,924</b>
<b>Change in Net Position</b>					<b>(532,496)</b>	<b>3,502,801</b>	<b>2,970,305</b>
<b>Net Position - July 1, 2024</b>					<b>23,578,884</b>	<b>22,112,173</b>	<b>45,691,057</b>
<b>Net Position - June 30, 2025</b>					<b>\$ 23,046,388</b>	<b>\$ 25,614,974</b>	<b>\$ 48,661,362</b>

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

TOWN OF ST. JOHNSBURY, VERMONT  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2025

	General Fund	Highway Fund	Special Services Fund	Grant Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash	\$ 1,053,506	\$ 0	\$ 0	\$ 0	\$ 69,900	\$ 1,123,406
Restricted Cash Equivalents	1,661,286	0	0	0	0	1,661,286
Investments	0	0	0	0	270,298	270,298
Receivables	356,685	2,845,457	11,325	739,280	0	3,952,747
Due from Other Funds	568,888	0	399,501	0	32	968,421
Prepaid Items	110,869	0	895	0	0	111,764
Deposit on Fire Truck	<u>30,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>30,000</u>
Total Assets	<u>\$ 3,781,234</u>	<u>\$ 2,845,457</u>	<u>\$ 411,721</u>	<u>\$ 739,280</u>	<u>\$ 340,230</u>	<u>\$ 8,117,922</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 203,659	\$ 78,806	\$ 3,397	\$ 195,482	\$ 0	\$ 481,344
Accrued Payroll and Benefits Payable	53,404	29,733	21,429	0	0	104,566
Due to Other Funds	0	857,518	0	647,304	136	1,504,958
Unearned Revenue	0	0	0	2,401	0	2,401
Tax Sale Overpayments	56,024	0	0	0	0	56,024
Short-term Debt Payable	<u>0</u>	<u>1,124,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,124,000</u>
Total Liabilities	<u>313,087</u>	<u>2,090,057</u>	<u>24,826</u>	<u>845,187</u>	<u>136</u>	<u>3,273,293</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Prepaid Property Taxes	38,272	0	0	0	0	38,272
Unavailable Property Taxes, Penalties and Interest	247,232	0	0	0	0	247,232
Unavailable Grants	<u>0</u>	<u>2,845,457</u>	<u>0</u>	<u>342,928</u>	<u>0</u>	<u>3,188,385</u>
Total Deferred Inflows of Resources	<u>285,504</u>	<u>2,845,457</u>	<u>0</u>	<u>342,928</u>	<u>0</u>	<u>3,473,889</u>
<u>FUND BALANCES</u>						
Nonspendable	140,869	0	895	0	5,161	146,925
Restricted	1,647,134	0	386,000	0	334,933	2,368,067
Assigned	1,086,766	0	0	0	0	1,086,766
Unassigned/(Deficit)	<u>307,874</u>	<u>(2,090,057)</u>	<u>0</u>	<u>(448,835)</u>	<u>0</u>	<u>(2,231,018)</u>
Total Fund Balances/(Deficit)	<u>3,182,643</u>	<u>(2,090,057)</u>	<u>386,895</u>	<u>(448,835)</u>	<u>340,094</u>	<u>1,370,740</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,781,234</u>	<u>\$ 2,845,457</u>	<u>\$ 411,721</u>	<u>\$ 739,280</u>	<u>\$ 340,230</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.	29,062,418
Other Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds.	3,435,617
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.	(11,604,367)
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>781,980</u>
Net Position of Governmental Activities	<u>\$ 23,046,388</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, 2025

	General Fund	Highway Fund	Special Services Fund	Grant Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Property Taxes	\$ 3,321,470	\$ 2,419,098	\$ 1,528,064	\$ 0	\$ 0	\$ 7,268,632
Penalties and Interest on Delinquent Taxes	111,361	0	0	0	0	111,361
Intergovernmental	253,761	564,522	81,465	1,959,043	0	2,858,791
Charges for Services	615,492	541,321	33,437	0	8,550	1,198,800
Permits, Licenses and Fees	213,741	3,858	0	0	0	217,599
Fines and Forfeits	4,412	0	8,382	0	0	12,794
Investment Income	26,785	0	0	0	32,978	59,763
Donations	325	0	0	0	0	325
Other	6,883	754	0	0	0	7,637
<b>Total Revenues</b>	<b>4,554,230</b>	<b>3,529,553</b>	<b>1,651,348</b>	<b>1,959,043</b>	<b>41,528</b>	<b>11,735,702</b>
<b>Expenditures:</b>						
General Government	1,960,888	0	0	39,138	0	2,000,026
Public Safety	2,417,279	0	1,501,039	0	0	3,918,318
Public Works	0	6,300,992	0	0	0	6,300,992
Culture and Recreation	272,582	0	0	55,803	0	328,385
Community Development	336,966	0	0	307,596	0	644,562
Cemetery	26,594	0	0	0	8,410	35,004
Capital Outlay:						
General Government	1,263	0	0	0	0	1,263
Public Safety	349,232	0	11,566	1,837,974	0	2,198,772
Public Works	0	339,386	0	5,100	0	344,486
Culture and Recreation	789	0	0	104,061	0	104,850
Debt Service:						
Principal	70,000	529,589	0	0	0	599,589
Interest	54,519	61,540	0	0	0	116,059
<b>Total Expenditures</b>	<b>5,490,112</b>	<b>7,231,507</b>	<b>1,512,605</b>	<b>2,349,672</b>	<b>8,410</b>	<b>16,592,306</b>
Excess/(Deficiency) of Revenues Over Expenditures	(935,882)	(3,701,954)	138,743	(390,629)	33,118	(4,856,604)
<b>Other Financing Sources/(Uses):</b>						
Issuance of Long-term Debt	1,654,000	336,725	0	0	0	1,990,725
Transfers In	257,650	0	170,000	201,650	0	629,300
Transfers Out	(349,818)	(21,832)	(257,650)	0	0	(629,300)
<b>Total Other Financing Sources/(Uses)</b>	<b>1,561,832</b>	<b>314,893</b>	<b>(87,650)</b>	<b>201,650</b>	<b>0</b>	<b>1,990,725</b>
<b>Net Change in Fund Balances</b>	<b>625,950</b>	<b>(3,387,061)</b>	<b>51,093</b>	<b>(188,979)</b>	<b>33,118</b>	<b>(2,865,879)</b>
<b>Fund Balances/(Deficit) - July 1, 2024</b>	<b>2,556,693</b>	<b>1,297,004</b>	<b>335,802</b>	<b>(259,856)</b>	<b>306,976</b>	<b>4,236,619</b>
<b>Fund Balances/(Deficit) - June 30, 2025</b>	<b>\$ 3,182,643</b>	<b>\$ (2,090,057)</b>	<b>\$ 386,895</b>	<b>\$ (448,835)</b>	<b>\$ 340,094</b>	<b>\$ 1,370,740</b>

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, 2025

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)	\$ (2,865,879)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$2,649,371) is allocated over their estimated useful lives and reported as depreciation expense (\$1,317,804). This is the amount by which capital outlays exceeded depreciation in the current period.	1,331,567
The issuance of long-term debt (\$1,990,725) (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$599,589) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	(1,391,136)
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.	(445,895)
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.	2,967,824
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>(128,977)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ (532,496)</u>

The General Fund, Highway Fund and Special Services Fund charges the Water Fund and Sewer Fund for administrative expenses and services provided. These charges, totaling \$697,764, have been eliminated from the Governmental Activities on the Statement of Activities.

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, 2025

<u>ASSETS</u>	Water Fund	Sewer Fund	Total
Current Assets:			
Cash	\$ 125,596	\$ 285,387	\$ 410,983
Investments	109,545	109,537	219,082
Receivables	410,562	505,921	916,483
Due from Other Funds	<u>1,331,671</u>	<u>0</u>	<u>1,331,671</u>
Total Current Assets	<u>1,977,374</u>	<u>900,845</u>	<u>2,878,219</u>
Noncurrent Assets:			
Capital Assets:			
Land	135,894	49,698	185,592
Construction in Progress	10,914,390	772,788	11,687,178
Buildings and Building Improvements	5,157,096	14,355,364	19,512,460
Vehicles, Machinery and Equipment	392,131	1,161,257	1,553,388
Distribution and Collection Systems	16,965,916	19,765,754	36,731,670
Less: Accumulated Depreciation	<u>(10,522,226)</u>	<u>(19,272,212)</u>	<u>(29,794,438)</u>
Total Noncurrent Assets	<u>23,043,201</u>	<u>16,832,649</u>	<u>39,875,850</u>
Total Assets	<u>25,020,575</u>	<u>17,733,494</u>	<u>42,754,069</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	0	72,853	72,853
Deferred Outflows of Resources Related to the Town's Pension Plan	<u>9,363</u>	<u>0</u>	<u>9,363</u>
Total Deferred Outflows of Resources	<u>9,363</u>	<u>72,853</u>	<u>82,216</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	617,891	139,243	757,134
Accrued Payroll and Benefits Payable	4,795	7,134	11,929
Due to Other Funds	0	795,134	795,134
Unearned Revenue	6,018	0	6,018
Accrued Interest Payable	22,734	13,591	36,325
Compensated Absences Payable - Current Portion	2,000	3,000	5,000
General Obligation Bonds Payable - Current Portion	<u>176,982</u>	<u>308,718</u>	<u>485,700</u>
Total Current Liabilities	<u>830,420</u>	<u>1,266,820</u>	<u>2,097,240</u>
Noncurrent Liabilities:			
Compensated Absences Payable - Noncurrent Portion	9,454	14,221	23,675
Net Pension Liability - VMERS	0	218,167	218,167
Net Pension Liability - Town's Pension Plan	300,435	0	300,435
General Obligation Bonds Payable - Noncurrent Portion	<u>8,866,692</u>	<u>5,714,747</u>	<u>14,581,439</u>
Total Noncurrent Liabilities	<u>9,176,581</u>	<u>5,947,135</u>	<u>15,123,716</u>
Total Liabilities	<u>10,007,001</u>	<u>7,213,955</u>	<u>17,220,956</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources Related to the Town's Participation in VMERS	<u>0</u>	<u>355</u>	<u>355</u>
Total Deferred Inflows of Resources	<u>0</u>	<u>355</u>	<u>355</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	13,999,527	10,894,503	24,894,030
Unrestricted/(Deficit)	<u>1,023,410</u>	<u>(302,466)</u>	<u>720,944</u>
Total Net Position	<u>\$ 15,022,937</u>	<u>\$ 10,592,037</u>	<u>\$ 25,614,974</u>

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, 2025

	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	\$ 1,435,776	\$ 1,808,567	\$ 3,244,343
Interest and Penalties	2,620	6,954	9,574
Other	7,780	125	7,905
Total Operating Revenues	1,446,176	1,815,646	3,261,822
Operating Expenses:			
Salaries and Benefits	283,964	488,937	772,901
Administrative	351,263	448,705	799,968
Utilities	114,175	168,700	282,875
Distribution and Collection	451,135	525,996	977,131
Taxes	105,076	0	105,076
Depreciation	440,226	464,601	904,827
Total Operating Expenses	1,745,839	2,096,939	3,842,778
Operating Income/(Loss)	(299,663)	(281,293)	(580,956)
Non-Operating Revenues/(Expenses):			
Debt Forgiveness	33,846	3,075	36,921
Service Line Inventory Expenses	(30,166)	0	(30,166)
Investment Income	4,944	5,470	10,414
Interest Expense	(107,924)	(81,945)	(189,869)
Total Non-Operating Revenues/(Expenses)	(99,300)	(73,400)	(172,700)
Net Income/(Loss) Before Capital Contributions	(398,963)	(354,693)	(753,656)
Capital Contributions:			
Debt Forgiveness	3,881,928	374,529	4,256,457
Total Capital Contributions	3,881,928	374,529	4,256,457
Change in Net Position	3,482,965	19,836	3,502,801
Net Position - July 1, 2024	11,539,972	10,572,201	22,112,173
Net Position - June 30, 2025	\$ 15,022,937	\$ 10,592,037	\$ 25,614,974

