

Town of Northfield
BASIC FINANCIAL STATEMENTS
June 30, 2024

Town of Northfield, Vermont
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Kittell Branagan & Sargent

Certified Public Accountants

Vermont License # 167

INDEPENDENT AUDITOR'S REPORT

To the Selectboard of
Town of Northfield, Vermont
Northfield, Vermont

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 Northfield, Vermont, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Northfield, 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 Northfield, Vermont, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Northfield, 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Northfield, Vermont's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2024, on our consideration of the Town of Northfield, 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 Northfield, 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 Town of Northfield, Vermont's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Kaitell Brannan" followed by a stylized flourish or second name.

St. Albans, Vermont
October 25, 2024

Town of Northfield, Vermont
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

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

Using This Annual Report

This annual report consists of a series of financial statements. Government-wide statements include the Statement of Net Position and the Statement of Activities which provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. For governmental activities, Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. Governmental fund budgets and property taxes are based on fund financial statements, not government-wide statements. A further explanation of these statements is located in Note 1 and Note 2 of the Financials.

Reporting the Town as a Whole

The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities. These statements, found on page 1 and page 2, include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's Net Position and changes in it. You can think of the Town's net position - the difference between assets and liabilities - as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's Net Position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the overall health of the Town.

Reporting the Town's Most Significant Funds

The fund financial statements begin with page 3 and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Town Select board establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

All of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using a measurement focus called current financial resources, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Reconciliations between the fund balances and the net position are located on page 4 and page 6.

Town of Northfield, Vermont
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

The Town as a Whole

The Town's combined Net Position increased by \$655,793 from a year ago - increasing from \$29,261,100 to \$29,916,893. Our analysis below focuses on the Net Position (Table 1) and changes in Net Position (Table 2) of the Town's governmental activities compared to fiscal year 2023.

Table 1 - Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and Other Assets	\$ 5,309,129	\$ 5,877,566	\$ 8,729,950	\$ 8,509,698	\$ 14,039,079	\$ 14,387,264
Capital Assets	<u>12,189,359</u>	<u>11,848,429</u>	<u>15,664,252</u>	<u>15,546,983</u>	<u>27,853,611</u>	<u>27,395,412</u>
Total Assets	<u>\$ 17,498,488</u>	<u>\$ 17,725,995</u>	<u>\$ 24,394,202</u>	<u>\$ 24,056,681</u>	<u>\$ 41,892,690</u>	<u>\$ 41,782,676</u>
Deferred Outflows of Resources	<u>\$ 391,337</u>	<u>\$ 400,531</u>	<u>\$ 95,777</u>	<u>\$ 103,811</u>	<u>\$ 487,114</u>	<u>\$ 504,342</u>
Long-term Liabilities	\$ 3,332,300	\$ 3,387,158	\$ 5,917,448	\$ 6,277,986	\$ 9,249,748	\$ 9,665,144
Other Liabilities	<u>587,620</u>	<u>572,154</u>	<u>1,247,330</u>	<u>1,067,073</u>	<u>1,834,950</u>	<u>1,639,227</u>
Total Liabilities	<u>\$ 3,919,920</u>	<u>\$ 3,959,312</u>	<u>\$ 7,164,778</u>	<u>\$ 7,345,059</u>	<u>\$ 11,084,698</u>	<u>\$ 11,304,371</u>
Deferred Inflows of Resources	<u>\$ 1,368,377</u>	<u>\$ 1,706,103</u>	<u>\$ 9,836</u>	<u>\$ 15,444</u>	<u>\$ 1,378,213</u>	<u>\$ 1,721,547</u>
Investment in Capital Assets	\$ 9,739,996	\$ 9,173,683	\$ 9,647,146	\$ 8,973,993	\$ 19,387,142	\$ 18,147,676
Restricted	457,408	389,947	-	-	457,408	389,947
Unrestricted	<u>2,404,124</u>	<u>2,897,481</u>	<u>7,668,219</u>	<u>7,825,996</u>	<u>10,072,343</u>	<u>10,723,477</u>
Total Net Position	<u>\$ 12,601,528</u>	<u>\$ 12,461,111</u>	<u>\$ 17,315,365</u>	<u>\$ 16,799,989</u>	<u>\$ 29,916,893</u>	<u>\$ 29,261,100</u>

Town of Northfield, Vermont
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

Table 2 – Change in Net Position

	Governmental Activites		Business-type Activites		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues						
Charges for Services	\$ 1,405,099	\$ 1,216,568	\$ 5,835,792	\$ 5,576,582	\$ 7,240,891	\$ 6,793,150
Operating Grants & Contributions	514,629	523,697	268,655	449,346	783,284	973,043
Capital Grants and Contributions	691,935	872,143	-	-	691,935	872,143
General Revenues						
Property Taxes, Penalties and Interest	3,824,792	3,524,008	-	-	3,824,792	3,524,008
Unrestricted Investment Earnings	224,611	102,639	601,472	497,149	826,083	599,788
Gain/(Loss) on Disposal of Assets	(11,007)	(9,380)	(18,741)	(13,795)	(29,748)	(23,175)
Contributions of Capital Asset	2,724	32,872	-	-	2,724	32,872
Transfers	(40,000)	(148,000)	40,000	148,000	-	-
Other Revenues	29,303	37,335	11,943	823	41,246	38,158
Total Revenues	6,642,086	6,151,882	6,739,121	6,658,105	13,381,207	12,809,987
Expenses:						
General Government	1,314,133	975,212	-	-	1,314,133	975,212
Public Safety	1,477,701	1,522,113	-	-	1,477,701	1,522,113
Highway and Streets	1,935,497	1,002,981	-	-	1,935,497	1,002,981
Culture and Recreation	530,641	396,858	-	-	530,641	396,858
Community Development	138,505	241,245	-	-	138,505	241,245
Interest on Long-term Debt	52,661	51,771	-	-	52,661	51,771
Depreciation, unallocated	1,052,531	1,030,713	-	-	1,052,531	1,030,713
Water	-	-	804,613	838,971	804,613	838,971
Wastewater	-	-	949,696	940,974	949,696	940,974
Electric	-	-	4,469,436	4,313,773	4,469,436	4,313,773
Total Expenses	6,501,669	5,220,893	6,223,745	6,093,718	12,725,414	11,314,611
Increase in Net Position	140,417	930,989	515,376	564,387	655,793	1,495,376
Net Position, beginning	12,461,111	11,530,122	16,799,989	16,235,602	29,261,100	27,765,724
Net position, end of year	\$ 12,601,528	\$ 12,461,111	\$ 17,315,365	\$ 16,799,989	\$ 29,916,893	\$ 29,261,100

Town of Northfield, Vermont
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

Table 3 presents the cost of each of the Town's governmental activities - general government, public safety, highways and streets, community development, culture and recreation and debt service - as well as each program's net cost (total cost less revenues generated by the activities). It does not include all revenues received.

Table 3 - Governmental Activities

	<u>Total Cost of Services 2024</u>	<u>Net Cost/(Gain) of Services 2023</u>	<u>Total Cost of Services 2024</u>	<u>Net Cost/(Gain) of Services 2023</u>
General Government	\$ 1,314,133	\$ 123,194	\$ 975,212	\$ (46,169)
Public Safety	1,477,701	735,598	1,522,113	788,188
Highways and Streets	1,935,497	1,295,370	1,002,981	179,802
Culture and Recreation	530,641	492,147	396,858	362,935
Community Development	138,505	138,505	241,245	241,245
Interest on Long-term Debt	52,661	52,661	51,771	51,771
Depreciation, unallocated	<u>1,052,531</u>	<u>1,052,531</u>	<u>1,030,713</u>	<u>1,030,713</u>
TOTAL	<u>\$ 6,501,669</u>	<u>\$ 3,890,006</u>	<u>\$ 5,220,893</u>	<u>\$ 2,608,485</u>

The Town's Funds

As the Town completed the year, its governmental funds (as presented in the Balance Sheet on page 3) reported a combined fund balance of \$3,538,296.

General Fund Budgetary Highlights

During the year the Select board members review actual to budget comparisons in order to monitor financial activity.

Page 51 compares actual results for fiscal year 2024 to the approved budget for the General Fund. Revenues were more than expenditures by \$72,215 which was \$202,885 better than the budgeted decrease in fund balance of \$130,670 for the General Fund. The most significant variances were as follows:

	Variance Favorable <u>(Unfavorable)</u>
REVENUES:	
Property Taxes	\$ (57,533)
Investment Income	59,740
EXPENDITURES:	
Police	\$ 258,241
Ambulance	(50,671)
Highway	(33,501)

Town of Northfield, Vermont
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2024, the Town had \$27,853,611 invested in a broad range of capital assets, including police and fire equipment, buildings, recreation facilities, roads and bridges, electric, water, and wastewater plant, net of accumulated depreciation. (See Table 4 below) This amount represents a net increase (including additions less depreciation) of \$458,199 compared to June 30, 2023.