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, 2025

	Water Fund	Sewer Fund	Total
<b>Cash Flows From Operating Activities:</b>			
Receipts from Customers and Users	\$ 1,441,196	\$ 1,790,195	\$ 3,231,391
Payments for Goods and Services	(726,076)	(741,423)	(1,467,499)
Payments for Interfund Services	(304,236)	(393,528)	(697,764)
Payments for Wages and Benefits	(237,550)	(464,634)	(702,184)
Net Cash Provided by Operating Activities	<u>173,334</u>	<u>190,610</u>	<u>363,944</u>
<b>Cash Flows From Noncapital Financing Activities:</b>			
Issuance of Long-term Debt	33,846	6,150	39,996
Service Line Inventory Expenses	(30,166)	0	(30,166)
(Increase)/Decrease in Due from Other Funds	(161,372)	0	(161,372)
Increase/(Decrease) in Due to Other Funds	0	143,438	143,438
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>(157,692)</u>	<u>149,588</u>	<u>(8,104)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Issuance of Long-term Debt	6,307,424	791,471	7,098,895
Acquisition and Construction of Capital Assets	(5,983,443)	(697,158)	(6,680,601)
Principal Paid on Long-term Debt	(238,912)	(352,129)	(591,041)
Interest Paid on Long-term Debt	(100,709)	(82,382)	(183,091)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(15,640)</u>	<u>(340,198)</u>	<u>(355,838)</u>
<b>Cash Flows From Investing Activities:</b>			
Receipt of Interest and Dividends	4,944	5,470	10,414
Net (Increase)/Decrease in Investments	(4,531)	(4,530)	(9,061)
Net Cash Provided by Investing Activities	<u>413</u>	<u>940</u>	<u>1,353</u>
Net Increase in Cash	415	940	1,355
Cash - July 1, 2024	<u>125,181</u>	<u>284,447</u>	<u>409,628</u>
Cash - June 30, 2025	<u>\$ 125,596</u>	<u>\$ 285,387</u>	<u>\$ 410,983</u>
<b>Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:</b>			
Operating Income/(Loss)	\$ (299,663)	\$ (281,293)	\$ (580,956)
Depreciation	440,226	464,601	904,827
(Increase)/Decrease in Receivables	(3,256)	(25,451)	(28,707)
(Increase)/Decrease in Deferred Outflows of Resources Related to the Town's Participation in VMERS	0	1,647	1,647
(Increase)/Decrease in Deferred Outflows of Resources Related to the Town's Pension Plan	38,239	0	38,239
Increase/(Decrease) in Accounts Payable	(8,663)	8,450	(213)
Increase/(Decrease) in Accrued Payroll and Benefits Payable	1,085	147	1,232
Increase/(Decrease) in Unearned Revenue	(1,724)	0	(1,724)
Increase/(Decrease) in Compensated Absences Payable	2,666	4,299	6,965
Increase/(Decrease) in Net Pension Liability - VMERS	0	18,597	18,597
Increase/(Decrease) in Net Pension Liability - Town's Pension Plan	4,424	0	4,424
Increase/(Decrease) in Deferred Inflows of Resources Related to the Town's Participation in VMERS	0	(387)	(387)
Net Cash Provided by Operating Activities	<u>\$ 173,334</u>	<u>\$ 190,610</u>	<u>\$ 363,944</u>

The Water Fund recognized a forgiveness of debt from the State of Vermont in the amounts of \$3,915,774.

The Sewer Fund recognized a forgiveness of debt from the State of Vermont in the amounts of \$377,604.

There was \$1,041,589 of capital acquisitions in the Water Fund included in accounts payable at June 30, 2024.

There was \$606,489 of capital acquisitions in the Water Fund included in accounts payable at June 30, 2025.

There was \$181,725 of capital acquisitions in the Sewer Fund included in accounts payable at June 30, 2024.

There was \$75,555 of capital acquisitions in the Sewer Fund included in accounts payable at June 30, 2025.

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, 2025

	Pension Trust Fund	Custodial Fund Education Tax Fund
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 68,449	\$ 0
Investments	11,296,458	0
Prepaid Benefit Payments	220,147	0
Total Assets	11,585,054	0
<u>LIABILITIES</u>		
Liabilities:	0	0
<u>NET POSITION</u>		
Held in Trust For:		
Employees' Pension Benefits	11,585,054	0
Total Net Position	\$ 11,585,054	\$ 0

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, 2025

	Pension Trust Fund	Custodial Fund Education Tax Fund
Additions:		
Employer Contributions	\$ 303,696	\$ 0
Employee Contributions	33,160	0
Investment Income	1,122,255	0
Education Taxes Collected for Other Governments	0	8,730,013
Total Additions	1,459,111	8,730,013
Deductions:		
Benefits - Pension	783,805	0
Administrative Expenses	16,100	0
Education Taxes Distributed to Other Governments	0	8,730,013
Total Deductions	799,905	8,730,013
Change in Net Position	659,206	0
Net Position - July 1, 2024	10,925,848	0
Net Position - June 30, 2025	\$ 11,585,054	\$ 0

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

TOWN OF ST. JOHNSBURY, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

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  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

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  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

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  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

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 – Compensated Absences**

Effective June 30, 2025, the Town implemented GASB Statement No. 101, “Compensated Absences”. GASB Statement No. 101 is intended to improve consistency and enhance the accounting and financial reporting for compensated absences. It establishes a unified model for recognizing liabilities related to both unused and used-but-unpaid leave, based on updated recognition and measurement guidance. In addition, this statement provides clearer definitions and requirements for when and how compensated absences should be reported. The implementation of this Standard did not affect net position/fund balances as of July 1, 2024.

TOWN OF ST. JOHNSBURY, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

**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. Prepaid Expenses/Items and Deposits**

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

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

**6. 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.

TOWN OF ST. JOHNSBURY, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

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.

## **7. Leases**

**Lessee:** The Town recognizes lease liabilities and a right-to-use lease asset (lease asset) in the government-wide and proprietary fund financial statements. The Town recognizes lease liabilities with an initial, individual value deemed material. At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported as right to use along with other capital assets and lease liabilities are reported with long-term debt in the government-wide and proprietary fund financial statements.

**Lessor:** The Town recognizes a lease receivable and a deferred inflows of resources in both the government-wide and fund financial statements. At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources is initially measured as the initial amount of the lease receivable. Subsequently, the deferred inflows of resources is recognized as revenue on a straight-line basis over the term of the lease. Lease receivables in excess of the related deferred inflows of resources are reported as nonspendable fund balances of governmental funds in the fund financial statements as these are not in spendable form.

## **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:

TOWN OF ST. JOHNSBURY, VERMONT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2025

	<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.

**9. 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.

**10. 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.

**11. 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.

TOWN OF ST. JOHNSBURY, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

**12. 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, proprietary and fiduciary fund financial statements represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a grant, contract, or other binding agreement. Fund balances 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.

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.

TOWN OF ST. JOHNSBURY, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

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 loan proceeds, unbudgeted expenses and reserve account activity for the General Fund, unbudgeted storm damage expenses and reserve account activity for the Highway Fund and reserve account activity 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 \$200,000 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 Highway Fund in the amount of \$80,000 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 2.

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.

#### **C. Excess of Expenditures Over Appropriations**

For the year ended June 30, 2025 expenditures in the General Fund exceeded appropriations by \$510,100. These over-expenditures were funded by available fund balance.

For the year ended June 30, 2025 expenditures in the Highway Fund exceeded appropriations by \$264,912. These over-expenditures were partially funded by available fund balance, however, resulted in a deficit.

TOWN OF ST. JOHNSBURY, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Cash, Cash Equivalents and Investments**

The Town’s cash, cash equivalents and investments as of June 30, 2025 consisted of the following:

Restricted Cash Equivalents:	
Money Market Mutual Fund – U.S. Government Securities	<u>\$ 1,661,286</u>
Unrestricted Cash and Cash Equivalents:	
Deposits with Financial Institutions	1,534,048
Deposits with Investment Company	41
Money Market Mutual Funds – U.S. Government Securities	68,449
Cash on Hand	<u>300</u>
Total Unrestricted Cash and Cash Equivalents	<u>1,602,838</u>
Total Cash and Cash Equivalents	<u>3,264,124</u>
Investments:	
Certificates of Deposit	219,082
Corporate Bonds	1,232,481
U.S. Treasury Bonds	3,096,519
Exchange-Traded Funds	6,458,520
Mutual Funds – Mixed Holdings	<u>779,236</u>
Total Investments	<u>11,785,838</u>
Total Cash, Cash Equivalents and Investments	<u>\$15,049,962</u>

The Town has two (2) certificates of deposit with Passumpsic Savings Bank in the amounts of \$109,537 and \$109,545 with interest rates of 1.98%. Both certificates of deposit mature during fiscal year 2026.

**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, U.S. Treasury bonds, 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.

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	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC Insured	\$ 580,241	\$ 580,241
Uninsured, Collateralized by U.S. Government Securities Held by the Bank in the Town's Name	<u>1,172,930</u>	<u>1,661,684</u>
Total	<u>\$1,753,171</u>	<u>\$2,241,925</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:

Unrestricted Cash – Deposits with Financial Institutions	\$1,534,048
Unrestricted Cash – Deposits with Investment Company	41
Investments – Certificates of Deposit	<u>219,082</u>
Total	<u>\$1,753,171</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.

**Asset Mix Table\***

<i>Asset Class</i>	<i>Min Wt</i>	<i>Max Wt</i>	<i>Representative Index</i>
<b>Total Equities</b>	<b>35%</b>	<b>65%</b>	<b>S&amp;P 500</b>
<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>
<b>Fixed Income</b>	<b>15%</b>	<b>65%</b>	<b>Lehman Int. Gov't/Credit Bond Index</b>
<b>Cash &amp; Equivalents</b>	<b>0%</b>	<b>20%</b>	

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

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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.

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.

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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 not subject to interest rate risk disclosure. The Town’s money market mutual funds and mutual funds are open-ended and, therefore, 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 and U.S. Treasury bonds are shown at their actual maturity.

Investment Type	Remaining Maturity					Total
	Less Than 1 Year	5 to 10 Years	10 to 15 Years	15 to 20 Years	Greater Than 20 Years	
Corporate Bonds	\$ 0	\$ 1,129,255	\$ 0	\$ 103,226	\$ 0	\$ 1,232,481
U.S. Treasury Bonds	294,478	0	245,742	904,450	1,651,849	3,096,519
Total	\$ 294,478	\$ 1,129,255	\$ 245,742	\$ 1,007,676	\$ 1,651,849	\$ 4,329,000

**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 bonds are not subject to credit risk disclosure. The Town’s money market mutual funds and mutual funds are open-ended and, therefore, are also exempt from credit risk disclosure. The credit ratings for the corporate bonds are as follows:

Investment Type	Standard and Poor's Rating as of June 30, 2025						Total
	AA	AA-	A+	A	A-	BBB	
Corporate Bonds	\$ 102,304	\$ 204,736	\$ 201,821	\$ 411,845	\$ 208,893	\$ 102,882	\$ 1,232,481

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**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, exchange-traded funds and U.S. Treasury bonds are not subject to concentration of credit risk disclosure. The money market mutual funds and mutual funds are open-ended and, therefore, are also excluded from concentration of credit risk disclosure. 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, 2025:

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	\$ 1,232,481	\$ 1,232,481	\$ 0	\$ 0
U.S. Treasury Bonds	3,096,519	3,096,519	0	0
Exchange-Traded Funds	6,458,520	6,458,520	0	0
Mutual Funds - Mixed Holdings	779,236	779,236	0	0
Total	\$ 11,566,756	\$ 11,566,756	\$ 0	\$ 0

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**Restricted Cash and Cash Equivalents**

In 2025, the Town received a \$1.654 million bond from the Vermont Municipal Bond Bank for the purchase of a fire truck. Unspent bond proceeds and the interest earned are restricted for the related purchase or may be used to pay down the bond. The amount restricted as of June 30, 2025 is \$1,661,286.