Table 4 - Capital Assets at Year-End (Net of Accumulated Depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land	\$ 1,017,759	\$ 1,017,759	\$ 110,305	\$ 110,305	\$ 1,128,064	\$ 1,128,064
Construction in Progress	1,230,481	1,354,914	362,211	877,249	1,592,692	2,232,163
Land Improvements	662,471	655,664	-	-	662,471	655,664
Buildings and Building Improvements	4,489,648	4,489,648	135,980	135,980	4,625,628	4,625,628
Vehicles, Machinery and Equipment	5,609,127	5,376,491	747,834	660,069	6,356,961	6,036,560
Infrastructure	10,830,180	9,771,562	-	-	10,830,180	9,771,562
Distribution and Collection Systems	-	-	27,788,161	26,755,541	27,788,161	26,755,541
TOTAL	23,839,666	22,666,038	29,144,491	28,539,144	52,984,157	51,205,182
Accumulated Depreciation	<u>(11,650,307)</u>	<u>(10,817,609)</u>	<u>(13,480,239)</u>	<u>(12,992,161)</u>	<u>(25,130,546)</u>	<u>(23,809,770)</u>
NET TOTAL	<u>\$ 12,189,359</u>	<u>\$ 11,848,429</u>	<u>\$ 15,664,252</u>	<u>\$ 15,546,983</u>	<u>\$ 27,853,611</u>	<u>\$ 27,395,412</u>

This year's more significant additions included:

Ford Ambulance	\$ 156,440
Sidewalk Machine	\$ 150,601
Stormwater/CSO Main St	\$ 264,698
West Hill Rd Paving	\$ 199,117
Main Street Bridge	\$ 384,707

The Town's fiscal year 2024 capital budget continues to plan for capital improvements. Funds are set aside for future replacement of equipment in an effort to reduce borrowing needs. Further information about the Town's capital assets is presented in Note 6 to the financial statements.

Debt

As of June 30, 2024, the Town governmental activities had \$2,449,363 in bonds, notes and capital leases outstanding while the business-type activities had \$6,017,106 outstanding. Note 10 of the financial statements provides more detailed information on the long-term liabilities.

Town of Northfield, Vermont
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

Economic Factors and Next Year's Budgets and Rates

Below is a comparison of the tax rates.

	<u>FY 23-24</u>	<u>FY 24-25</u>
Town General	1.1426	1.2348
Local Agreement	0.0175	0.0214
Homestead Education	1.4915	1.7495
Non-Homestead Education	1.7561	2.0681

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Office at Town of Northfield, Northfield, Vermont 05663.

Town of Northfield, Vermont
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF NET POSITION
 For the Year Ended June 30, 2024

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
CURRENT ASSETS			
Cash	\$ 4,580,568	\$ 4,492,047	\$ 9,072,615
Receivables, net of allowance for doubtful accounts	726,103	1,016,312	1,742,415
Inventory	-	251	251
Prepaid Expenses	2,458	-	2,458
TOTAL CURRENT ASSETS	5,309,129	5,508,610	10,817,739
CAPITAL ASSETS, net	12,189,359	15,664,252	27,853,611
OTHER ASSETS			
Investments	-	3,217,385	3,217,385
Other Assets	-	3,955	3,955
TOTAL OTHER ASSETS	-	3,221,340	3,221,340
DEFERRED OUTFLOWS OF RESOURCES- Pension	391,337	95,777	487,114
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 17,889,825	\$ 24,489,979	\$ 42,379,804
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>			
CURRENT LIABILITIES			
Accounts Payable	\$ 235,396	\$ 691,861	\$ 927,257
Accrued Payroll and Benefits Payable	41,905	11,990	53,895
Accrued Interest Payable	10,214	72,217	82,431
Due to State	7,329	-	7,329
Customer Deposits and Advances	-	29,335	29,335
Current Portion Compensated Absences Payable	70,960	33,924	104,884
Current Portion Notes and Bonds Payable	221,816	408,003	629,819
TOTAL CURRENT LIABILITIES	587,620	1,247,330	1,834,950
LONG-TERM LIABILITIES			
Pension Liability	1,089,292	293,609	1,382,901
Compensated Absences Payable	15,461	14,736	30,197
Notes and Bonds Payable	2,227,547	5,609,103	7,836,650
TOTAL LONG-TERM LIABILITIES	3,332,300	5,917,448	9,249,748
TOTAL LIABILITIES	3,919,920	7,164,778	11,084,698
DEFERRED INFLOWS OF RESOURCES			
Prepaid Property Taxes	18,152	-	18,152
Unearned Revenue	1,310,038	-	1,310,038
Deferred Inflows- Pension	40,187	9,836	50,023
TOTAL DEFERRED INFLOWS OF RESOURCES	1,368,377	9,836	1,378,213
NET POSITION			
Net Investment in Capital Assets	9,739,996	9,647,146	19,387,142
Restricted	457,408	-	457,408
Unrestricted	2,404,124	7,668,219	10,072,343
NET POSITION	12,601,528	17,315,365	29,916,893
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 17,889,825	\$ 24,489,979	\$ 42,379,804

See Accompanying Notes to Basic Financial Statements.

Town of Northfield, Vermont
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2024

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Revenues	Capital Grants and Revenues	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 1,314,133	\$ 618,802	\$ 514,329	\$ 57,808	\$ (123,194)	\$ -	\$ (123,194)
Public Safety	1,477,701	742,103	-	-	(735,598)	-	(735,598)
Highways and Street	1,935,497	6,000	-	634,127	(1,295,370)	-	(1,295,370)
Culture and Recreation	530,641	38,194	300	-	(492,147)	-	(492,147)
Community Development	138,505	-	-	-	(138,505)	-	(138,505)
Interest on Long-Term Debt	52,661	-	-	-	(52,661)	-	(52,661)
Depreciation, unallocated	1,052,531	-	-	-	(1,052,531)	-	(1,052,531)
Total Governmental Activities	<u>6,501,669</u>	<u>1,405,099</u>	<u>514,629</u>	<u>691,935</u>	<u>(3,890,006)</u>	<u>-</u>	<u>(3,890,006)</u>
Business-type Activities:							
Water	804,613	1,015,468	-	-	-	210,855	210,855
Wastewater	949,696	944,904	268,655	-	-	263,863	263,863
Electric	4,469,436	3,875,420	-	-	-	(594,016)	(594,016)
Total Business-Type Activities	<u>6,223,745</u>	<u>5,835,792</u>	<u>268,655</u>	<u>-</u>	<u>-</u>	<u>(119,298)</u>	<u>(119,298)</u>
General Revenues:							
Property Taxes					3,777,691	-	3,777,691
Penalties and Interest on Delinquent Taxes					47,101	-	47,101
Unrestricted Investment Earnings					224,611	601,472	826,083
Gain/(loss) on Disposal of Capital Assets					(11,007)	(18,741)	(29,748)
Contributions of Capital Asset					2,724	-	2,724
Transfers					(40,000)	40,000	-
Other Revenues					29,303	11,943	41,246
Total General Revenues					<u>4,030,423</u>	<u>634,674</u>	<u>4,665,097</u>
Change in Net Position					140,417	515,376	655,793
Net position, Beginning of Year					<u>12,461,111</u>	<u>16,799,989</u>	<u>29,261,100</u>
Net position, End of Year					<u>\$ 12,601,528</u>	<u>\$ 17,315,365</u>	<u>\$ 29,916,893</u>

See Accompanying Notes to Basic Financial Statements.

Town of Northfield, Vermont
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET - GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2024

	General Fund	Capital Improvement Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
ASSETS				
Cash	\$ 562,171	\$ 2,299,664	\$ 1,718,733	\$ 4,580,568
Receivables, net of allowance for doubtful accounts	540,434	182,988	2,681	726,103
Due from Other Funds	2,681	-	-	2,681
Prepaid Expenses	2,458	-	-	2,458
 TOTAL ASSETS	 \$ 1,107,744	 \$ 2,482,652	 \$ 1,721,414	 \$ 5,311,810
 <u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
LIABILITIES				
Accounts Payable	\$ 69,771	\$ 157,685	\$ 7,940	\$ 235,396
Accrued Payroll and Benefits Payable	41,905	-	-	41,905
Due to State	7,329	-	-	7,329
Due to / due from	-	-	2,681	2,681
 TOTAL LIABILITIES	 119,005	 157,685	 10,621	 287,311
 DEFERRED INFLOWS OF RESOURCES				
Prepaid Property Taxes	18,152	-	-	18,152
Unearned Revenue	-	10,680	1,299,358	1,310,038
Unavailable Property Taxes, Penalties and Interest	158,013	-	-	158,013
 TOTAL DEFERRED INFLOWS OF RESOURCES	 176,165	 10,680	 1,299,358	 1,486,203
 FUND BALANCE				
Nonspendable	2,458	-	215,982	218,440
Restricted	1,328	44,645	195,453	241,426
Committed	417,829	2,269,642	-	2,687,471
Unassigned	390,959	-	-	390,959
 TOTAL FUND BALANCE	 812,574	 2,314,287	 411,435	 3,538,296
 TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	 \$ 1,107,744	 \$ 2,482,652	 \$ 1,721,414	 \$ 5,311,810

See Accompanying Notes to Basic Financial Statements.

Town of Northfield, Vermont
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
For the Year Ended June 30, 2024

Total fund balances - governmental funds **\$ 3,538,296**

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 as assets in governmental funds.

Capital Assets- governmental fund expenditures 12,189,359

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Reserve for non-current tax 158,013

Long-term and accrued liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Accrued compensated absences (86,421)

Accrued interest on long-term debt (10,214)

Notes and bonds payable (2,449,363)

Pension Liability (1,089,292)

Deferred outflows of resources represent the consumption of net assets that is applicable to a future reporting period and therefore not reported as assets in the funds.

391,337

Deferred inflows of resources represent the acquisition of net assets applicable to a future reporting period and therefore are not reported as liabilities in the funds.

(40,187)

Total net position - governmental activities **\$ 12,601,528**

See Accompanying Notes to Basic Financial Statements.

Town of Northfield, Vermont
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2024

	General Fund	Capital Improvement Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
Property Tax	\$ 3,717,607	\$ -	\$ -	\$ 3,717,607
Penalties and Interest on Delinquent Taxes	47,101	-	-	47,101
Intergovernmental	371,777	735,687	340,752	1,448,216
Charges for Services	986,062	9,215	3,209	998,486
Permits, Licenses and Fees	13,003	-	-	13,003
Fines and Forfeits	19,561	-	-	19,561
Investment Income	70,740	71,620	82,251	224,611
Donations/Fundraising	75	2,724	9,920	12,719
Other	25	11,014	-	11,039
	<u>5,225,951</u>	<u>830,260</u>	<u>436,132</u>	<u>6,492,343</u>
TOTAL REVENUES				
EXPENDITURES				
General Government	895,448	32,381	44,872	972,701
Public Safety	1,462,593	10,100	3,105	1,475,798
Highways and Streets	1,160,648	759,715	-	1,920,363
Culture and Recreation	419,057	136,103	9,931	565,091
Community Development	59,700	-	-	59,700
Economic Development	95,276	-	-	95,276
Capital Outlay:				
General Government	-	40,997	-	40,997
Public Safety	5,390	191,393	14,861	211,644
Highways and Streets	-	1,131,159	-	1,131,159
Culture and Recreation	-	6,807	13,862	20,669
Debt Service	280,331	-	-	280,331
	<u>4,378,443</u>	<u>2,308,655</u>	<u>86,631</u>	<u>6,773,729</u>
TOTAL EXPENDITURES				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>847,508</u>	<u>(1,478,395)</u>	<u>349,501</u>	<u>(281,386)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Equipment	-	1,415	-	1,415
Transfers In	103,007	1,021,551	-	1,124,558
Transfers Out	(878,300)	-	(286,258)	(1,164,558)
	<u>(775,293)</u>	<u>1,022,966</u>	<u>(286,258)</u>	<u>(38,585)</u>
TOTAL OTHER FINANCING SOURCES (USES)				
NET CHANGE IN FUND BALANCE	72,215	(455,429)	63,243	(319,971)
FUND BALANCE, Beginning of Year	<u>740,359</u>	<u>2,769,716</u>	<u>348,192</u>	<u>3,858,267</u>
FUND BALANCE, End of Year	<u>\$ 812,574</u>	<u>\$ 2,314,287</u>	<u>\$ 411,435</u>	<u>\$ 3,538,296</u>

See Accompanying Notes to Basic Financial Statements.

Town of Northfield, Vermont
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2024

Net change in fund balances - governmental funds **\$ (319,971)**

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

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

Depreciation Expense	(1,052,531)
Capital Outlay	1,404,118
Loss on disposal of fixed assets	(11,007)

Revenues in the statement of activities that do not provide current financial
 resources are not reported as revenues in the funds.

Decrease in the reserve for non-current taxes	60,084
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Issuance and repayment of long-term debt are revenue and expenditures in the
 governmental funds, but the issuance and repayment increase and decrease
 long-term liabilities in the statement of net assets.

Repayment of long-term debt	225,737
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Some expenses reported in the statement of activities do not require the use of
 current financial resources and therefore are not reported as expenditures in
 governmental funds.

Accrued interest on long-term debt	380
Accrued compensated absences	(15,134)
Pension Expense	<u>(151,259)</u>

Change in net position of governmental activities **\$ 140,417**

See Accompanying Notes to Basic Financial Statements.

Town of Northfield, Vermont
FUND FINANCIAL STATEMENTS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
For the Year Ended June 30, 2024

	Water Fund	Wastewater Fund	Electric Fund	Total
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
CURRENT ASSETS				
Cash	\$ 694,425	\$ 478,928	\$ 3,318,694	\$ 4,492,047
Accounts Receivable, net of allowance for doubtful accounts	137,568	261,172	617,572	1,016,312
Inventory	-	-	251	251
TOTAL CURRENT ASSETS	831,993	740,100	3,936,517	5,508,610
CAPITAL ASSETS				
Land	76,660	23,669	9,976	110,305
Construction in Progress	185,931	176,280	-	362,211
Buildings and Building Improvements	114,446	3,073	18,461	135,980
Vehicles, Machinery and Equipment	335,020	301,567	111,247	747,834
Distribution and Collection Systems	10,503,008	10,753,381	6,531,772	27,788,161
Less: Accumulated Depreciation	(3,611,796)	(5,317,677)	(4,550,766)	(13,480,239)
TOTAL CAPITAL ASSETS	7,603,269	5,940,293	2,120,690	15,664,252
OTHER ASSETS				
Investment	-	-	3,217,385	3,217,385
Other Assets	-	1,363	2,592	3,955
TOTAL OTHER ASSETS	-	1,363	3,219,977	3,221,340
DEFERRED OUTFLOWS OF RESOURCES- Pension	33,890	27,583	34,304	95,777
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 8,469,152	\$ 6,709,339	\$ 9,311,488	\$ 24,489,979
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>				
CURRENT LIABILITIES				
Accounts Payable	\$ 18,823	\$ 67,417	\$ 605,621	\$ 691,861
Accrued Payroll and Benefits Payable	4,446	3,491	4,053	11,990
Accrued Interest Payable	59,695	12,186	336	72,217
Customer Deposits and Advances	6,927	-	22,408	29,335
Compensated Absences Payable- Current Portion	12,133	8,412	13,379	33,924
General Obligation Bonds Payable- Current Portion	231,468	141,535	35,000	408,003
TOTAL CURRENT LIABILITIES	333,492	233,041	680,797	1,247,330
LONG-TERM LIABILITIES				
Pension Liability	114,342	89,734	89,533	293,609
Compensated Absences Payable	4,485	3,185	7,066	14,736
General Obligation Bonds Payable, net of current portion	3,621,588	1,837,515	150,000	5,609,103
TOTAL LONG-TERM LIABILITIES	3,740,415	1,930,434	246,599	5,917,448
TOTAL LIABILITIES	4,073,907	2,163,475	927,396	7,164,778
DEFERRED INFLOWS OF RESOURCES- Pension	3,480	2,833	3,523	9,836
NET POSITION				
Net investment in Capital Assets	3,750,213	3,961,243	1,935,690	9,647,146
Unrestricted	641,552	581,788	6,444,879	7,668,219
TOTAL NET POSITION	4,391,765	4,543,031	8,380,569	17,315,365
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 8,469,152	\$ 6,709,339	\$ 9,311,488	\$ 24,489,979

See Accompanying Notes to Basic Financial Statements.

Town of Northfield, Vermont
FUND FINANCIAL STATEMENTS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS
For the Year Ended June 30, 2024

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Electric Fund</u>	<u>Total</u>
OPERATING REVENUES				
Charges for Services	\$ 1,014,334	\$ 943,865	\$ 3,869,269	\$ 5,827,468
Penalties and Interest	<u>1,134</u>	<u>1,039</u>	<u>6,151</u>	<u>8,324</u>
TOTAL OPERATING REVENUES	<u>1,015,468</u>	<u>944,904</u>	<u>3,875,420</u>	<u>5,835,792</u>
OPERATING EXPENDITURES				
Personnel	236,834	191,768	246,390	674,992
Purchased Power	-	-	3,470,587	3,470,587
Contract Services	60,879	132,109	-	192,988
Administrative and General	37,647	44,627	287,930	370,204
Distribution and Collection	-	-	239,015	239,015
Materials and Supplies	96,601	324,191	-	420,792
Taxes	-	-	72,375	72,375
Depreciation and Amortization	<u>239,394</u>	<u>180,454</u>	<u>146,703</u>	<u>566,551</u>
TOTAL OPERATING EXPENDITURES	<u>671,355</u>	<u>873,149</u>	<u>4,463,000</u>	<u>6,007,504</u>
INCOME GAIN/(LOSS) FROM OPERATIONS	<u>344,113</u>	<u>71,755</u>	<u>(587,580)</u>	<u>(171,712)</u>
NON-OPERATING REVENUE (EXPENSE)				
Gain/ (Loss) on Disposal of Capital Assets	(13,439)	10,610	(15,912)	(18,741)
Other Income	-	-	11,943	11,943
Investment Income	20,385	15,683	565,404	601,472
Interest Expense	(133,258)	(76,547)	(6,436)	(216,241)
Grant Revenue	-	268,655	-	268,655
Transfers	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>40,000</u>
TOTAL NON-OPERATING REVENUE (EXPENSE)	<u>(106,312)</u>	<u>238,401</u>	<u>554,999</u>	<u>687,088</u>
INCREASE/(DECREASE) IN NET POSITION	237,801	310,156	(32,581)	515,376
NET POSITION, Beginning of Year	<u>4,153,964</u>	<u>4,232,875</u>	<u>8,413,150</u>	<u>16,799,989</u>
NET POSITION, End of Year	<u>\$ 4,391,765</u>	<u>\$ 4,543,031</u>	<u>\$ 8,380,569</u>	<u>\$ 17,315,365</u>

See Accompanying Notes to Basic Financial Statements.

Town of Northfield, Vermont
FUND FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2024

	Water Fund	Wastewater Fund	Electric Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customer and Users	\$ 982,031	\$ 934,242	\$ 3,779,986	\$ 5,696,259
Payments for Purchased Power	-	-	(3,470,587)	(3,470,587)
Payments to Suppliers	(189,400)	(564,172)	(185,047)	(938,619)
Payments for Wages and Benefits	(223,059)	(180,530)	(231,246)	(634,835)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>569,572</u>	<u>189,540</u>	<u>(106,894)</u>	<u>652,218</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Other Receipts	<u>-</u>	<u>-</u>	<u>11,943</u>	<u>11,943</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets, net	(64,228)	(441,446)	(206,623)	(712,297)
Proceeds from Sale of Assets	269	15,179	-	15,448
Proceeds from Acquisition of Long-Term Debt	-	11,948	-	11,948
Loss on Abandonment of Project	-	-	(4,825)	(4,825)
Principal Reduction of Long-Term Debt	(396,649)	(136,184)	(35,000)	(567,833)
Interest Payments on Debt	(138,081)	(77,420)	(6,892)	(222,393)
Transfers	20,000	20,000	-	40,000
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(578,689)</u>	<u>(607,923)</u>	<u>(253,340)</u>	<u>(1,439,952)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES				
Receipt of Interest and Dividends	20,385	15,683	565,404	601,472
Receipt of Grant Revenue	-	268,655	-	268,655
Purchase of Investments	-	-	(264,496)	(264,496)
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>20,385</u>	<u>284,338</u>	<u>300,908</u>	<u>605,631</u>
NET INCREASE/(DECREASE) IN CASH	11,268	(134,045)	(47,383)	(170,160)
CASH - BEGINNING OF YEAR	<u>683,157</u>	<u>612,973</u>	<u>3,366,077</u>	<u>4,662,207</u>
CASH - END OF YEAR	<u>\$ 694,425</u>	<u>\$ 478,928</u>	<u>\$ 3,318,694</u>	<u>\$ 4,492,047</u>

See Accompanying Notes to Basic Financial Statements.