**B. Receivables**

Receivables as of June 30, 2025, as reported in the statement of net position, are as follows:

	Governmental Activities	Business-type Activities	Total
Delinquent Taxes Receivable	\$ 311,853	\$ 0	\$ 311,853
Penalties and Interest Receivable	40,580	0	40,580
Grants Receivable	3,595,987	0	3,595,987
Accounts Receivable	4,327	0	4,327
Billed Services	0	470,522	470,522
Unbilled Services	0	445,961	445,961
Total	\$ 3,952,747	\$ 916,483	\$ 4,869,230

**C. Loans Receivable**

Loans receivable as of June 30, 2025 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

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Loan Receivable, Passumpsic View, Inc., Interest at 0%, Deferred until December, 2042 at which time all Principal is Due, Secured by Mortgage	\$ 447,000
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	<u>480,000</u>
Total	2,825,099
Less: Allowance for Doubtful Loans Receivable	<u>(2,825,099)</u>
Reported Value as of June 30, 2025	<u>\$ 0</u>

**D. Capital Assets**

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 614,197	\$ 0	\$ 0	\$ 614,197
Construction in Progress	<u>535,522</u>	<u>2,220,162</u>	<u>33,025</u>	<u>2,722,659</u>
Total Capital Assets, Not Being Depreciated	<u>1,149,719</u>	<u>2,220,162</u>	<u>33,025</u>	<u>3,336,856</u>
Capital Assets, Being Depreciated:				
Land Improvements	468,172	0	0	468,172
Buildings and Building Improvements	2,839,185	0	0	2,839,185
Vehicles, Machinery and Equipment	7,872,406	462,234	123,306	8,211,334
Infrastructure	<u>29,773,249</u>	<u>0</u>	<u>0</u>	<u>29,773,249</u>
Totals	<u>40,953,012</u>	<u>462,234</u>	<u>123,306</u>	<u>41,291,940</u>
Less Accumulated Depreciation for:				
Land Improvements	468,172	0	0	468,172
Buildings and Building Improvements	1,237,859	63,648	0	1,301,507
Vehicles, Machinery and Equipment	5,440,077	514,902	123,306	5,831,673
Infrastructure	<u>7,225,772</u>	<u>739,254</u>	<u>0</u>	<u>7,965,026</u>
Totals	<u>14,371,880</u>	<u>1,317,804</u>	<u>123,306</u>	<u>15,566,378</u>
Total Capital Assets, Being Depreciated	<u>26,581,132</u>	<u>(855,570)</u>	<u>0</u>	<u>25,725,562</u>
Governmental Activities Capital Assets, Net	<u>\$ 27,730,851</u>	<u>\$ 1,364,592</u>	<u>\$ 33,025</u>	<u>\$ 29,062,418</u>

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	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 185,592	\$ 0	\$ 0	\$ 185,592
Construction in Progress	14,750,002	6,098,878	9,161,702	11,687,178
Total Capital Assets, Not Being Depreciated	14,935,594	6,098,878	9,161,702	11,872,770
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	19,512,460	0	0	19,512,460
Vehicles, Machinery and Equipment	1,512,935	40,453	0	1,553,388
Distribution and Collection Systems	27,569,968	9,161,702	0	36,731,670
Totals	48,595,363	9,202,155	0	57,797,518
Less Accumulated Depreciation for:				
Buildings and Building Improvements	18,505,681	88,247	0	18,593,928
Vehicles, Machinery and Equipment	727,217	124,104	0	851,321
Distribution and Collection Systems	9,656,713	692,476	0	10,349,189
Totals	28,889,611	904,827	0	29,794,438
Total Capital Assets, Being Depreciated	19,705,752	8,297,328	0	28,003,080
Business-type Activities Capital Assets, Net	\$ 34,641,346	\$ 14,396,206	\$ 9,161,702	\$ 39,875,850

Depreciation was charged as follows:

Governmental Activities:		Business-type Activities:	
General Government	\$ 81,941	Water	\$ 440,226
Public Safety	206,304	Sewer	464,601
Public Works	1,029,537		
Culture and Recreation	22		
Total Depreciation Expense - Governmental Activities	\$ 1,317,804	Total Depreciation Expense - Business-type Activities	\$ 904,827

**E. Interfund Balances and Activity**

The composition of interfund balances as of June 30, 2025 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 568,888	\$ 0
Highway Fund	0	857,518
Special Services Fund	399,501	0
Grant Fund	0	647,304
Non-Major Governmental Funds	32	136
Water Fund	1,331,671	0
Sewer Fund	0	795,134
Total	\$ 2,300,092	\$ 2,300,092

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Interfund transfers during the year ended June 30, 2025 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Recreation Fund	\$ 50,000	* Appropriation
General Fund	Special Services Fund	150,000	Fund Police Services
General Fund	Grant Fund	179,818	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	21,832	Fund Grant Expenses
Special Services Fund	General Fund	<u>257,650</u>	Fund Dispatch Services
Total		<u>\$ 688,543</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 \$227,734 from the differences between the expected and actual experience, \$51,869 from the net difference between the projected and actual investment earnings on pension plan investments, \$11,332 from changes in assumptions and \$169,357 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 \$240,841 of required employer pension contributions subsequent to the measurement date. It also includes \$84,272 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 \$785,405.

Deferred outflows of resources in the business-type activities consists of \$23,628 from the differences between the expected and actual experience, \$5,382 from the net difference between the projected and actual investment earnings on pension plan investments, \$1,176 from changes in assumptions and \$17,571 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 \$25,096 of required employer pension contributions subsequent to the measurement date. It also includes \$9,363 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 business-type activities is \$82,216.

Deferred outflows of resources in the Water Fund consists of \$9,363 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.

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Deferred outflows of resources in the Sewer Fund consists of \$23,628 from the differences between the expected and actual experience, \$5,382 from the net difference between the projected and actual investment earnings on pension plan investments, \$1,176 from changes in assumptions and \$17,571 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 \$25,096 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Sewer Fund is \$72,853.

**G. Unearned Revenue**

Unearned revenue in the governmental activities and the Grant Fund consists of \$2,401 of grant revenue received in advance.

Unearned revenue in the business-type activities and the Water Fund consists of \$6,018 of user fees received in advance.

**H. Deferred Inflows of Resources**

Deferred inflows of resources in the governmental activities consists of \$38,272 of prepaid property taxes. It also includes \$3,425 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). Total deferred inflows of resources in the governmental activities is \$41,697.

Deferred inflows of resources in the business-type activities and the Sewer Fund consists of \$355 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).

Deferred inflows of resources in the General Fund consists of \$247,232 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 \$38,272 of prepaid property taxes. Total deferred inflows of resources in the General Fund is \$285,504.

Deferred inflows of resources in the Highway Fund consists of \$2,845,457 of grant revenue not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities.

Deferred inflows of resources in the Grant Fund consists of \$342,928 of grant revenue not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities.

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**I. Short-term Debt**

The Town has notes payable with various banks. The terms and activity are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Note Payable, Vermont Bond Bank, Municipal Climate Recovery Fund, Interest at 1.3%, Interest Only Payment Due September, 2025, Principal Balance and Interest Due March, 2026	\$ 0	\$1,124,000	\$ 0	\$1,124,000
Tax Anticipation Note, Passumpsic Savings Bank, \$4,700,000 Available, Interest at 5.2%, Expired September 9, 2025	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>0</u>
Total	<u>\$ 0</u>	<u>\$3,124,000</u>	<u>\$2,000,000</u>	<u>\$1,124,000</u>

**J. 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 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 public works, water and sewer projects.

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

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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.

It is the policy of the Town to permit employees to accumulate earned but unused benefits. The accrual for unused compensated absences time, based on current pay rates, is recorded in the government-wide financial statements and proprietary fund financial statements.

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, 2025 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	\$ 560,000	\$ 0	\$ 70,000	\$ 490,000
Bond Payable, Vermont Municipal Bond Bank, Fire Truck, Principal Payments of \$82,700 Payable on November 1 Annually Beginning November 1, 2026, Interest at 4.155% Payable on May 1 and November 1, Due November, 2045	0	1,654,000	0	1,654,000

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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 \$174,810 in Total Payable December 1 Annually, 0% Interest, Due December, 2036. This is the Governmental Activities Portion of the Bond.	\$1,374,894	\$ 0	\$105,761	\$1,269,133
Bond Payable, State of Vermont Special Environmental Revolving Fund, CSO Project, Principal Payments of \$69,219 in Total Payable December 1 Annually, 0% Interest, Due December, 2046. This is the Governmental Activities Portion of the Bond.	600,201	0	26,096	574,105
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.	1,865,698	0	88,083	1,777,615
Note Payable, Community National Bank, Highway Equipment, Principal and Interest Payments of \$73,500 Payable on January 22 Annually, Interest at 2.1%, Due and Paid January, 2025	72,211	0	72,211	0
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	123,558	0	61,233	62,325
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	216,778	0	69,479	147,299

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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Note Payable, Passumpsic Savings Bank, Highway Equipment, Principal and Interest Payments of \$40,360 Payable on June 1 Annually, Interest at 4.44%, Due June, 2028	\$ 145,006	\$ 0	\$ 33,921	\$ 111,085
Note Payable, Passumpsic Savings Bank, Highway Equipment, Principal and Interest Payments of \$74,361 Payable on June 1 Annually, Interest at 4.96%, Due June, 2029	<u>0</u>	<u>336,725</u>	<u>72,805</u>	<u>263,920</u>
Total Governmental Activities	<u>\$4,958,346</u>	<u>\$1,990,725</u>	<u>\$599,589</u>	<u>\$6,349,482</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 2.00% to 2.55% Payable on June 1 and December 1, Due and Paid December, 2024. This is the Water Fund Portion of the Bond.	\$ 81,600	\$ 0	\$ 81,600	\$ 0
Bond Payable, State of Vermont Special Environmental Revolving Fund, CSO Project, Principal Payments of \$69,219 in Total Payable December 1 Annually, 0% Interest, Due December, 2046. This is the Water Fund Portion of the Bond.	991,847	0	43,123	948,724
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water System Improvements, Authorized to \$12,399,522, but Eligible for \$7,619,522 Subsidy, Principal Payments of \$119,500 Payable on July 1 Annually Beginning July 1, 2026, 0% Interest, Due July, 2065. The Town Recognized \$3,824,649 of the Subsidy During the Year.	1,343,506	6,218,941	3,824,649	3,737,798

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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<p>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, 2025, 0% Interest, Due December, 2063. The Town Recognized \$39,113 of the Subsidy During the Year. In Addition, the Town Made a Principal Payment of \$17,765 During the Year.</p>	\$ 620,591	\$ 52,151	\$ 56,878	\$ 615,864
<p>Bond Payable, State of Vermont Special Environmental Revolving Fund, Service Line Inventory, Authorized to \$235,000, but Eligible for 100% Subsidy on First \$100,000 and 50% Subsidy on Remaining Portion, Principal Payments of \$13,500 Payable on May 1 Annually Beginning May 1, 2028, 0% Interest, Due May, 2032. The Town Recognized \$33,846 of the Subsidy During the Year.</p>	0	33,846	33,846	0
<p>Bond Payable, State of Vermont Special Environmental Revolving Fund, Water System Improvements, Authorized to \$71,300, but Eligible for \$35,650 Subsidy, Principal Payments of \$7,130 Payable on June 1 Annually Beginning June 1, 2029, 0% Interest, Due June, 2033. The Town Recognized \$4,849 of the Subsidy During the Year.</p>	0	9,698	4,849	4,849
<p>Bond Payable, State of Vermont Special Environmental Revolving Fund, Water System Improvements, Authorized to \$77,300, but Eligible for \$38,650 Subsidy, Principal Payments of \$7,730 Payable on September 1 Annually Beginning September 1, 2029, 0% Interest, Due September, 2033. The Town Recognized \$13,317 of the Subsidy During the Year.</p>	0	26,634	13,317	13,317

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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.	\$ 681,129	\$ 0	\$ 32,157	\$ 648,972
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	577,331	0	8,167	569,164
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	344,780	0	7,718	337,062
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	1,463,885	0	32,773	1,431,112
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	215,262	0	3,903	211,359
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>537,159</u>	<u>0</u>	<u>11,706</u>	<u>525,453</u>
Total Water Fund	<u>6,857,090</u>	<u>6,341,270</u>	<u>4,154,686</u>	<u>9,043,674</u>

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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 and Paid December, 2024. This is the Sewer Fund Portion of the Bond.	\$ 78,400	\$ 0	\$ 78,400	\$ 0
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	283,382	0	56,677	226,705
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	233,834	0	33,405	200,429
Bond Payable, State of Vermont Special Environmental Revolving Fund, CSO Project, Principal Payments of \$174,810 in Total Payable December 1 Annually, 0% Interest, Due December, 2036. This is the Sewer Fund Portion of the Bond.	897,656	0	69,049	828,607
Bond Payable, State of Vermont Special Environmental Revolving Fund, Sewer System Improvements, Authorized to \$2,312,987, but Eligible for \$1,014,464 Subsidy, Principal and Administrative Fee Payments of \$57,979 Payable on July 1 Annually Beginning July 1, 2025, 2% Administrative Fee, Due July, 2054. The Town Recognized \$373,796 of the Subsidy During the Year.	776,755	790,738	373,796	1,193,697