Town of Northfield, Vermont
 FUND FINANCIAL STATEMENTS
 STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
 For the Year Ended June 30, 2024

	Water Fund	Wastewater Fund	Electric Fund	Total
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating Income (loss)	\$ 344,113	\$ 71,755	\$ (587,580)	\$ (171,712)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation and Amortization	239,394	180,454	146,703	566,551
Change in net assets and liabilities:				
Receivables, net	(31,931)	(10,662)	(84,531)	(127,124)
Inventory	-	-	322	322
Deferred Outflows	4,834	2,624	576	8,034
Accounts Payable	5,727	(63,245)	413,951	356,433
Accrued Payroll and Benefits Payable	446	308	299	1,053
Pension Liability	10,545	9,698	14,350	34,593
Deferred Inflows	(2,281)	(1,661)	(1,666)	(5,608)
Customer Deposits and Advances	(1,506)	-	(10,903)	(12,409)
Compensated Absences Payable	231	269	1,585	2,085
Net cash provided (used) by operating activities	\$ 569,572	\$ 189,540	\$ (106,894)	\$ 652,218

See Accompanying Notes to Basic Financial Statements.

Town of Northfield, Vermont
 FUND FINANCIAL STATEMENTS
 STATEMENT OF NET POSITION - FIDUCIARY FUNDS
 For the Year Ended June 30, 2024

	<u>Fiduciary Fund Type</u>
	<u>Custodial Fund</u>
<u>ASSETS</u>	
ASSETS	
Cash	<u>\$ 644</u>
<u>LIABILITIES AND NET POSITION</u>	
NET POSITION	<u>\$ 644</u>

See Accompanying Notes to the Basic Financial Statements.

Town of Northfield, Vermont
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN NET POSITION - FIDUCIARY FUNDS
 For the Year Ended June 30, 2024

	Fiduciary Fund Type
	Custodial Fund
OPERATING REVENUES	
Fees Charged	\$ 3,823
OPERATING EXPENDITURES	
Fees Remitted	3,890
INCOME LOSS FROM OPERATIONS	(67)
NET POSITION, Beginning of Year	711
NET POSITION, End of Year	\$ 644

See Accompanying Notes to the Basic Financial Statements.

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

The Town of Northfield, Vermont (herein the "Town") operates under a Manager/Selectboard form of government and provides the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, community/economic development, public improvements, water, wastewater, electric, planning and zoning and general administrative services.

On July 1, 2014, the Town merged with the Village of Northfield, Vermont and the Village ceased to exist as a political body or body corporate and its charter was revoked.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Town of Northfield, Vermont 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.

The Financial Reporting Entity

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

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 Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Eliminations have been made to minimize the double counting of activities between funds. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental 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.

The Town reports on the following major governmental funds:

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

Capital Projects Fund – This capital project fund accounts for resources established to fund the Town's long-term capital plan.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), and the acquisition or construction of general fixed assets (capital projects). The general fund is used to account for all activities of the general government not accounted for in some other fund.

The Town reports on the following major enterprise funds:

Electric Fund – This fund accounts for the operations of the Electric Department.

Water Fund – This fund accounts for the operations of the Water Department.

Sewer Fund – This fund accounts for the operations of the Sewer Department.

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis is to be financed or recovered primarily through user charges. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of that 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.

Additionally, the Town reports on the following major non-major funds:

- Fiduciary Fund – Custodial Fund- This fund accounts for resources held by the Town in a purely custodial capacity for the State government.
- Cemetery Fund – This fund accounts for monies maintained for use in operating the Town’s cemeteries.
- Special Revenue Fund – These funds account for donation funds, grant funds, and other special revenue funds.

Measurement Focus:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide financial statements are reported using the economic resources measurement focus. This means that all assets and liabilities associated with the operation of these funds (whether current or noncurrent) are included on the balance sheet (or statement of net position). Equity (i.e., 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 financials statements are reported using the current financial resources measurement focus. This means that only current assets and current liabilities are generally reported on their balance sheets. Their reported fund balances (net current assets) 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 assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

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.

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Governmental funds are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenues reported in governmental funds are available if the revenues are collected within sixty (60) days after year-end. All other revenue is considered available if collectible within six (6) months. 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 capital leases 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 positions available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

Use of Estimates:

The 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.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Equity:

Cash

Cash balances of most 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.

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

The Town recognizes income from its affiliates in which it has ownership interest. This ownership includes investment in common and preferred stock of Vermont Electric Power Company, Inc. and membership units of VT Transco, LLC. These investments are recorded at cost less annual return of capital payments received because they are not publicly traded and market values are not readily determinable.

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 judgement of management and a review of the current status of existing receivables.

Due from/to Other Funds

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".

Inventories and Prepaid Expenses

Inventory quantities are determined by physical count and are valued at the lower of cost or market. Certain payments to vendors reflect costs that are applicable to future accounting periods and are recorded as prepaid expenses. Reported inventories and prepaid expenses of governmental funds in the fund financial statements are offset by a nonspendable fund balance as they are not in spendable form.

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 applied to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. The Town's only deferred outflow of resources is for their pension plan. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, "deferred inflows of resources" represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has three types of items which arise under the modified accrual basis of accounting and one type which arises under the accrual basis of accounting that qualify for reporting in this category. Accordingly, the item, "unavailable revenue" is reported in the statement of net position and governmental funds balance sheet. The governmental activities report unavailable revenues from three sources; prepaid property taxes, unearned grant revenue, and the pension plan. The governmental funds report unavailable revenues from three sources; prepaid property taxes, unearned grant revenue and unavailable property taxes, penalties and interest. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Town of Northfield, Vermont
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 fair value at the time received. Major outlays for capital assets and improvements are capitalized as constructed. Interest is not capitalized during the construction phase of capital assets used in governmental activities. 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 financial statements are depreciated in order that the cost of these assets will be charged to expenses over their estimated services lives, generally using the straight-line method of calculating depreciation.

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

	<u>Capitalization Threshold</u>	<u>Estimated Service Life</u>
Land	\$ 1,000	Not Depreciated
Land Improvements	1,000	30-50 Years
Buildings and Building Improvements	10,000	10-75 Years
Vehicles, Machinery and Equipment	5,000	5-10 Years
Infrastructure	10,000	7-50 Years
Water/Wastewater Distribution and Collection Systems	None	10-50 Years
Electric Distribution and Collection Systems	None	5-33 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 incurred.

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 financial statements. The liability for unused compensated absences paid out for expected terminations or retirements in one year are reported in the governmental fund financial statements. Payments for unused compensated absences are recorded as expenditures in the year they are paid.

Long- Term Liabilities

Long-term liabilities include bonds and notes payable, capital leases and other obligations such as compensated absences. Long-term liabilities are reported in the government-wide 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 assets and liabilities on their balance sheets.

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Equity

Fund equity is classified based upon any restrictions that have been placed on those balances or any tentative plans managements may have made for those balances. Restrictions of net position in the government-wide 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 fund financial statements 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 Selectboard's intended use of the resources); and unassigned.

Defining Operating Revenues and Expenses

The Town of Northfield, Vermont's proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses of the Town of Northfield, Vermont's water, sewer and electric funds consists of charges for services (including connection fees) and the costs of providing those services, including depreciation and excluding interest cost. All other revenues and expenses are reported as nonoperating.

NOTE 2 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 management 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.

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 financial 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 in increases and decreases in liabilities, respectively.

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The General Fund budgets are approved at the annual Town Meeting in March. Enterprise fund budgets are approved by the Board of Selectmen.

NOTE 4 CASH AND CASH EQUIVALENTS

The Town's cash and investments as of June 30, 2024 consisted of the following:

Deposits with Financial Institutions	\$	9,072,809
Cash on Hand		450
Total Cash	\$	9,073,259

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 investment or collateral securities that are in possession of another party. The Town does not have any policy to limit the exposure to custodial credit risk. At June 30, 2024, the Town had the following balances subject to custodial credit risk. The following table summarizes the custodial credit risk coverage of the Town's deposits:

	Book Balance	Bank Balance
Insured by the FDIC	\$ 500,000	\$ 500,000
Financial Institutions; Agent	8,572,809	8,773,081
Petty Cash / Cash Drawer	450	-
Total Deposits	\$ 9,073,259	\$ 9,273,081

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

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 does not have any policy to limit the exposure to interest rate risk. The Town has no investments subject to interest rate risk disclosure.

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 4 CASH AND CASH EQUIVALENTS (continued)

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. The Town does not have any policy to limit the exposure to credit risk. The Town has no investments subject to credit risk.

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 does not have any limitations on the amount that can be invested in any one issuer. The Town's investments consist entirely of stock ownership in Velco and VT Transco, LLC (see details in Note 7).

NOTE 5 RECEIVABLES

Receivables as of June 30, 2024, as reported in the statement of net position, net of applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-Type Activities	Total
Delinquent Taxes Receivable	\$ 212,234	\$ -	\$ 212,234
Penalties and Interest Receivable	36,812	-	36,812
Ambulance Receivable	172,106	-	172,106
Billed Services	-	492,738	492,738
Unbilled Services	12,842	335,141	347,983
Accounts Receivable	438,709	222,133	660,842
Allowance for Doubtful Accounts	(146,600)	(33,700)	(180,300)
	\$ 726,103	\$ 1,016,312	\$ 1,742,415

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
<u>Governmental Activities</u>				
Capital assets not being depreciated:				
Land	\$ 1,017,759	\$ -	\$ -	\$ 1,017,759
Construction in progress	1,354,914	463,013	(587,446)	1,230,481
Total capital assets not being depreciated	2,372,673	463,013	(587,446)	2,248,240

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 6 CAPITAL ASSETS (continued)

	Beginning			Ending
<u>Governmental Activities (continued)</u>	<u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u>
Capital Assets, being depreciation:				
Land improvements	655,664	6,807	-	662,471
Buildings and building improvements	4,489,648	-	-	4,489,648
Vehicles, machinery and equipment	5,376,491	454,562	(221,926)	5,609,127
Infrastructure	<u>9,771,562</u>	<u>1,067,182</u>	<u>(8,564)</u>	<u>10,830,180</u>
Totals	<u>20,293,365</u>	<u>1,528,551</u>	<u>(230,490)</u>	<u>21,591,426</u>
Less accumulated depreciation for:				
Land improvements	(628,293)	(4,865)	-	(633,158)
Buildings and building improvements	(2,158,628)	(104,861)	-	(2,263,489)
Vehicles, machinery and equipment	(3,444,737)	(327,752)	211,269	(3,561,220)
Infrastructure	<u>(4,585,951)</u>	<u>(615,053)</u>	<u>8,564</u>	<u>(5,192,440)</u>
Totals	<u>(10,817,609)</u>	<u>(1,052,531)</u>	<u>219,833</u>	<u>(11,650,307)</u>
Total capital assets, being depreciated, net	<u>9,475,756</u>	<u>476,020</u>	<u>(10,657)</u>	<u>9,941,119</u>
Governmental activities - capital assets, net	<u>\$ 11,848,429</u>	<u>\$ 939,033</u>	<u>\$ (598,103)</u>	<u>\$ 12,189,359</u>
<u>Business-type Activities</u>	<u>Beginning</u>			<u>Ending</u>
	<u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u>
Capital assets not being depreciated:				
Land	\$ 110,305	\$ -	\$ -	\$ 110,305
Construction in progress	<u>877,249</u>	<u>40,014</u>	<u>(555,052)</u>	<u>362,211</u>
Total capital assets not being depreciated	<u>987,554</u>	<u>40,014</u>	<u>(555,052)</u>	<u>472,516</u>
Capital Assets, being depreciation:				
Buildings and building improvements	135,980	-	-	135,980
Vehicles, machinery and equipment	660,069	226,134	(138,369)	747,834
Distribution and Collection Systems	<u>26,755,541</u>	<u>1,050,876</u>	<u>(18,256)</u>	<u>27,788,161</u>
Totals	<u>27,551,590</u>	<u>1,277,010</u>	<u>(156,625)</u>	<u>28,671,975</u>
Less accumulated depreciation:	<u>(12,992,161)</u>	<u>(619,408)</u>	<u>131,330</u>	<u>(13,480,239)</u>
Total capital assets, being depreciated, net	<u>14,559,429</u>	<u>657,602</u>	<u>(25,295)</u>	<u>15,191,736</u>
Business-type Activities - capital assets, net	<u>\$ 15,546,983</u>	<u>\$ 697,616</u>	<u>\$ (580,347)</u>	<u>\$ 15,664,252</u>

The Town received \$53,742 in contributions in aid to construction in the electric fund. This has been credited to accumulated depreciation.

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 7 INVESTMENTS

Investments which are privately traded are stated at cost and consisted of the following as of June 30, 2024:

	Shs/Units	Cost
VELCO		
Class C Preferred Stock	551	\$ 827
Class B Common Stock	990	97,152
Class C Common Stock	364	36,400
VT Transco, LLC		
Class A Membership Units	78,430	784,300
Class B Membership Units	99,821	998,210
VT Transco, LLC through VPPSA		
Class A Membership Units	74,473	744,730
Class B Membership Units	94,782	947,820
Less: Units Retained by VPPSA		(392,054)
TOTAL INVESTMENTS		\$ 3,217,385

NOTE 8 INTERFUND BALANCES AND ACTIVITY

The composition of interfund balance as of June 30, 2024 were as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 2,681	\$ -
Flood Buyout Grant Fund	-	2,681
Total	\$ 2,681	\$ 2,681

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 INTERFUND BALANCES AND ACTIVITY (continued)

Due to/from transfers during the year ended June 30, 2024 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Capital Projects Fund	\$ 878,300	Annual Funding
ARPA Fund	General Fund	93,386	Economic Development
ARPA Fund	Water Fund	20,000	Revenue Loss
ARPA Fund	Sewer Fund	20,000	Revenue Loss
ARPA Fund	Capital Projects Fund	143,251	Capital Improvements
ARPA Fund	Energy Fund	10,862	Capital Improvements
Cemetery Fund	General Fund	<u>9,621</u>	Transfer of Interest Income
Total		<u>\$ 1,175,420</u>	

The Town of Northfield, Vermont generally maintains one cash account in the General Fund to pay expenditures and receive payments for efficiency. All interfund balances resulted from the time lag between the dates that (1) reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) repayments between funds are made.

NOTE 9 UNEARNED REVENUE AND DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources in the General Fund consists of \$158,013 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 \$18,152 of prepaid property taxes. Total deferred inflows of resources in the General Fund \$176,165.

Deferred inflows of resources in the Capital Improvement Fund consists of \$10,680 of grant revenue.

Deferred inflows of resources in the Non-Major Governmental Funds consists of \$1,290,733 of grant revenue in the ARPA Grant Fund.

Deferred inflows of resources in the Police Donation Fund 718 consists of \$8,625 of Grant Revenue.

NOTE 10 LONG-TERM LIABILITIES

The Town issues general obligation bonds to provide resources for the acquisition and construction of major capital facilities and to refund prior issues. 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.

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 10 LONG-TERM LIABILITIES (continued)

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

The Town enters into lease agreements as the lessee for the purpose of financing the acquisition of major pieces of equipment. These lease agreements qualify as capital lease obligations 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.

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 State of Vermont Special Environmental Revolving Fund for water and wastewater projects.

Long-term liabilities outstanding as of June 30, 2024 were as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Principal Reduction</u>	<u>Ending Balance</u>
<u>Notes Payable</u>				
Bond Payable, Vermont Municipal Bond Bank; Police Station, principal payments of \$35,000 payable on November 1 annually, interest rates ranging from 2.08%-4.65% payable on May 1 and November 1, due November, 2028.	\$ 210,000	\$ -	\$ 35,000	\$ 175,000
Note Payable, Axon Enterprise, Inc. principal payments of \$3,570 0% interest, due August 30, annually. Due August 2023.	3,570	-	3,570	-
Note Payable, Union Bank, 2017 Fire Truck, principal payments of \$27,798 plus interest at 1.7% due annually. Due June 2027.	111,192	-	27,797	83,395
Capital Improvement Note, Community Bank N.A. Depot Square Road Reconstruction, principal payments of \$15,839 plus interest at 2.83% due annually. Due November 2035.	205,909	-	15,838	190,071

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 10 LONG-TERM LIABILITIES (continued)

<u>Governmental Activities (continued)</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Principal Reduction</u>	<u>Ending Balance</u>
**State Revolving Loan Fund, Vermont Municipal Bond Bank, Stormwater Project, 0% Interest, principal payments of \$5,664 due November 1 annually, beginning in 2027. Due November 2036	65,229	-	-	65,229
Capital Improvement Note, Northfield Savings Bank, Cox Brook Paving, principal payments of \$27,181 plus interest at 1.73% due annually. Due June 2030.	190,265	-	27,179	163,086
Capital Improvement Bond, Vermont Municipal Bond Bank, Union Brook Paving Bond, principal payments of 85,000 payable on November 1 annually, interest due with a range of .60 to 2.762% on November 1 and May 1, due November 2041.	1,615,000		85,000	1,530,000
Note Payable, Northfield Savings Bank 2022 Cat Loader, principal payments of \$12,800 including interest, interest at 5.49%, due April 2025	128,000	-	12,800	115,200
Capital Equipment Note, Union Bank Fire Tanker, principal payments of \$18,198 plus interest of 1.51% due annually. Due June 2026.	<u>145,581</u>	<u>-</u>	<u>18,199</u>	<u>127,382</u>
	<u>\$ 2,674,746</u>	<u>\$ -</u>	<u>\$ 225,383</u>	<u>\$ 2,449,363</u>

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 10 LONG-TERM LIABILITIES (continued)

Debt Service requirements to maturity for Governmental-type activities are anticipated as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 221,816	\$ 52,563	\$ 274,379
2026	221,816	48,132	269,948
2027	221,817	43,737	265,554
2028	200,541	39,313	239,854
2029	200,541	35,595	236,136
2030-2034	651,584	131,676	783,260
2035-2039	476,248	61,758	538,006
2040-2044	255,000	9,983	264,983
TOTAL	\$ 2,449,363	\$ 422,757	\$ 2,872,120

<u>Business-Type Funds</u>	Beginning Balance	Additions	Principal Reduction	Ending Balance
Bond Payable, Vermont Municipal Bond Bank, 98 Water Improvements, principal payments ranging from \$58,981 to \$86,721 payable on November 1 annually, interest at 3.93% payable on November 1 and May 1, due November 2023.	\$ 86,721	\$ -	\$ 86,721	\$ -
Bond Payable, Vermont Municipal Bond Bank, North Phase Water Improvements, principal payments ranging from \$37,312 to \$109,800 payable on November 1 annually, interest at 3.93% payable on November 1 and May 1, due November 2041.	1,507,727	-	54,861	1,452,866

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 10 LONG-TERM LIABILITIES (continued)