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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	18,510	0	0	18,510
Bond Payable, State of Vermont Special Environmental Revolving Fund, Sewer System Evaluation Plan, 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 \$3,075 of the Subsidy During the Year.	50,036	6,150	3,075	53,111
Bond Payable, State of Vermont Special Environmental Revolving Fund, Portland Street CSO Project, Authorized to \$82,300, but Eligible for 100% Subsidy. The Town Recognized \$508 of the Subsidy During the Year.	0	508	508	0
Bond Payable, State of Vermont Special Environmental Revolving Fund, Railroad Street CSO Project, Authorized to \$67,200, but Eligible for 100% Subsidy. The Town Recognized \$225 of the Subsidy During the Year.	0	225	225	0

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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 Sewer Fund Portion of the Bond. \$	414,599	\$ 0	\$ 19,574	\$ 395,025
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	622,920	0	19,742	603,178
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	<u>2,547,277</u>	<u>0</u>	<u>75,282</u>	<u>2,471,995</u>
Total Sewer Fund	<u>5,955,577</u>	<u>797,621</u>	<u>729,733</u>	<u>6,023,465</u>
Total Business-type Activities	<u>\$12,812,667</u>	<u>\$7,138,891</u>	<u>\$4,884,419</u>	<u>\$15,067,139</u>

Changes in long-term liabilities during the year were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
General Obligation Bonds Payable	\$ 4,400,793	\$ 1,654,000	\$ 289,940	\$ 5,764,853	\$ 291,933
Notes Payable	557,553	336,725	309,649	584,629	231,246
Compensated Absences Payable	248,276	133,190	0	381,466	75,000
Net Pension Liability - VMERS	1,833,956	268,806	0	2,102,762	0
Net Pension Liability - Town Pension Plan	2,886,900	0	182,985	2,703,915	0
Industrial Park Liability	<u>64,669</u>	<u>0</u>	<u>15,421</u>	<u>49,248</u>	<u>10,000</u>
Total Governmental Activities Long-term Liabilities	<u>\$ 9,992,147</u>	<u>\$ 2,392,721</u>	<u>\$ 797,995</u>	<u>\$ 11,586,873</u>	<u>\$ 608,179</u>
<b>Business-type Activities</b>					
General Obligation Bonds Payable	\$ 12,812,667	\$ 7,138,891	\$ 4,884,419	\$ 15,067,139	\$ 485,700
Compensated Absences Payable	21,710	6,965	0	28,675	5,000
Net Pension Liability - VMERS	199,570	18,597	0	218,167	0
Net Pension Liability - Town Pension Plan	<u>296,011</u>	<u>4,424</u>	<u>0</u>	<u>300,435</u>	<u>0</u>
Total Business-type Activities Long-term Liabilities	<u>\$ 13,329,958</u>	<u>\$ 7,168,877</u>	<u>\$ 4,884,419</u>	<u>\$ 15,614,416</u>	<u>\$ 490,700</u>

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

TOWN OF ST. JOHNSBURY, VERMONT  
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The addition/reduction to the compensated absences liabilities represent the net change in the liabilities from the previous year.

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
2026	\$ 523,179	\$ 153,306	\$ 485,700	\$ 189,221
2027	553,058	138,035	611,110	223,782
2028	484,899	121,717	629,775	216,647
2029	451,739	107,027	641,970	209,302
2030	383,066	95,792	595,733	201,743
2031-2035	1,739,790	357,688	2,879,804	887,264
2036-2040	1,344,888	204,492	2,819,029	661,641
2041-2045	733,973	64,421	2,667,005	409,187
2046-2050	134,890	1,718	2,275,097	155,367
2051-2055	0	0	978,288	29,589
2056-2060	0	0	474,974	5,268
2061	0	0	8,654	538
Total	\$ <u>6,349,482</u>	\$ <u>1,244,196</u>	\$ <u>15,067,139</u>	\$ <u>3,189,549</u>

**K. Fund Balances**

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

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

TOWN OF ST. JOHNSBURY, VERMONT  
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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	\$110,869
Nonspendable Deposit on Fire Truck	<u>30,000</u>
Total General Fund	<u>140,869</u>

Special Services Fund:

Nonspendable Prepaid Items	<u>895</u>
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Non-Major Funds

Permanent Fund:

Nonspendable Goss Hollow Cemetery Fund Principal	<u>5,161</u>
Total Nonspendable Fund Balances	<u>\$146,925</u>

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)	\$ 15,848
Restricted for Fire Truck Expenditures by Loan Agreement (Source of Revenue is Bond Proceeds)	<u>1,631,286</u>
Total General Fund	<u>1,647,134</u>

TOWN OF ST. JOHNSBURY, VERMONT  
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Special Services Fund:		
	Restricted for Public Safety Expenditures by Charter (Source of Revenue is Property Taxes)	\$ <u>386,000</u>

Non-Major Funds

Special Revenue Funds:		
	Restricted for Grove Cemetery Expenses by Donations and Sale of Lots (Source of Revenue is Donations and Sale of Lots)	260,866
	Restricted for St. Johnsbury Center Cemetery Expenses by Donations and Sale of Lots (Source of Revenue is Donations and Sale of Lots)	<u>71,830</u>
	Total Special Revenue Funds	<u>332,696</u>

Permanent Fund:		
	Restricted for Goss Hollow Cemetery Expenses by Trust Agreement – Expendable Portion	<u>2,237</u>

	Total Non-Major Funds	<u>334,933</u>
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	Total Restricted Fund Balances	<u>\$2,368,067</u>
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The fund balances in the following fund are assigned as follows:

Major Funds

General Fund:		
	Assigned for Fire Equipment Reserve	\$ 367,622
	Assigned for Municipal Building Reserve	68,020
	Assigned for Records Restoration Reserve	66,851
	Assigned for Economic Development Reserve	238,333
	Assigned for Fountain Fund Reserve	20,302
	Assigned for Revaluation Reserve	61,214
	Assigned for Dispatch Equipment	55,000
	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	82,377
	Assigned for Cemetery Reserve	3,200
	Assigned for Parking Meter Equipment Reserve	8,988
	Assigned for Recreation Department Reserve	<u>8,557</u>
	Total Assigned Fund Balances	<u>\$1,086,766</u>

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The unassigned deficit of \$2,090,057 in the Highway Fund will be funded with the collection of grant receivables.

The unassigned deficit of \$448,835 in the Grant Fund will be funded with the collection of grant receivables and the issuance of long-term debt.

**L. Net Position**

The restricted net position of the Town as of June 30, 2025 consisted of the following:

Governmental Activities:

Restricted for Knob Property Expenditures by Donations	\$ 15,848
Restricted for Public Safety Expenditures by Charter	386,895
Restricted for Grove Cemetery by Donations and Sale of Lots	260,866
Restricted for St. Johnsbury Center Cemetery by Donations and Sale of Lots	71,830
Restricted for Goss Hollow Cemetery by Trust Agreement – Nonexpendable Portion	5,161
Restricted for Goss Hollow Cemetery by Trust Agreement – Expendable Portion	<u>2,237</u>
Total Governmental Activities	<u>\$742,837</u>

The designated net position of the Town as of June 30, 2025 consisted of the following:

Business-type Activities:

Water Fund:	
Designated for Water Capital	<u>\$235,141</u>
Sewer Fund:	
Designated for Sewer Capital	394,924
Designated in Excess of Unrestricted Net Position	<u>(394,924)</u>
Total Sewer Fund	<u>0</u>
Total Business-type Activities	<u>\$235,141</u>

The unrestricted deficit of \$302,466 in the Sewer Fund will be funded with proceeds from long-term debt, which a portion will be forgiven by the State of Vermont, future rate increases and operational surpluses.

## **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, 2024, the measurement date selected by the State of Vermont, the retirement system consisted of 362 participating employers.

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

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

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

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

As of June 30, 2024, the measurement date selected by the State of Vermont, VMERS was funded at 75.22% and had a plan fiduciary net position of \$1,008,504,817 and a total pension liability of \$1,340,652,483 resulting in a net position liability of \$332,147,666. The Town's proportionate share of this was 0.6988% resulting in a net pension liability of \$2,320,929. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. 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 0.6988% was an increase of 0.0639 from its proportion measured as of the prior year.

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For the year ended June 30, 2025, the Town recognized pension expense of \$534,697.

As of June 30, 2025, 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	\$ 251,362	\$ 0
Net difference between projected and actual investment earnings on pension plan investments	57,251	0
Changes in assumptions	12,508	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	186,928	3,780
Town's required employer contributions made subsequent to the measurement date	265,937	0
	\$ 773,986	\$ 3,780

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of \$265,937 will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending <u>June 30</u>	
2026	\$159,490
2027	327,077
2028	55,254
2029	<u>(37,552)</u>
Total	<u>\$504,269</u>

**Summary of Plan 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, C and D.

Creditable Service – Service as a member plus purchased service.

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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.

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

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

Early Retirement 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; payable without reduction to Group D members.

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

Disability Retirement Amount – All Groups – 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 – All Groups – Death after five (5) years of service.

Death Benefit Amount – 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. Group D – 70% of the unreduced accrued benefit, plus children’s benefit.

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Post-Retirement Adjustments – Group A – Allowances in pay status for at least one (1) year increased on each January 1 by one-half of the percentage increase in Consumer Price Index, but not more than 2%. If receiving an Early Retirement benefit, no increases until after attaining Normal Retirement eligibility. If receiving a Disability Retirement benefit, no increases until after attaining age 62. Groups B, C and D – Allowances in payment for at least one (1) year increased on each January 1 by one-half of the percentage increase in Consumer Price Index, but not more than 3%. If receiving an Early Retirement benefit, no increases until after attaining Normal Retirement eligibility. If receiving a Disability Retirement benefit, no increases until after attaining age 62 (age 55 for Group C).

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

Optional Benefit and Death after Retirement – Groups A, B and C – A lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee. Group D – A 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:

<u>Effective</u>	<u>Group A</u>	<u>Group B</u>	<u>Group C</u>	<u>Group D</u>
July 1, 2024	4.00%	6.375%	11.50%	12.85%
July 1, 2025	4.25%	6.625%	11.75%	13.10%
July 1, 2026	4.50%	6.875%	12.00%	13.35%
July 1, 2027	4.75%	7.125%	12.25%	13.60%
July 1, 2028	5.00%	7.375%	12.50%	13.85%
July 1, 2029	5.25%	7.625%	12.75%	14.10%

Employer Contribution Rates:

<u>Effective</u>	<u>Group A</u>	<u>Group B</u>	<u>Group C</u>	<u>Group D</u>
July 1, 2024	5.50%	7.00%	8.75%	11.35%
July 1, 2025	5.75%	7.25%	9.00%	11.60%
July 1, 2026	6.00%	7.50%	9.25%	11.85%
July 1, 2027	6.25%	7.75%	9.50%	12.10%
July 1, 2028	6.50%	8.00%	9.75%	12.35%
July 1, 2029	6.75%	8.25%	10.00%	12.60%

**Significant Actuarial Assumptions and Methods**

Inflation Rate – 2.30% per year.

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

Salary Increases – Ranging from 4.07% to 6.21% based on service.

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Cost-of-Living Adjustments (COLA) – Assumed to occur on January 1 following one (1) year of retirement at the rate of 1.10% per annum for Group A members and 1.20% per annum for Groups B, C and D members (beginning at Normal Retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Groups A, B and D who receive a disability retirement benefit, and at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2025 COLA is expected to be 1.90% for all groups. The January 1, 2024 COLA was 1.10% for all groups.

Mortality:

Pre-Retirement Participants – Groups A and B – 60% PubG-2010 General Employee Amount-Weighted Below Median and 40% of PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2021. Group C – PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2021. Group D – PubS-2010 Public Safety Employee Amount-Weighted Below Median, with generational projection using scale MP-2021.

Healthy Post-Retirement – Retirees – Groups A and B – PubG-2010 General Healthy Retiree Amount-Weighted Below Median Table with credibility adjustments of 90% and 87% for the Male and Female tables, respectively, with generational projection using scale MP-2021. Group C – PubG-2010 General Healthy Retiree Amount-Weighted Table, with generational projection using scale MP-2021. Group D – PubS-2010 Public Safety Retiree Amount-Weighted Below Median Table, with generational projection using scale MP-2021.

Healthy Post-Retirement – Beneficiaries – All Groups – Pub-2010 Contingent Survivor Amount-Weighted Below Median Table, with generational projection using scale MP-2021.

Disabled Post-Retirement – Groups A, B and C – PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Table, with generational projection using scale MP-2021. Group D – PubS-2010 Safety Disabled Retiree Amount-Weighted Table, with generational projection using scale MP-2021.

Age of Spouse – Females three (3) 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.