<u>Business-Type Funds (continued)</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Principal Reduction</u>	<u>Ending Balance</u>
Bond Payable, State of Vermont Environmental Revolving Loan Fund, 98 Water Improvements, principal and interest payments of \$86,811 payable on April 1 annually, interest at 1.30%, due April 2024.	85,696	-	85,696	-
Bond Payable, State of Vermont Environmental Revolving Loan Fund, West Phase Water Improvements, principal and interest payments of \$30,926 payable on July 1 annually, interest at 3.00%, due July 2032.	263,803	-	23,011	240,792
Bond Payable, State of Vermont Environmental Revolving Loan Fund, South Phase Water Improvements, principal and interest payments of \$96,048 payable on August 1 annually, with interest at 3.00% due August 2034.	956,061	-	67,366	888,695
Bond Payable, State of Vermont Environmental Revolving Loan Fund, Water Improvements, principal and interest interest of \$119,484 payable on January 1 annually, with interest at 3.00% due January 2037.	1,349,697	-	78,994	1,270,703
**State Revolving Loan Fund, Vermont Municipal Bond Bank, Stormwater Project, 0% Interest, principal payments of \$5,664 due November 1 annually, beginning in 2027. Due November 2036	65,229	-	-	65,229

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 10 LONG-TERM LIABILITIES (continued)

<u>Business-Type Funds (continued)</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Principal Reduction</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Wastewater Improvements, principal payments ranging from \$92,622 to \$208,100 payable on November 1 annually, interest at 3.93% payable on November 1 and May 1, due November 2034.	2,038,056	-	136,183	1,901,873
Bond Payable, State of Vermont Environmental Revolving Loan Fund, Evaluation of the Town's Wastewater System, principal payments of \$4,120 payable on January 1 annually beginning in 2029, 0% interest, to be discounted by the amount of up to \$20,600, due January 1, 2033	-	11,948	-	11,948
Bond Payable, Vermont Municipal Bond Bank, Electric Improvements, principal payments ranging from \$5,000 to \$10,000 payable on November 1 annually, interest ranging from 4.34% to 5.77% payable on November 1 and May 1, due November 2030.	40,000	-	5,000	35,000
Bond Payable, Vermont Municipal Bond Bank, Electric Improvements, principal payments of \$30,000 payable on November 1 annually, interest ranging from 3.55% to 5.19% payable on November 1 and May 1, due November 2028.	<u>180,000</u>	<u>-</u>	<u>30,000</u>	<u>150,000</u>
	<u>\$ 6,572,990</u>	<u>\$ 11,948</u>	<u>\$ 567,832</u>	<u>\$ 6,017,106</u>

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 10 LONG-TERM LIABILITIES (continued)

Debt Service requirements to maturity for Business- type activities are anticipated as follows:

Year Ending June 30,	Business-Type Activities		
	Principal	Interest	Total
2025	\$ 408,003	\$ 204,443	\$ 612,446
2026	421,040	190,247	611,287
2027	434,540	175,084	609,624
2028	455,044	159,254	614,298
2029	471,912	145,364	617,276
2030-2034	2,397,144	372,646	2,769,790
2035-2039	1,112,323	10,277	1,122,600
2040-2044	317,100	(6,231)	310,869
TOTAL	<u>\$ 6,017,106</u>	<u>\$ 1,251,084</u>	<u>\$ 7,268,190</u>

**At June 30, 2024 the Town has a general obligation note with State Revolving Loan Fund in the amount of \$131,280 for storm water upgrades. At June 30, 2023, \$130,459 had been drawn on the note. There was no additional amount added to the loan in the current year. The note is payable with a preliminary interest rate of 0%, subject to change based on the final disbursed value, and payable beginning November 2027. This loan has anticipated loan forgiveness of \$74,640. This loan is split equally between the General Fund and Sewer Fund.

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

	Beginning Balance	Additions	Reduction	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds Payable	\$ 1,825,000	\$ -	(120,000)	\$ 1,705,000	\$ 120,000
Notes Payable	849,746	-	(105,383)	744,363	101,816
Compensated Absences Payable	71,287	15,134	-	86,421	70,960
Total Governmental Activities Long-Term Liabilities	<u>\$ 2,746,033</u>	<u>\$ 15,134</u>	<u>\$ (225,383)</u>	<u>\$ 2,535,784</u>	<u>\$ 292,776</u>
Business-Type Activities					
General Obligation Bonds Payable	\$ 6,572,990	\$ 11,948	\$ (567,832)	\$ 6,017,106	\$ 408,003
Compensated Absences Payable	46,575	2,085	-	48,660	33,924
Total Business Activities Long-Term Liabilities	<u>\$ 6,619,565</u>	<u>\$ 14,033</u>	<u>\$ (567,832)</u>	<u>\$ 6,065,766</u>	<u>\$ 441,927</u>

Compensated absences are paid by the applicable fund where the employee is charged.

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 11 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: non-spendable (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 Selectboard'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 would have to be reflected in the General Fund.

Amounts constrained to stabilization (rainy day funds) will be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. However, stabilization is regarded as a specified purpose only if the circumstances or condition 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 minimal 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.

Reservations and designations as of June 30, 2024 are as follows:

GENERAL FUND

Nonspendable for:		
Postage	\$	1,258
HRA Prefunding		<u>1,200</u>
 Total Nonspendable Fund Balance	 \$	 <u><u>2,458</u></u>

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 11 FUND BALANCES (continued)

Committed for:	
FY 25 Health Insurance	\$ 20,000
Fiscal Year 2025 Expenditures	340,460
Health Insurance Expenses	<u>57,369</u>
Total Committed Fund Balance	<u>\$ 417,829</u>
Restricted for:	
Stormwater Permit	<u>\$ 1,328</u>

CAPITAL PROJECTS FUND

Restricted for:	
Records Restoration	<u>\$ 44,645</u>
Committed for:	
Future Capital Projects	<u>\$ 2,269,642</u>

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.

NON-MAJOR FUNDS

Nonspendable for:	
Cemetery Expenses	<u>\$ 215,982</u>
Restricted for:	
Pool Expenses	\$ 9,693
Conservation Expenses	2,460
Ambulance Expenses	4,146
Fire Department Expenses	36,387
Recreation Expenses	8,143
Police Department Expenses	5,197
Community Development Expenses	21,616
Common Enhancements	1,607
ARPA Grants	106,019
Energy Committee	<u>185</u>
Total Restricted Fund Balance	<u>\$ 195,453</u>

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 12 RESTRICTED NET POSITION – GOVERNMENT-WIDE FINANCIAL STATEMENTS

The restricted net position of the Town as of June 30, 2024 consisted of the following:

GOVERNMENTAL ACTIVITIES

Restricted for:

Records Restoration	\$ 44,645
Stormwater Permit	1,328
Cemetery Expenses	215,982
Pool Expenses	9,693
Conservation Expenses	2,460
Ambulance Expenses	4,146
Fire Department Expenses	36,387
Recreation Expenses	8,143
Police Department Expenses	5,197
Community Development Expenses	21,616
Common Enhancements	1,607
ARPA Grants	106,019
Energy Committee	<u>185</u>
Total Restricted Net Position	<u>\$ 457,408</u>

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town of Northfield, Vermont’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town of Northfield, Vermont’s policy to use the fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

NOTE 13 DEFINED BENEFIT PLANS (VMERS)

Information Required Under GASB Statement No. 68

Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions requires employers participating in a cost-sharing, multiple-employer defined benefit pension plan to recognize their proportional share of total pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The schedules below have been prepared to provide the Town of Northfield with the entities' proportional share of the overall amounts of the VMERS plan. The Town of Northfield’s portion has been allocated based on its proportional share of employer contributions to the total contributions to VMERS during the fiscal year.

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 13 DEFINED BENEFIT PLANS (VMERS) (continued)

Reporting Date, Measurement Date, and Valuation Date

Net pension liabilities, deferred pension outflows of resources, deferred pension inflows of resources, and pension expense are all presented as of the Town of Northfield, Vermont’s reporting date June 30, 2024 and for the Town of Northfield, Vermont’s reporting period (the year ended June 30, 2024). These amounts are measured as of the measurement date and for the measurement period (the period between the prior and current measurement dates). GASB Statement No. 68 requires that the current measurement date be no earlier than 30 months prior to the employer’s fiscal year. For the reporting date of Town of Northfield, Vermont, the State has chosen to use the end of the prior fiscal year (June 30, 2023) as the measurement date, and the year ended June 30, 2023 as the measurement period.

The total pension liability is determined by an actuarial valuation performed as of the measurement date, or by the use of update procedures to roll forward to the measurement date amounts from an actuarial valuation as of a date no more than 30 months and 1 day earlier than the employer’s most recent fiscal year-end. The State has elected to apply update procedures to roll forward amounts from an actuarial valuation performed as of June 30, 2022, to the measurement date of June 30, 2023.