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**Determination of Discount Rate and Investment Rates of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns 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 adding expected inflation. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Agg Fixed Income	19%	1.70%
TIPS	2%	1.70%
Large/Mid Cap US Equity	4%	4.20%
Small Cap US Equity	3%	4.70%
Developed Large/Mid Cap International Equity	5%	5.95%
Global Equity	32%	5.25%
Core Real Estate	3%	3.45%
Non-Core Real Estate	4%	5.70%
Private Credit	11%	5.70%
Private Equity	11%	7.45%
Private Core Infrastructure	4%	4.95%
Agriculture/Farmland	2%	3.95%

Discount Rate – The long-term expected rate of return on pension plan investments is 7.00%. The high quality tax-exempt general obligation municipal bond rate (20-Bond GO Index) as of the closest date prior to the valuation date of June 30, 2024, is 3.93%, as published by The Bond Buyer.

The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2024. 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). 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. 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 as of June 30, 2024.

TOWN OF ST. JOHNSBURY, VERMONT  
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**Discount Rate Sensitivity**

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the Town's proportionate share of the net pension liability as of June 30, 2024, calculated using the discount rate of 7.00%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$3,548,360	\$2,320,929	\$1,313,485

**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 8% of base salary. The total actuarially determined contribution to the system for 2025 was \$300,940 which was computed through an actuarial valuation performed as of January 1, 2024, however the Town contributed \$303,696.

As of January 1, 2025, there were 10 active members, 4 inactive members and 51 retirees and beneficiaries. Additionally, there are 22 former employees with vested rights.

The market value of plan assets maintained at Fidelity Wealth Management is \$11,364,907 as of June 30, 2025.

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JUNE 30, 2025

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

As of January 1, 2025, the measurement date selected by the Town of St. Johnsbury, the pension was funded at 78.78% and had a plan fiduciary net position of \$11,155,211 and a total pension liability of \$14,159,561 resulting in a net pension liability of \$3,004,350. The net pension liability was measured as of January 1, 2025, 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, 2025, the Town recognized pension expense of \$543,350.

As of June 30, 2025, the Town reported deferred outflows of resources from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$ 93,635
	\$ 93,635

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

Year Ending <u>June 30</u>	
2026	\$134,399
2027	253,606
2028	(229,400)
2029	<u>(64,970)</u>
Total	\$ <u>93,635</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.

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**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
Average Compensation	Average Compensation over the 3 highest consecutive years of service
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
Accrued Retirement Benefit	Units accrued to date

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
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.  The Early Retirement Benefit is unreduced with 25 years of service.

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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.

An employee who terminates from service prior to attaining retirement age and is not vested shall receive a distribution of their employee contribution account.

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.

**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 6.50 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 6.50 percent, as well as what the liability would be if it were calculated using a discount rate that is one percent lower (5.50%) or one percent higher (7.50%):

<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
\$4,618,726	\$3,004,350	\$1,644,164

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**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
<b>Balances at January 1, 2024</b>	\$ 13,798,288	\$ 10,615,377	\$ 3,182,911
<b>Changes for the year:</b>			
Service cost	55,402	0	55,402
Interest	871,942	0	871,942
Difference between expected and actual experience	214,397	0	214,397
Contributions - employer	0	303,696	(303,696)
Contributions - members	0	36,957	(36,957)
Net investment income	0	996,349	(996,349)
Administrative expenses	0	(16,700)	16,700
Benefit payments, including refunds of member contributions	(780,468)	(780,468)	0
<b>Net changes</b>	<u>361,273</u>	<u>539,834</u>	<u>(178,561)</u>
<b>Balances at December 31, 2024</b>	<u>\$ 14,159,561</u>	<u>\$ 11,155,211</u>	<u>\$ 3,004,350</u>

**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 is currently a pending claim against the Town where the Town's insurance carrier is providing defense with a reservation of rights. The Town is vigorously defending the claim. The Town is not able to presently determine the ultimate resolution of this matter.

**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.

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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, 2025, taxes became due and payable on October 11, 2024 and March 11, 2025. 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 2025 were as follows:

	<u>Homestead</u>	<u>Non-Homestead</u>
Education	1.7900	1.9184
General	0.5920	0.5920
Appropriations	0.0648	0.0648
Highway	0.4678	0.4678
Special Services District	0.7024	0.7024
Local Agreement	<u>0.0033</u>	<u>0.0033</u>
Total	<u>3.6203</u>	<u>3.7487</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".

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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, 2025, the Town had three (3) active stabilization agreements. The total reduction of taxes was \$6,629.

## **F. Commitments**

### **St. Johnsbury Armory Project**

#### **Project Description**

The Armory is owned by the Town and is the focus of this cleanup project. Constructed in 1916, the Armory is a historic building, the focal point of the Main Street Historic District, and the most significant opportunity for the Town as a driver of revitalization along this blighted corridor. The Armory site consists of a two-story brick and block structure located on 0.44 acres in the downtown core and center of the Town's OZ. The building envelope covers 16,700 sf, including the ground floor, second floor, and basement. The Armory was sold to the Town in 1975 by the State of Vermont Board of Armory Commissioners, who operated the facility as an Armory for the First Vermont Infantry. After the Town acquired the Armory in 1975, it was home to several municipal departments, including the St. Johnsbury Police Department until the 1990s, followed by the Town's Recreation Department until 2009, when it was determined that existing Regulated Building Materials (RBMs) would make it too costly for the Town to provide upgrades to meet current building codes. The building has been vacant for the past 15 years due to the presence of RBMs and structural concerns. As do similar structures its age, the Armory contains abundant Asbestos-Containing Materials (ACMs), Polychlorinated Biphenyls (PCBs), and Lead-Based Paint (LBP). Abatement costs associated with these materials are a significant hurdle to future renovations.

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The redevelopment plan is to relocate the current police department and emergency operations center into the renovated former Armory facility. Revitalizing a historic building by remediating contaminants and occupying a currently vacant structure will allow for efficient, comfortable accommodations for St. Johnsbury police staff to better serve the region. When completed, the Armory will provide upgrades vital for staff recruitment and retention and will also serve as the essential services regional training and education center.

**Service Area**

As the County seat, St. Johnsbury serves as the 'hub' community for the many surrounding towns and villages. The St. Johnsbury Police Department provides backup services to Vermont State Police and the Caledonia County Sheriff's Department. These services are provided on an as-needed basis and are typically requested when state police troopers are on another call and need to respond to a call-in close to St. Johnsbury. These services are reciprocating in a manner similar to a mutual aid relationship that fire departments share. Similarly, the St. Johnsbury Police Department provides assistance to the Caledonia County Sheriff's Department. Typically, these services are not law enforcement duties but support services involving cases tried in the Caledonia County Courthouse.

**Project Challenges & Update**

As a result of COVID-19, development projects have become increasingly difficult to pencil out. High materials costs, labor costs, and supply chain pressures have created a complicated and challenging development environment. St. Johnsbury's Armory project has not been immune to these market challenges. In November 2021, cost estimates for the Armory Redevelopment Project were \$5.8M; in February 2022, costs increased to \$6.3M; in July 2022, cost estimates increased to \$8.75M; then to \$13.5M, and finally after bidding the construction phase of the project the total cost of the Armory Redevelopment equals \$12.6M.

The remediation phase of the project started in the spring of 2024 and continued through the spring of 2025. Approximately 85% of the remediation has been completed and the remaining 15% requires demolition of interior framing and the roof and must be performed in conjunction with the construction phase of the project.

Town Officials were forced to go back to the St. Johnsbury taxpayers with a bond request of \$3.8M to fund the project shortfall. On June 3<sup>rd</sup>, 2025, the Town bond vote failed. Currently, Town Officials are working with a contractor to assess the next steps for the Armory project.

**Project Summary**

The remediation phase of the Armory Redevelopment project is approximately 85% complete, with contractors on standby, ready to complete the work in conjunction with a construction contractor when funding allows. To date, the Town has self-funded \$679,536.55 from the General Fund, with plans to repay the General Fund when the Town accesses the \$5.4 million general obligation bond previously approved by voters for the Armory project.

Below are tables that identify project cost to date, total project costs, and total funding sources. Please note that project delays may impact the availability of committed and uncommitted funding.

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 JUNE 30, 2025

**Total Project Costs to Date by Funding Source**

<b>Armory Project Costs to Date by Funding Source</b>	
Town Self-funded	\$679,536.55
Northwest Regional Planning Commission (NRPC) Town Loan	\$142,229.64
<b>Town Total</b>	<b>\$821,766.19</b>
Northwest Regional Planning Commission (NRPC) Grant	\$142,229.64
EPA Cleanup Grant	\$500,000.00
Vermont Community Development Program (VCDP) CDBG	\$330,000.00
VT Brownfields Revitalization Program (VT BRP)	\$861,377.36
<b>Grant Sources Total</b>	<b>\$1,833,607.00</b>
<b>Total Project Cost To Date</b>	<b>\$2,655,373.19</b>

**Total Project Cost**

<b>St. Johnsbury Armory Redevelopment Project</b>		
<b>Armory Project Cost Model- Summary</b>		<b>% Total</b>
Area Summary (GSF)	8,340	
Construction Costs		
Initial Construction	\$7,958,413	63.4%
Other		0.0%
<b>Subtotal</b>	<b>\$7,958,413</b>	<b>63.4%</b>
Services	\$856,043	6.8%
Permits	\$63,667	0.5%
Hazardous Materials Remediation	\$2,752,364	21.9%
Fixtures, Furniture & Equipment	\$498,407	4.0%
Legal, Financing & Insurance	\$32,058	0.3%
Owner Contingency & Escalation	\$397,921	3.2%
<b>Total Project Cost</b>	<b>\$12,558,873</b>	<b>100.00%</b>
Project Phase 1- Cleanup	\$2,752,364	21.9%
Project Phase 2 - Construction	\$9,806,509	78.1%
<b>Total</b>	<b>\$12,558,873</b>	<b>100.0%</b>

**Total Funding Sources**

<b>Committed Funding Sources</b>		
Town General Obligation Bonds (Town debt)	\$5,038,000	committed
EPA Cleanup Grant	\$500,000	committed
VCDP CDBG (State Funds)- Grant	\$330,000	committed
VT Brownfields Revitalization Fund (State Funds)	\$1,200,000	committed
Northwest Regional Planning Commission RLFs (EPA) (Town debt)	\$162,000	committed
Northwest Regional Planning Commission Grants (EPA)	\$162,000	committed
Sanders CDS Homeland Security (FEMA)- Grant	\$585,000	committed
<b>Uncommitted Funding Sources:</b>		
NVDA RLF-Loan	\$200,000	available-uncommitted
NVDA RLF- Grant	\$200,000	available-uncommitted
Energy Tax Credits (at 40%)	\$400,000	available-uncommitted
<b>Total</b>	<b>\$8,777,000</b>	
<b>Project Shortfall (committed + uncommitted funds)</b>	<b>\$3,781,873</b>	

TOWN OF ST. JOHNSBURY, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

**G. Subsequent Events**

On August 25, 2025, the Town approved an equipment note with Community National Bank for the financing of a John Deere grader in the amount of \$300,000. Interest is at 5.05% and is due June 1, 2030.

The Town obtained a non-revolving line of credit in anticipation of taxes with Passumpsic Savings Bank on September 8, 2025 for \$1,700,000. Interest is at 5.2% and is due April 1, 2026.

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, 2025

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes	\$ 3,061,274	\$ 2,986,270	\$ (75,004)
Special Appropriation Tax	335,200	335,200	0
Delinquent Tax Penalties	45,000	75,637	30,637
Interest on Delinquent Taxes	30,000	35,724	5,724
VT Pilot Payments	142,000	155,800	13,800
Hold Harmless VT Payments	55,000	69,043	14,043
Education Billing Fee Retained	15,000	19,687	4,687
State Parcel Payment	26,000	25,874	(126)
Beverage Licenses	4,000	3,890	(110)
Vendor Permits	0	140	140
Dog Licenses	3,000	6,486	3,486
Zoning Permits	5,000	2,940	(2,060)
Housing Fees	63,000	58,620	(4,380)
Transfer Station Reimbursements	2,000	2,191	191
Overweight Permits	500	511	11
Dumpster Reimbursement - St. Johnsbury Athenaeum	800	930	130
Dispatch Services	368,628	388,238	19,610
Fire Department Services	50,000	57,377	7,377
Fire Department Donations	0	325	325
Listers' Services	3,000	3,044	44
Town Clerk's Fees	78,000	68,649	(9,351)
Records Restoration	17,500	15,267	(2,233)
Interest and Dividends	40,000	26,785	(13,215)
Pomerleau Building 2nd Floor Rent	26,000	4,600	(21,400)
Transfer from Water Fund & Sewer Fund	16,423	16,424	1
Transfer to Town Manager	84,026	84,026	0
Transfer to Town Clerk	4,243	4,243	0
Transfer to Treasurer	49,209	49,210	1
Transfer to Dispatch	257,650	257,650	0
Revenue for the Knob	0	100	100
Miscellaneous	0	6,783	6,783
Total Revenues	<u>4,782,453</u>	<u>4,761,664</u>	<u>(20,789)</u>

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  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2025

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Expenditures:			
Town Manager's Office:			
Regular Salaries	\$ 361,163	\$ 380,406	\$ (19,243)
Overtime Pay	0	8	(8)
Social Security	27,629	29,109	(1,480)
Group Insurance	77,569	100,287	(22,718)
HBA Expense	12,000	17,499	(5,499)
Workman's Compensation	1,316	1,292	24
VMERS	25,281	27,708	(2,427)
Unemployment Compensation	822	593	229
VT Child Tax	0	1,484	(1,484)
Office Supplies	3,000	5,492	(2,492)
Training	500	1,906	(1,406)
Postage	500	265	235
Advertising	200	1,400	(1,200)
Printing	5,000	3,273	1,727
New Equipment	1,000	791	209
Gas, Oil, Mileage	500	508	(8)
Telephone	4,000	3,262	738
Contracted Services	3,000	34,123	(31,123)
Repair & Maintenance Services	0	197	(197)
Dues	400	0	400
	<u>523,880</u>	<u>609,603</u>	<u>(85,723)</u>
Total Town Manager's Office			
Town Clerk's Office:			
Regular Salaries	100,273	101,894	(1,621)
Overtime Pay	500	1,220	(720)
Social Security	7,709	7,926	(217)
Group Insurance	11,680	18,028	(6,348)
HBA Expense	3,000	2,799	201
Workman's Compensation	632	500	132
VMERS	7,019	8,578	(1,559)
Unemployment Compensation	250	155	95
VT Child Tax	0	305	(305)
Recording Supplies	1,000	989	11
Training	400	368	32
Office Supplies	3,000	3,010	(10)
Postage	3,000	1,800	1,200
Advertising	500	0	500
New Equipment	5,000	0	5,000
Transfer to Records Restoration Reserve	8,500	8,500	0
Records Restoration Expenses	1,000	0	1,000
Gas, Oil & Mileage	100	51	49
Telephone	2,500	2,188	312
Contracted Services	15,000	12,601	2,399
Legal Services	0	20	(20)
Repair & Maintenance Services	400	376	24
Dues	75	23	52
	<u>171,538</u>	<u>171,331</u>	<u>207</u>
Total Town Clerk's Office			

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GENERAL FUND  
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	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Town Treasurer's Office:</b>			
Regular Salaries	\$ 100,273	\$ 101,576	\$ (1,303)
Overtime Pay	500	110	390
Social Security	7,709	7,633	76
Group Insurance	11,680	18,028	(6,348)
HBA Expense	3,000	2,799	201
Workman's Compensation	632	519	113
VMERS	7,019	6,048	971
Unemployment Compensation	250	155	95
VT Child Tax	0	473	(473)
Office Supplies	1,500	1,027	473
Training	400	510	(110)
Postage	2,600	2,420	180
Advertising	500	198	302
New Equipment	500	0	500
Gas, Oil & Mileage	100	51	49
Contracted Services	2,000	77	1,923
Repair & Maintenance Services	200	0	200
Dues	75	23	52
	<u>138,938</u>	<u>141,647</u>	<u>(2,709)</u>
<b>Board of Civil Authority:</b>			
Regular Salaries	1,500	696	804
Social Security	153	53	100
Workman's Compensation	0	19	(19)
VT Child Tax	0	4	(4)
Office Supplies	500	237	263
Postage	1,500	503	997
Advertising	500	0	500
Contracted Services	4,000	1,941	2,059
	<u>8,153</u>	<u>3,453</u>	<u>4,700</u>

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	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Assessor's Office:</b>			
Regular Salaries	\$ 9,152	\$ 9,343	\$ (191)
Overtime Pay	0	2	(2)
Social Security	700	619	81
Group Insurance	14,237	7,945	6,292
HBA Expense	1,000	330	670
VMERS	641	0	641
Workman's Compensation	316	177	139
Unemployment Compensation	200	78	122
VT Child Tax	0	20	(20)
Office Supplies	250	0	250
Training	250	0	250
Postage	400	15	385
Advertising	100	0	100
Transfer to Reappraisal Reserve	27,500	27,500	0
Telephone	550	550	0
Contracted Services	57,750	55,275	2,475
	<u>113,046</u>	<u>101,854</u>	<u>11,192</u>
<b>Total Assessor's Office</b>			
<b>Economic Development:</b>			
Office Supplies/Advertising	600	624	(24)
Travel & Mileage	1,500	0	1,500
Armory Project	0	304,236	(304,236)
Designated Downtown	25,000	25,000	0
NVDA Dues	3,965	3,965	0
Industrial Park Taxes	67,000	76,184	(9,184)
Transfer to Housing Development Reserve	30,000	30,000	0
Transfer to Economic Development Reserve	20,000	20,000	0
	<u>148,065</u>	<u>460,009</u>	<u>(311,944)</u>
<b>Total Economic Development</b>			
<b>Zoning Board &amp; Planning Commission:</b>			
Regular Salaries	57,200	61,428	(4,228)
Social Security	4,376	4,522	(146)
Group Insurance	10,953	11,663	(710)
HBA Expense	2,500	720	1,780
Workman's Compensation	316	300	16
VMERS	4,004	4,272	(268)
Unemployment Compensation	500	104	396
VT Child Tax	0	241	(241)
Office Supplies	200	12	188
Postage	1,500	4	1,496
Advertising	4,200	2,670	1,530
Telephone	800	529	271
Gas, Oil, Mileage	600	364	236
Professional Services	2,000	0	2,000
Planning Grant Expenses	3,000	4,318	(1,318)
	<u>92,149</u>	<u>91,147</u>	<u>1,002</u>
<b>Total Zoning Board &amp; Planning Commission</b>			

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	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Maintenance:			
Regular Salaries	\$ 46,800	\$ 36,195	\$ 10,605
Overtime Pay	0	2,196	(2,196)
Social Security	3,580	3,147	433
Group Insurance	10,371	10,542	(171)
Workman's Compensation	316	697	(381)
HBA Expense	2,500	41	2,459
VMERS	3,276	2,543	733
Unemployment Compensation	200	57	143
VT Child Tax	0	94	(94)
Cleaning Supplies	4,000	1,867	2,133
Total Maintenance	<u>71,043</u>	<u>57,379</u>	<u>13,664</u>
Code Enforcement:			
Regular Salaries	83,677	68,392	15,285
Social Security	6,402	4,767	1,635
Group Insurance	34,799	31,382	3,417
HBA Expense	4,000	3,527	473
VMERS	316	300	16
Workman's Compensation	5,857	4,549	1,308
Unemployment Compensation	200	104	96
VT Child Tax	0	244	(244)
Office Supplies	500	143	357
Training	200	0	200
Postage	800	201	599
Advertising	0	120	(120)
New Equipment	1,000	791	209
Gas, Oil, Mileage	2,000	1,226	774
Telephone	400	589	(189)
Contracted Services	100	546	(446)
Repair & Maintenance Services	0	8	(8)
Total Code Enforcement	<u>140,251</u>	<u>116,889</u>	<u>23,362</u>
Public Safety Building:			
Heating Fuel	14,000	10,726	3,274
Public Utility Services	11,000	12,104	(1,104)
Waste Disposal Services	2,000	2,583	(583)
Contracted Services	5,000	3,607	1,393
Repair & Maintenance Supplies	10,000	7,153	2,847
Total Public Safety Building	<u>42,000</u>	<u>36,173</u>	<u>5,827</u>
Dog Control:			
Contracted Services	1,000	2,499	(1,499)
Total Dog Control	<u>1,000</u>	<u>2,499</u>	<u>(1,499)</u>

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	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Board of Selectmen:</b>			
Salaries	\$ 6,400	\$ 6,400	\$ 0
Social Security	490	490	0
VT Child Tax	0	28	(28)
Training	100	0	100
<b>Total Board of Selectmen</b>	<b>6,990</b>	<b>6,918</b>	<b>72</b>
<b>Dispatch Center:</b>			
Regular Salaries	422,500	390,665	31,835
Overtime Pay	54,000	86,295	(32,295)
Social Security	36,453	35,848	605
Group Insurance	95,340	102,394	(7,054)
HBA Expense	9,000	9,798	(798)
Workman's Compensation	1,896	1,828	68
Retirement Contributions	26,912	27,159	(247)
VMERS	29,206	32,702	(3,496)
Unemployment Compensation	1,365	718	647
VT Child Tax	0	1,824	(1,824)
Office Supplies	3,500	2,451	1,049
Advertising	400	0	400
Training Supplies	1,000	1,208	(208)
Postage	100	47	53
New Equipment	10,000	5,520	4,480
Mileage	250	1,008	(758)
Uniforms	1,000	304	696
Telephone	9,800	9,944	(144)
Contracted Services	21,000	22,351	(1,351)
Repair & Maintenance Services	15,000	2,420	12,580
Transfer to Dispatch Equipment Reserve	10,000	10,000	0
<b>Total Dispatch Center</b>	<b>748,722</b>	<b>744,484</b>	<b>4,238</b>
<b>Fire Department:</b>			
Regular Salaries	655,964	690,258	(34,294)
Overtime Pay	60,100	53,571	6,529
Social Security	54,779	54,110	669
Group Insurance	186,115	193,688	(7,573)
HBA Expense	15,000	18,264	(3,264)
Workman's Compensation	49,149	47,762	1,387
Retirement Contributions	91,117	91,952	(835)
VMERS	36,335	48,214	(11,879)
Unemployment Compensation	2,220	1,050	1,170
VT Child Tax	0	2,708	(2,708)
Office Supplies	2,000	712	1,288
Training Supplies	12,600	6,292	6,308
Postage	200	31	169
Advertising	200	0	200

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	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Fire Department/(Cont'd):			
New Equipment	\$ 45,970	\$ 37,184	\$ 8,786
Gas, Oil & Mileage	10,000	9,955	45
Uniforms	11,275	7,940	3,335
Telephone	3,200	4,705	(1,505)
Heating Fuel	2,000	1,863	137
Public Utility Services	800	773	27
Contracted Services	20,957	22,029	(1,072)
Supplies	9,500	7,840	1,660
Repair & Maintenance Services	30,500	59,808	(29,308)
Motor Vehicle Supplies	1,000	0	1,000
Alarm System Supplies	4,000	2,134	1,866
Miscellaneous	0	186	(186)
Fire Truck Loan Payment	0	16,226	(16,226)
Transfer to Fire Equipment Reserve	100,000	100,000	0
Total Fire Department	<u>1,404,981</u>	<u>1,479,255</u>	<u>(74,274)</u>
Solid Waste:			
Waste & Disposal Services	35,000	37,850	(2,850)
Contracted Services	5,000	4,327	673
Repair & Maintenance Services	0	20	(20)
Total Solid Waste	<u>40,000</u>	<u>42,197</u>	<u>(2,197)</u>
Pomerleau Building:			
Heating Fuel	14,000	12,641	1,359
Public Utility Services	14,000	14,435	(435)
Waste Disposal Services	2,000	2,422	(422)
Contracted Services	8,000	8,346	(346)
Bond Principal	70,000	70,000	0
Bond Interest	22,978	22,978	0
Repair & Maintenance Supplies	3,000	5,203	(2,203)
Building Taxes	13,500	0	13,500
New Equipment	0	1,263	(1,263)
Total Pomerleau Building	<u>147,478</u>	<u>137,288</u>	<u>10,190</u>
Cemeteries:			
Wages	15,000	7,305	7,695
Social Security	1,148	156	992
VT Child Tax	0	41	(41)
Telephone	0	32	(32)
Contracted Services	11,800	19,060	(7,260)
Total Cemeteries	<u>27,948</u>	<u>26,594</u>	<u>1,354</u>