Schedule A – Employers’ Allocation as June 30, 2022

Fiscal Year Ended June 30, 2022						
Employer Contributions	Employer Proportion	Net Pension Liability	Total Deferred Outflows	Total Deferred Inflows	Net Pension Liability 1% Decrease (6.00% Discount Rate)	Net Pension Liability 1% Increase (8.00% Discount Rate)
\$ 97,882	0.39122%	\$ 1,186,842	\$ 381,275	\$ 75,032	\$ 1,778,430	\$ 700,236

Schedule B – Employers’ Allocation as of June 30, 2023

Fiscal Year Ended June 30, 2023						
Employer Contributions	Employer Proportion	Net Pension Liability	Total Deferred Outflows	Total Deferred Inflows	Net Pension Liability 1% Decrease (6.00% Discount Rate)	Net Pension Liability 1% Increase (8.00% Discount Rate)
\$ 123,067	0.43176%	\$ 1,382,904	\$ 381,109	\$ 50,022	\$ 2,081,485	\$ 808,698

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 13 DEFINED BENEFIT PLANS (VMERS) (continued)

Schedule C – Employers’ Allocation of Pension Amounts as of June 30, 2023

Deferred Outflows of Resources							
Employer Proportion	Net Pension Liability	Difference Between Expected and Actual Experience	Changes in Assumptions	Changes in Benefits	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows
0.43176%	\$ 1,382,904	\$ 86,729	\$ 45,075	\$ -	\$ 157,334	\$ 91,971	\$ 381,109

Deferred Inflows of Resources						
Difference Between Expected and Actual Experience	Changes in Assumptions	Changes in Benefits	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows	
\$ -	\$ -	\$ -	\$ -	\$ 50,022	\$ 50,022	

Pension Expense Recognized			
Proportionate Share of Pension Plan Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions		Total
\$ 284,980	\$ 9,303		\$ 294,283

Schedule D – Employers’ Allocation of Recognition of Deferred Outflows/Inflows as of June 30, 2023

Fiscal Year Ending					
June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	Thereafter
\$ 113,433	\$ 47,342	\$ 173,568	\$ (3,256)	\$ -	\$ -

For entities with a reporting date in 2023, the amounts shown will be recognized in the expense for plan years ending 2024, 2025, 2026 and 2027.

Town of Northfield, Vermont
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2024

NOTE 13 DEFINED BENEFIT PLANS (VMERS) (continued)

Schedule E – Contribution History for Fiscal Years 2021-2023

FY 2023	FY 2022	FY 2021
\$ 123,067	\$ 97,882	\$ 82,583

The full report containing the schedules of all employers in the VMERS plan is available on the State of Vermont Treasurer’s website at:

<http://www.vermonttreasurer.gov/content/retirement/vmers/financial-reports>

The schedule of employer allocations and schedule of pension amounts by employer are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The schedules present amounts that are elements of the financial statements of the Vermont Municipal Employees’ Retirement System (VMERS) or its participating employers. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont’s Annual Comprehensive Financial Report (ACFR). The ACFR can be viewed on the State’s Department of Finance & Management website at:

<http://finance.vermont.gov/reports-and-publications/annual-comprehensive-financial-report>

PLAN DESCRIPTION

The Vermont Municipal Employees’ Retirement System is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for school districts and other municipal employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution’s operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. During the year ended June 30, 2023, the retirement system consisted of 357 participating employees.

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

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

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

Town of Northfield, Vermont
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2024

NOTE 13 DEFINED BENEFIT PLANS (VMERS) (continued)

Summary of System Provisions

Membership	Full time employees of participating municipalities. Municipality elect's coverage under Groups A, B, C or D provisions.
Creditable service	Service as a member plus purchased service.
Average Final Compensation (AFC)	<p>Group A – average annual compensation during highest 5 consecutive years.</p> <p>Groups B and C – average annual compensation during highest 3 consecutive years.</p> <p>Group D – average annual compensation during highest 2 consecutive years.</p>
Service Retirement Allowance	
Eligibility	<p>Group A – The earlier of age 65 with 5 years of service or age 55 with 35 years of service.</p> <p>Group B – The earlier of age 62 with 5 years of service or age 55 with 30 years of service.</p> <p>Groups C and D – Age 55 with 5 years of service.</p>
Amount	<p>Group A – 1.4% of AFC x service</p> <p>Group B – 1.7% of AFC x service as Group B member plus percentage earned as Group A member x AFC</p> <p>Group C – 2.5% of AFC x service as a Group C member plus percentage earned as a Group A or B member x AFC</p> <p>Group D – 2.5% of AFC x service as a Group D member plus percentage earned as a Group A, B or C member x AFC</p> <p>Maximum benefit is 60% of AFC for Groups A and B and 50% of AFC for Groups C and D. The above amounts include the portion of the allowance provided by member contributions.</p>

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 13 DEFINED BENEFIT PLANS (VMERS) (continued)

Early Retirement Allowance

Eligibility	Age 55 with 5 years of service for Groups A and B; age 50 with 20 years of service for Group D.
Amount	Normal allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes Normal Retirement Age for Group A and B members, and payable without reduction to Group D members.

Vested Retirement Allowance

Eligibility	5 years of service.
Amount	Allowance beginning at normal retirement age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on "Post-Retirement Adjustments" described below.

Disability Retirement Allowance

Eligibility	5 years of service and disability as determined by Retirement Board.
Amount	Immediate allowance based on AFC and service to date of disability; children's benefit of 10% of AFC payable to up to three minor children (or children up to age 23 if enrolled in full-time studies) of a disabled Group D member.

Death Benefit

Eligibility	Death after 5 years of service.
Amount	For Groups A, B and C, reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor's benefit under disability annuity computed as a date of death. For Group D, 70% of the unreduced accrued benefit plus children's benefit.

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 13 DEFINED BENEFIT PLANS (VMERS) (continued)

Optional Benefit and Death after Retirement	For Groups A, B and C, lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee. For Group D, lifetime allowance or 70% contingent annuitant option with no reduction.	
Refund of Contribution	Upon termination, if the member so elects or if no other benefit is payable, the member's accumulated contributions are refunded.	
Post-Retirement Adjustments	Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in consumer price index but not more than 2% for Group A and 3% for Groups B, C and D.	
Retirement Stipend	\$25 per month payable at the option of the Board of retirees.	
Member Contributions	Effective 7/1/2023	For Fiscal year ended 6/30/2023
	Group A – 3.75%	3.50%
	Group B – 6.125%	5.875%
	Group C – 11.25%	11.00%
	Group D – 12.60%	12.35%
Employer Contributions	Effective 7/1/2023	For Fiscal year ended 6/30/2023
	Group A – 5.25%	5.00%
	Group B – 6.75%	6.50%
	Group C – 8.50%	8.25%
	Group D – 11.10%	10.85%

Significant Actuarial Assumptions and Methods

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

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 13 DEFINED BENEFIT PLANS (VMERS) (continued)

Projected Salary Increases: Varying service-based rates from 0-10 year of service, then a single rate of 4.5% (includes assumed inflation rate of 2.3%) for all subsequent years

Mortality:

Pre-Retirement:

Groups A,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, B –PubG-2010 General Healthy Retiree Amount-Weighted Below-Median Table with credibility adjustments of 90% to 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:

Groups A, B, C, D – Pub-2010 Contingent Survivor Amount-Weighted Below-Median Table, with generational projection using scale MP-2021.

Disabled Post-Retirement:

Groups A, B, C – PubNS-2010 Non-Safety Disable 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.

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

Cost-of-Living Adjustments: 1.10% per annum for Group A members and 1.20% per annum for Groups B, C and D members. The January 1, 2024, COLA is expected to be 1.10% for Group A and 1.10% for Groups B, C and D. The January 1, 2023, COLAs were 2.00% for Group A members and 3.00% for Groups B, C and D members.

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.

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 13 DEFINED BENEFIT PLANS (VMERS) (continued)

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

Inflation: 2.30% per year

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equities	44.00%	5.35%
Emerging Markets Debt	2.00%	5.00%
Core Fixed Income	19.00%	1.50%
Private & Alternate Credit	10.00%	5.50%
US TIPS	2.00%	1.50%
Core Real Estate	4.00%	3.25%
Non-Core Real Estate	4.00%	5.50%
Private Equity	10.00%	7.50%
Infrastructure/Farmland	<u>5.00%</u>	4.25%
	<u>100.00%</u>	

Discount rate:

The long-term expected rate of return on pension plan assets is 7.00%. The high quality tax-exempt general obligation municipal bond rate (20-Bond GO Index) as of the closes date prior to the valuation date of June 30, 2023, is 3.65%, as published by The Bond Buyer.

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 cost 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 plan’s Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2023. 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.

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 13 DEFINED BENEFIT PLANS (VMERS) (continued)

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

1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
\$ 2,081,485	\$ 1,382,904	\$ 808,698

NOTE 14 DEFINED CONTRIBUTION PLAN

The Town of Northfield, Vermont participates in the Vermont Municipal Employees' Defined Contribution Retirement Plan (a defined contribution money purchase pension plan under IRS Code Section 401(a)). The plan was established by the Vermont Municipal Employees' Retirement System Board of Trustees. The plan is administered by Empower as an authorized representative of the Vermont State Treasurer. Under the terms of the plan, employees contribute 5% of eligible compensation and the Town of Northfield, Vermont contributes 6% of an active participant's compensation. A participant becomes 100% vested in the employer contributions one year after his or her hire date. Forfeitures are used to pay expenses associated with the administration of the plan. The Vermont Municipal Employees' Retirement System Board of Trustees reserves the authority through a resolution or similar action to amend the Plan. The Town of Northfield, Vermont contributed \$35,621 to the plan during the year ended June 30, 2024.

NOTE 15 DEFERRED COMPENSATION PLAN

The Town also offers its employees a deferred compensation plan for employees through the International City Manager's Association (ICMA) Retirement Corporation in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. This deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Town has no liability for losses under the plan. All of the investments are self-directed by each participant. Under generally accepted accounting principles and federal law, the investments are held in trust for the benefit of the employees. Accordingly, the Town does not report these assets on their financial statements.

NOTE 16 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-day notice. Fund underwriting and rate setting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

The Town of Northfield self-insures itself for unemployment coverage. The Town must pay the Vermont Department of Employment and Training for any paid claims. The Town paid \$193 in claims during the year.

NOTE 17 PROPERTY TAXES

The Town is responsible for assessing and collecting its own property taxes, as well as education property 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. Property taxes are collected four (4) times per year. During the tax year ended June 30, 2024, taxes were due and payable on August 18, 2023, November 17, 2023, February 16, 2024 and May 17, 2024. The Town assesses an 8% penalty on delinquent taxes after the May 17, 2024, installment. Interest is charged at one percent (1%) per month after each installment. Unpaid taxes become an enforceable lien on the property, and such properties are subject to tax sale. The tax rates for FY2024 were as follows:

	Homestead	Non-Homestead
Town	1.1426	1.1426
Local Agreement	0.0175	0.0175
Education	1.4915	1.7561
Total	2.6516	2.9162

NOTE 18 PURCHASED POWER SOURCES AND COMMITMENTS

Northfield Electric Department (NED) is a member of Vermont Public Power Supply Authority (“VPPSA”). The Electric Department pays a proportionate share of VPPSA’s operating costs and holds a seat on the VPPSA Board of Directors.