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GENERAL FUND  
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	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
General Expenses:			
Public Utility Services	\$ 1,500	\$ 317	\$ 1,183
Internet Expense	30,000	60,778	(30,778)
Web Site Expense	5,500	5,851	(351)
IT Upgrades	35,000	34,224	776
Contracted Services	20,000	27,058	(7,058)
Audit	7,800	10,033	(2,233)
Legal Services	30,000	23,423	6,577
Information Reward	0	25,000	(25,000)
Judgements & Losses	0	17,870	(17,870)
VLCT Dues	11,146	11,146	0
Community Justice Center	10,000	10,000	0
Property & Liability Insurance	63,525	64,774	(1,249)
Health Insurance Account Expense	2,600	3,791	(1,191)
County Taxes	60,000	72,176	(12,176)
Ambulance Service Contract	324,000	325,080	(1,080)
Storm Damage	0	1,378	(1,378)
Interest on Current Loans	0	15,315	(15,315)
Transfer to Special Services Fund	150,000	150,000	0
Beautification Operating Supplies	18,000	15,739	2,261
Beautification Repairs & Maintenance	2,000	4,680	(2,680)
Transfer to Recreation Fund	50,000	50,000	0
	<u>821,071</u>	<u>928,633</u>	<u>(107,562)</u>
Total General Expenses			
Special Appropriations:			
American Red Cross	1,800	1,800	0
Area Agency on Aging	9,000	9,000	0
Caledonia Home Health Care and Hospice	18,382	18,382	0
NEKCA	12,000	12,000	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	7,500	7,500	0
St. Johnsbury Kiwanis Club Pool	29,000	29,000	0
St. Johnsbury Nutritional Center	10,000	10,000	0
Umbrella	9,500	9,500	0
VT Association for the Blind	675	675	0
	<u>335,200</u>	<u>335,200</u>	<u>0</u>
Total Special Appropriations			
	<u>4,982,453</u>	<u>5,492,553</u>	<u>(510,100)</u>
Total Expenditures			
Excess/(Deficiency) of Revenues			
Over Expenditures	\$ <u>(200,000)</u>	(730,889)	\$ <u>(530,889)</u>

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	<u>Actual</u>
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Accrual Basis of Accounting:	
Parking Meter Fund Income	\$ 59,459
Parking Meter Fund Expenses	(13,384)
Parking Meter Fund Transfer Out	(29,243)
Recreation Fund Transfer In	50,000
Recreation Fund Expenses	(50,871)
Unbudgeted Loan Proceeds	1,654,000
Unbudgeted Revitalization Expenses	(231,193)
Reappraisal Reserve Expenses	(120,063)
Housing Development Reserve Transfer Out	(157,866)
Transfer to Records Restoration Reserve	8,500
Transfer to Reappraisal Reserve	27,500
Transfer to Housing Development Reserve	30,000
Transfer to Economic Development Reserve	20,000
Transfer to Dispatch Equipment Reserve	10,000
Transfer to Fire Equipment Reserve	<u>100,000</u>
Net Change in Fund Balance	625,950
Fund Balance - July 1, 2024	<u>2,556,693</u>
Fund Balance - June 30, 2025	<u>\$ 3,182,643</u>

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 loan proceeds, unbudgeted expenses and reserve account activity.

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HIGHWAY FUND  
FOR THE YEAR ENDED JUNE 30, 2025

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues:</b>			
Property Taxes	\$ 2,419,098	\$ 2,419,098	\$ 0
VT Pilot Payment	75,000	77,146	2,146
Hold Harmless VT Payment	30,000	34,968	4,968
State Aid Class I Highways	55,000	60,048	5,048
State Aid Class II Highways	49,000	52,130	3,130
State Aid Class III Highways	130,000	142,261	12,261
State Aid Lane Mileage	247	247	0
Highway Department Services	0	1,633	1,633
Transfer from Water Fund	219,696	216,696	(3,000)
Transfer from Sewer Fund	305,988	305,988	0
Transfer from General Fund	15,000	0	(15,000)
Transfer from Water Fund & Sewer Fund - PILOT	15,738	15,738	0
Better Back Roads Grant Income	50,000	42,902	(7,098)
Highway Grant Income	32,000	31,250	(750)
Transfer from Equipment Reserve	100,000	0	(100,000)
Loan Proceeds	295,000	336,725	41,725
Paving Grant Income	106,976	123,570	16,594
R.O.W. Permits	0	3,858	3,858
Sale of Materials	20,000	1,266	(18,734)
Miscellaneous	0	754	754
	<u>3,918,743</u>	<u>3,866,278</u>	<u>(52,465)</u>
<b>Total Revenues</b>			
<b>Expenditures:</b>			
<b>Highway Garage &amp; Equipment:</b>			
Regular Salaries	58,368	47,055	11,313
Overtime Pay	2,000	1,206	794
Social Security	4,619	3,990	629
Group Insurance	27,882	34,262	(6,380)
HBA Expense	5,000	3,990	1,010
Workman's Compensation	2,578	2,547	31
VMERS	4,072	3,356	716
Unemployment Compensation	200	109	91
VT Child Tax	0	173	(173)
Office Supplies	1,500	1,229	271
Training	3,000	1,780	1,220
Advertising	200	90	110
New Equipment	10,000	1,910	8,090
New Tools	5,000	4,587	413
Gas & Oil for Equipment	100,000	113,223	(13,223)
Uniforms	7,700	7,793	(93)
Telephone	3,800	2,118	1,682
Heating Fuel	10,000	14,847	(4,847)
Public Utility Services	8,500	10,200	(1,700)
Waste Disposal Services	6,000	6,935	(935)
Contracted Services	6,500	14,086	(7,586)
Equipment Rentals	13,000	2,000	11,000
Repairs to Equipment	75,000	97,106	(22,106)
Maintenance Supplies	35,000	35,308	(308)
Safety Supplies	3,000	2,528	472

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HIGHWAY FUND  
FOR THE YEAR ENDED JUNE 30, 2025

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Highway Garage & Equipment/(Cont'd):			
DPW Supplies	\$ 3,000	\$ 2,624	\$ 376
Outside Repairs	17,000	4,367	12,633
Repairs to Garage	15,000	8,467	6,533
Transfer to Equipment Reserve	10,000	10,000	0
 Total Highway Garage & Equipment	 437,919	 437,886	 33
Summer Maintenance:			
Regular Salaries	383,586	378,844	4,742
Overtime Pay	18,000	64,467	(46,467)
Social Security	33,380	33,135	245
Group Insurance	108,954	126,172	(17,218)
HBA Expense	18,000	21,542	(3,542)
Workman's Compensation	18,047	17,218	829
Retirement Contributions	59,311	59,854	(543)
VMERS	13,973	17,325	(3,352)
Unemployment Compensation	1,377	745	632
VT Child Tax	0	1,014	(1,014)
Contracted Services	60,000	57,910	2,090
Stormwater Permit Fee - ANR	6,000	0	6,000
Materials & Supplies	248,000	233,896	14,104
Maintenance (Paving)	300,000	235,050	64,950
 Total Summer Maintenance	 1,268,628	 1,247,172	 21,456
Winter Maintenance:			
Regular Salaries	383,586	438,352	(54,766)
Overtime Pay	67,500	120,874	(53,374)
Social Security	34,685	41,199	(6,514)
Group Insurance	108,954	138,227	(29,273)
HBA Expense	17,000	21,325	(4,325)
Workman's Compensation	18,047	17,218	829
Retirement Contributions	59,311	59,854	(543)
VMERS	15,638	22,416	(6,778)
Unemployment Compensation	1,377	745	632
VT Child Tax	0	3,144	(3,144)
Materials & Supplies	228,500	163,276	65,224
 Total Winter Maintenance	 934,598	 1,026,630	 (92,032)
Street Safety & Traffic:			
Public Utility Services	90,000	99,351	(9,351)
Railroad St. Parking Lot	2,000	0	2,000
Regular Salaries	38,400	65,791	(27,391)
Social Security	2,938	5,020	(2,082)
VT Child Tax	0	129	(129)
Contracted Services	3,000	6,374	(3,374)
Repair & Maintenance Services	1,000	0	1,000
Materials & Supplies	12,000	6,306	5,694
 Total Street Safety & Traffic	 149,338	 182,971	 (33,633)

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HIGHWAY FUND  
FOR THE YEAR ENDED JUNE 30, 2025

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Highway Fund:			
Advertising	\$ 300	\$ 0	\$ 300
Audit	7,540	10,033	(2,493)
Health Insurance Account Expense	1,800	3,479	(1,679)
Contracted Services	5,000	293	4,707
State Stormwater Operating Fee	1,800	989	811
Transfer to Sidewalk Reserve	100,000	100,000	0
Transfer to Construction Reserve	20,000	20,000	0
Property & Liability Insurance	35,725	39,949	(4,224)
Industrial Park Taxes	61,000	60,201	799
Old Center Road Grant Expenses	0	154,337	(154,337)
Spinster Hill Road Grant Expenses	0	115	(115)
Interest - Westside USDA 93/15	41,486	41,486	0
Principal - Westside USDA 93/15	88,083	88,083	0
CSO Payment	131,857	131,857	0
New Equipment 19-20 Debt Payment	73,728	73,500	228
New Equipment 21-22 Debt Payment	63,441	63,441	0
New Equipment 22-23 Debt Payment	75,000	78,041	(3,041)
New Equipment 23-24 Debt Payment	40,000	40,360	(360)
New Equipment 24-25 Debt Payment	59,000	74,361	(15,361)
New Equipment 24-25	395,000	337,926	57,074
Local Share - Pearl Street Parking Lot	0	1,020	(1,020)
Local Share - NBRC	0	20,812	(20,812)
Internet Expense	7,500	27,359	(19,859)
IT Upgrades	0	1,354	(1,354)
	1,208,260	1,368,996	(160,736)
Total Highway Fund			
	3,998,743	4,263,655	(264,912)
Total Expenditures			
Excess/(Deficiency) of Revenues			
Over Expenditures	\$ <u>(80,000)</u>	(397,377)	\$ <u>(317,377)</u>
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Accrual Basis of Accounting:			
Unbudgeted Storm Damage Expenses		(3,119,684)	
Transfer to Equipment Reserve		10,000	
Transfer to Sidewalk Reserve		100,000	
Transfer to Construction Reserve		20,000	
Net Change in Fund Balance		(3,387,061)	
Fund Balance - July 1, 2024		1,297,004	
Fund Balance/(Deficit) - June 30, 2025		\$ (2,090,057)	

The reconciling items are due to unbudgeted storm damage expenses and reserve account activity.

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, 2025

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues:</b>			
Property Taxes	\$ 1,528,064	\$ 1,528,064	\$ 0
VT Pilot Payments	25,000	35,365	10,365
Hold Harmless VT Payments	100	0	(100)
District Court Fines	12,000	8,382	(3,618)
Report Revenue	1,500	1,545	45
Police Department Services	3,000	1,775	(1,225)
Fingerprinting Services	55,000	15,435	(39,565)
SIU Revenue	45,000	45,000	0
Governor's Highway Safety Grant - Equipment	0	1,100	1,100
Governor's Highway Safety Grant - Salaries	5,000	0	(5,000)
Transfer from General Fund	150,000	150,000	0
Transfer from Water Fund & Sewer Fund - PILOT	14,681	14,682	1
Transfer from Parking Meter Fund	20,000	20,000	0
<b>Total Revenues</b>	<b>1,859,345</b>	<b>1,821,348</b>	<b>(37,997)</b>
<b>Expenditures:</b>			
<b>Police Department:</b>			
Regular Salaries	854,411	719,531	134,880
Overtime Pay	90,000	163,412	(73,412)
Social Security	72,248	65,122	7,126
Group Insurance	255,876	170,324	85,552
HBA Expense	16,000	19,774	(3,774)
Workman's Compensation	45,667	45,338	329
Retirement Contributions	34,044	34,356	(312)
VMERS	65,669	62,007	3,662
Unemployment Compensation	2,045	1,056	989
VT Child Tax	0	3,451	(3,451)
Office Supplies	4,500	4,815	(315)
Training	8,000	3,608	4,392
Postage	1,000	249	751
Advertising	300	0	300
New Equipment	15,000	11,566	3,434
Gas, Oil & Mileage	20,000	16,022	3,978
Uniforms	10,000	5,106	4,894
Telephone	4,200	4,463	(263)
Heating Fuel	3,000	3,724	(724)
Public Utility Services	4,000	4,028	(28)
Waste Disposal Services	1,200	861	339
Contracted Services	33,260	70,875	(37,615)
Ammunition	5,000	4,946	54
Repairs to Equipment	2,000	627	1,373
Dues	1,000	500	500
Repairs to Cruisers	12,000	16,660	(4,660)
Investigation Supplies	3,000	447	2,553
Governor's Highway Safety Grant Expenditures	5,000	1,140	3,860
Miscellaneous	0	500	(500)
Transfer to Equipment Reserve	20,000	20,000	0
<b>Total Police Department</b>	<b>1,588,420</b>	<b>1,454,508</b>	<b>133,912</b>

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, 2025

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Special Services Fund:			
Audit	\$ 7,540	\$ 10,033	\$ (2,493)
Health Insurance Account Expense	1,200	450	750
Contracted Services	2,000	4,623	(2,623)
Property & Liability Insurance	33,535	32,986	549
Internet Expense	9,000	29,625	(20,625)
IT Upgrades	0	380	(380)
Transfer to Dispatch Services	<u>257,650</u>	<u>257,650</u>	<u>0</u>
Total Special Services Fund	<u>310,925</u>	<u>335,747</u>	<u>(24,822)</u>
Total Expenditures	<u>1,899,345</u>	<u>1,790,255</u>	<u>109,090</u>
Excess/(Deficiency) of Revenues			
Over Expenditures	<u>\$ (40,000)</u>	31,093	<u>\$ 71,093</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		51,093	
Fund Balance - July 1, 2024		<u>335,802</u>	
Fund Balance - June 30, 2025		<u>\$ 386,895</u>	

The reconciling item is due to reserve account activity.

TOWN OF ST. JOHNSBURY, VERMONT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 VMERS DEFINED BENEFIT PLAN  
 JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Plan Net Pension Liability	\$ 332,147,666	\$ 320,293,753	\$ 303,371,956	\$ 147,184,198	\$ 252,974,064	\$ 173,491,807	\$ 140,675,892	\$ 121,155,552	\$ 128,696,167	\$ 77,095,810
Town's Proportion of the Net Pension Liability	0.6988%	0.6349%	0.5902%	0.5665%	0.5775%	0.5574%	0.5230%	0.5268%	0.4359%	0.3934%
Town's Proportionate Share of the Net Pension Liability	\$ 2,320,929	\$ 2,033,526	\$ 1,790,569	\$ 833,835	\$ 1,460,826	\$ 967,024	\$ 735,681	\$ 638,209	\$ 560,984	\$ 303,298
Town's Covered Employee Payroll	\$ 3,049,924	\$ 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
Town's Proportionate Share of the Net Pension Liability as a Percentage of Town's Covered Employee Payroll	76.0979%	83.0314%	86.3130%	44.7709%	79.7689%	57.8198%	51.2725%	47.5280%	53.6134%	34.1302%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.22%	74.01%	73.60%	86.29%	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%

**Notes to Schedule**

Benefit Changes: None.

Changes in Assumptions and Methods: None.

Changes in Plan Provisions: At the May, 2024 Board meeting, the Board voted unanimously to authorize employer contribution rate increases of 0.25% each year for a period of four years, beginning July 1, 2026. Also in May, 2024, the Legislature passed H.883, which included an increase in the member rate of 0.25% for each group for four years, beginning July 1, 2026.

TOWN OF ST. JOHNSBURY, VERMONT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CONTRIBUTIONS  
 VMERS DEFINED BENEFIT PLAN  
 FOR THE YEAR ENDED JUNE 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution (Actuarially Determined)	\$ 265,937	\$ 230,172	\$ 180,967	\$ 147,673	\$ 125,855	\$ 119,214	\$ 107,093	\$ 91,576	\$ 86,026	\$ 66,250
Contributions in Relation to the Actuarially Determined Contributions	<u>265,937</u>	<u>230,172</u>	<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>
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>	\$ <u>0</u>
Town's Covered Employee Payroll	\$ 3,390,298	\$ 3,049,924	\$ 2,449,104	\$ 2,074,507	\$ 1,862,450	\$ 1,831,323	\$ 1,672,480	\$ 1,434,846	\$ 1,342,806	\$ 1,046,350
Contributions as a Percentage of Town's Covered Employee Payroll	7.844%	7.547%	7.389%	7.118%	6.757%	6.510%	6.403%	6.382%	6.406%	6.332%

**Notes to Schedule**

Valuation Date: June 30, 2024

TOWN OF ST. JOHNSBURY, VERMONT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 PENSION TRUST FUND  
 JUNE 30, 2025

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)
1/1/2016	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%
1/1/2024	10,615,377	13,798,288	(3,182,911)	77%	779,134	-409%
1/1/2025	11,155,211	14,159,561	(3,004,350)	79%	897,670	-335%

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, 2025

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability:</b>										
Service Cost	\$ 55,402	\$ 76,347	\$ 60,804	\$ 72,792	\$ 85,259	\$ 79,645	\$ 100,951	\$ 115,097	\$ 123,154	\$ 115,139
Interest	871,942	880,332	831,324	832,838	826,926	846,547	830,076	804,914	770,068	766,804
Difference Between Expected and Actual Experience	214,397	(262,333)	152,825	61,966	(10,623)	310,902	190,276	120,265	(220,202)	154,539
Change in Benefit Terms	0	0	488,988	0	0	(474,858)	0	0	0	0
Changes in Assumptions	0	0	0	24,603	(44,863)	646,005	(133,641)	(62,871)	277,567	0
Benefit Payments, Including Refunds of Member Contributions	(780,468)	(788,857)	(799,839)	(964,438)	(756,467)	(761,862)	(677,771)	(573,298)	(562,465)	(554,653)
Net Change in Total Pension Liability	361,273	(94,511)	734,102	27,761	100,232	646,379	309,891	404,107	388,122	481,829
Total Pension Liability, January 1	13,798,288	13,892,799	13,158,697	13,130,936	13,030,704	12,384,325	12,074,434	11,670,327	11,282,205	10,800,376
Total Pension Liability, December 31	14,159,561	13,798,288	13,892,799	13,158,697	13,130,936	13,030,704	12,384,325	12,074,434	11,670,327	11,282,205
<b>Plan Fiduciary Net Position:</b>										
Contributions - Employer	303,696	415,433	135,000	181,965	207,815	272,713	183,928	249,761	255,115	307,593
Contributions - Members	36,957	38,325	39,954	43,828	43,402	47,686	56,442	58,955	47,723	35,703
Net Investment Income/(Loss)	996,349	1,424,818	(1,662,678)	1,315,703	899,043	1,681,968	(395,618)	1,153,615	878,054	64,102
Administrative Expenses	(16,700)	(16,100)	(19,400)	(32,800)	(900)	(19,550)	(17,900)	(15,800)	(67,848)	(97,821)
Benefit Payments, Including Refunds of Member Contributions	(780,468)	(788,857)	(799,839)	(964,438)	(756,467)	(761,862)	(677,771)	(573,298)	(562,465)	(554,653)
Net Change in Fiduciary Net Position	539,834	1,073,619	(2,306,963)	544,258	392,893	1,220,955	(850,919)	873,233	550,579	(245,076)
Plan Fiduciary Net Position, January 1	10,615,377	9,541,758	11,848,721	11,304,463	10,911,570	9,690,615	10,541,534	9,668,301	9,117,722	9,362,798
Plan Fiduciary Net Position, December 31	11,155,211	10,615,377	9,541,758	11,848,721	11,304,463	10,911,570	9,690,615	10,541,534	9,668,301	9,117,722
Net Pension Liability, December 31	\$ 3,004,350	\$ 3,182,911	\$ 4,351,041	\$ 1,309,976	\$ 1,826,473	\$ 2,119,134	\$ 2,693,710	\$ 1,532,900	\$ 2,002,026	\$ 2,164,483
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.78%	76.93%	68.68%	90.04%	86.09%	83.74%	78.25%	87.30%	82.85%	80.82%
Covered Employee Payroll	\$ 897,670	\$ 779,134	\$ 960,275	\$ 804,348	\$ 1,020,208	\$ 1,013,837	\$ 1,103,148	\$ 1,314,736	\$ 1,408,393	\$ 1,474,283
Net Pension Liability as a Percentage of Covered Employee Payroll	334.68%	408.52%	453.10%	162.86%	179.03%	209.02%	244.18%	116.59%	142.15%	146.82%

**Notes to Schedule**

Benefit Changes: None.

Changes in Assumptions and Methods: None.

Changes in Plan Provisions: The Fire Department employee contribution rate was increased from 6% to 8% to match the collective bargaining agreement.

TOWN OF ST. JOHNSBURY, VERMONT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 PENSION TRUST FUND  
 JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016 (18 Months)
Actuarially Determined Contribution	\$ 300,940	\$ 415,072	\$ 134,812	\$ 181,586	\$ 207,815	\$ 272,713	\$ 183,928	\$ 230,812	\$ 255,115	\$ 362,938
Contributions in Relation to the Actuarially Determined Contribution	<u>303,696</u>	<u>415,433</u>	<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>
Contribution Deficiency/(Excess)	\$ <u>(2,756)</u>	\$ <u>(361)</u>	\$ <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>
Covered-Employee Payroll	\$ 897,670	\$ 779,134	\$ 960,275	\$ 804,348	\$ 1,020,208	\$ 1,013,837	\$ 1,103,148	\$ 1,314,736	\$ 1,408,393	\$ 1,474,283
Contribution as a Percentage of Covered-Employee Payroll	33.83%	53.32%	14.06%	22.62%	20.37%	26.90%	16.67%	19.00%	18.11%	20.86%

**Notes to Schedule**

Valuation Date: January 1, 2025

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, 2025

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual Money-Weighted Rate of Return, Net of Investment Expense	9.59%	15.21%	(14.42%)	12.05%	8.43%	17.78%	(3.84%)	12.11%	9.02%	(0.36%)

TOWN OF ST. JOHNSBURY, VERMONT  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2025

	Special Revenue Funds	Permanent Fund Goss Hollow Cemetery Fund	Total
<u>ASSETS</u>			
Cash	\$ 62,366	\$ 7,534	\$ 69,900
Investments	270,298	0	270,298
Due from Other Funds	32	0	32
Total Assets	\$ 332,696	\$ 7,534	\$ 340,230
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Due to Other Funds	\$ 0	\$ 136	\$ 136
Total Liabilities	0	136	136
Fund Balances:			
Nonspendable	0	5,161	5,161
Restricted	332,696	2,237	334,933
Total Fund Balances	332,696	7,398	340,094
Total Liabilities and Fund Balances	\$ 332,696	\$ 7,534	\$ 340,230

See Disclaimer in Accompanying Independent Auditor's Report.

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, 2025

	Special Revenue Funds	Permanent Fund Goss Hollow Cemetery Fund	Total
Revenues:			
Charges for Services	\$ 8,550	\$ 0	\$ 8,550
Investment Income	32,953	25	32,978
Total Revenues	41,503	25	41,528
Expenditures:			
Cemetery	8,410	0	8,410
Total Expenditures	8,410	0	8,410
Net Change in Fund Balances	33,093	25	33,118
Fund Balances - July 1, 2024	299,603	7,373	306,976
Fund Balances - June 30, 2025	\$ 332,696	\$ 7,398	\$ 340,094

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF ST. JOHNSBURY, VERMONT  
 COMBINING BALANCE SHEET  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2025

	Grove Cemetery Fund	St. Johnsbury Center Cemetery Fund	Total
<u>ASSETS</u>			
Cash	\$ 13,498	\$ 48,868	\$ 62,366
Investments	247,336	22,962	270,298
Due from Other Funds	32	0	32
Total Assets	\$ 260,866	\$ 71,830	\$ 332,696
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:	\$ 0	\$ 0	\$ 0
Fund Balances:			
Restricted	260,866	71,830	332,696
Total Fund Balances	260,866	71,830	332,696
Total Liabilities and Fund Balances	\$ 260,866	\$ 71,830	\$ 332,696

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF ST. JOHNSBURY, VERMONT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2025

	Grove Cemetery Fund	St. Johnsbury Center Cemetery Fund	Total
Revenues:			
Charges for Services	\$ 2,000	\$ 6,550	\$ 8,550
Investment Income	31,580	1,373	32,953
Total Revenues	33,580	7,923	41,503
Expenditures:			
Cemetery	24	8,386	8,410
Total Expenditures	24	8,386	8,410
Net Change in Fund Balances	33,556	(463)	33,093
Fund Balances - July 1, 2024	227,310	72,293	299,603
Fund Balances - June 30, 2025	\$ 260,866	\$ 71,830	\$ 332,696

See Disclaimer in Accompanying Independent Auditor's Report.

# Sullivan, Powers & Co., P.C.

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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, 2025, 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 November 3, 2025.

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

*Sullivan, Powers & Co.*

November 3, 2025  
Montpelier, Vermont  
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