Central Dispatch Agreement

The Electric Department has entered into a Central Dispatch Agreement (CDA) with VPPSA for the economic dispatch of its generating sources. Under the CDA, the Electric Department authorizes VPPSA to act as its billing agent with regard to its generating sources and transmission providers. VPPSA provides dispatch services to the Electric Department under the terms of the CDA between the Electric Department and VPPSA dated 8/9/2001.

Power Supply Resources

The energy sold by the Electric Department was generated by a combination of long and short-term contracts. A summary of these sources during the fiscal year ending June 30, 2024 follows:

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 18 PURCHASED POWER SOURCES AND COMMITMENTS (continued)

1. Bone Hill Solar

- Size: 1.25 MW
- Fuel: Solar
- Location: Northfield, VT
- Entitlement: 100%
- Products: Energy, capacity, VTII REC's
- End Date: 9/21/2047

2. Brookfield

- Size: 8 MW on peak, 7 MW off peak
- Fuel: Hydro
- Location: Various
- Entitlement: 0.6 MW ATC PPA
- Products: Energy, VTI RECs
- End Date: 12/31/2027

3. Chester Solar

- Size: 4.8 MW
- Fuel: Solar
- Location: Chester, MA
- Entitlement: 10.7%, PPA
- Products: Energy, capacity,
- End Date: 6/30/2039
- Notes: The PPA does not include renewable energy credits.

4. Fitchburg Landfill

- Size: 4.5 MW
- Fuel: Landfill Gas
- Location: Westminster, MA
- Entitlement: 10.2%, PPA
- Products: Energy, capacity, renewable energy credits (MA Class I)
- End Date: 12/31/2031

5. Hydro Quebec US (HQUS)

- Size: 212 MW
- Fuel: Hydro
- Location: Quebec
- Entitlement: 0.121% (0.256) MW, PPA
- Products: Energy, renewable energy credits (Quebec system mix)
- End Date: 10/31/2038

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 18 PURCHASED POWER SOURCES AND COMMITMENTS (continued)

6. Kruger Hydro

- Size: 6.7 MW
- Fuel: Hydro
- Location: Maine and Rhode Island
- Entitlement: 12.08%, 0.391 MW, PPA
- Products: Energy, capacity
- End Date: 12/31/2037
- Notes: The Electric Department has an agreement with VPPSA to purchase unit contingent energy and capacity from six hydroelectric generators. The contract does not include the en

7. Market Contracts

- Size: Varies
- Fuel: New England System Mix
- Location: New England
- Entitlement: Varies (PPA)
- Products: Energy, renewable energy credits
- End Date: Varies, less than 5 years.
- Notes: The Electric Department purchases system power from various counterparties under short-term (5 year or less) agreements. These contracts are described as Market Purchases in the tables below.

8. McNeil Station

- Size: 54 MW
- Fuel: Wood
- Location: Burlington, Vermont
- Entitlement: 1.98%, joint-owned through VPPSA
- Products: Energy, capacity, renewable energy credits (CT Class I)
- End Date: Life of Unit
- Notes: As the joint-owner, VPPSA has agreements with the Electric Department to pay for and purchase 1.98% of the unit's output.

9. New York Power Authority (NYPA)

- Size: 2,675 MW (Niagara), 1,957 MW (St. Lawrence)
- Fuel: Hydro
- Location: New York State
- Entitlement: 0.2137 MW (Niagara PPA), 0.0174 MW (St. Lawrence PPA)
- Products: Energy, capacity, VTI RECs
- End Date: 4/30/2032
- Notes: NYPA provides hydro power to the Electric Department under two contracts.

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 18 PURCHASED POWER SOURCES AND COMMITMENTS (continued)

10. Phase I/II Transmission

- Size: 0.372 MW
- Fuel: Not applicable
- Location: Quebec – Massachusetts
- Entitlement: 0.0186%
- Products: Transmission
- End Date: Life of unit

11. Project 10

- Size: 40 MW
- Fuel: Oil
- Location: Swanton, VT
- Entitlement: 12%
- Products: Energy, capacity, reserves
- End Date: Life of unit
- Notes: As the owner, VPPSA has agreements with the Electric Department pay for and purchase 12% of the unit's output.

12. Ryegate Facility

- Size: 20.5 MW
- Fuel: Wood
- Location: East Ryegate, VT
- Entitlement: 0.57% (0.1178 MW), PPA
- Products: Energy, capacity, renewable energy credits (CT Class I)
- End Date: 10/31/2032

13. Seabrook PPA

- Size: 0.52 MW
- Fuel: Nuclear
- Location: Seabrook, NH
- Entitlement: 33.5% (0.174 MW), PPA
- Products: Energy, capacity, Environmental Attributes (carbon-free nuclear)
- End Date: 12/31/2034

14. Standard Offer Program (PUC Rule 4.300)

- Size: Small renewables, primarily solar < 2.2 MW
- Fuel: Mostly solar, but also some wind, biogas & micro-hydro
- Location: Vermont
- Entitlement: 0.5741% (Statutory)
- Products: Energy, capacity, renewable energy credits
- End Date: Varies
- Notes: The Electric Department is required to purchase power from small power producers through the Vermont Standard Offer Program in 2019, in accordance with PUC Rule #4.300. The entitlement percentage fluctuates slightly each year with the Electric Department's pro rata share of Vermont's retail energy sales.

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 18 PURCHASED POWER SOURCES AND COMMITMENTS (continued)

15. Stetson Wind

- Size: 57 MW
- Fuel: Wind
- Location: Maine
- Entitlement: 2.8% (1.6 MW), PPA
- Products: Energy, VT1 Renewable Energy Credits
- End Date: 12/31/27

The following table shows how much energy (MWH) was supplied by each of these sources for the year ending June 30, 2024

<u>Resource</u>	<u>MWh</u>	<u>Percent</u>	<u>Fuel</u>	<u>Expiration</u>
Brookfield 2023-2027	5,270	18.4%	Hydro	12/31/2027
Bone Hill Solar	1,719	6.0%	Solar	9/21/2047
Chester Solar	630	2.2%	System	6/30/2039
Fitchburg Landfill	3,022	10.6%	Landfill Gas	12/31/2031
HQUS Contract	1,499	5.2%	Hydro	10/31/2038
Kruger Hydro	3,998	14.0%	System	12/31/2037
Market Contracts	1,066	3.7%	System	Varies
McNeil Facility	3,568	12.5%	Wood	Life of unit
NYPA Niagara Contract	1,738	6.1%	Hydro	9/1/2025
NYPA St. Lawrence Contract	75	0.3%	Hydro	4/30/2032
Project #10	115	0.4%	Oil	Life of unit
Ryegate Facility	886	3.1%	Wood	10/31/2032
Seabrook PPA	1,487	5.2%	Nuclear	12/31/2034
Standard Offer Program	719	2.5%	Solar	Varies
Stetson Wind 2023-2027	<u>2,817</u>	<u>9.9%</u>	Wind	12/31/2027
 Total Resources Available	 <u>28,610</u>	 <u>100%</u>		
 Total Load Including Losses	 31,235			
ISO Exchange (+ Purchase/- Sale)	2,625	<u>9.2%</u>		

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 18 PURCHASED POWER SOURCES AND COMMITMENTS (continued)

The cost of serving load including energy, capacity, transmission, and other market charges for the year ending June 30, 2024 was as follows:

TOTAL SUPPLY COSTS

Brookfield 2023-2027	\$	39,862
Bone Hill Solar		164,180
Chester Solar		20,173
Fitchburg Landfill		37,826
HQUS Contract		47,580
Kruger Hydro		72,431
Market Contracts		3,383
McNeil Facility		216,038
NYPA Niagara Contract		(15,043)
NYPA St. Lawrence Contract		(2,554)
Phase I/II Transmission Facilities		(6,714)
Project #10		(15,899)
Ryegate Facility		31,906
Seabrook PPA		49,517
Standard Offer Program		120,413
Stetson Wind 2023-2027		<u>178,648</u>
Subtotal Power Supply		<u>941,747</u>

TRANSMISSION COSTS

Open Access Transmission Tariff		709,132
1991 VTA - Common Facilities		139,276
GMP Transmission		212,141
VELCO & St. Lawrence Transmission		<u>1,034</u>
Total Transmission Charges		<u>1,061,583</u>

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 18 PURCHASED POWER SOURCES AND COMMITMENTS (continued)

MARKET AND MISC. COSTS

Energy Market	1,086,567
Capacity Market	268,053
Reserve Market	25,972
NCPC	4,995
Regulation Services	4,825
Marginal Loss Revenues	(1,764)
Auction Revenue Rights	(6,673)
Other Load Settlement	(1,092)
VPPSA Fees - Power Supply	28,412
ISONE Self Funding Tariff	54,823
VELCO Tariff Allocation	894
VELCO Market Settlement	1,012
VELCO Service Fees	939
GIS Costs	<u>295</u>
 Total Market and Misc. Costs	 <u>1,467,257</u>

TOTAL POWER SUPPLY AND TRANSMISSION **\$ 3,470,587**

NOTE 19 CONTINGENT LIABILITIES

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

NOTE 20 CONCENTRATION OF REVENUE

The Town receives a major portion of its revenue from Norwich University. For the year ended June 30, 2024, the Town received 25% of total water sales, 33% of total wastewater sales and 31% of total electric sales from Norwich University.

Town of Northfield, Vermont
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 21 DISCLOSURE OF SUBSEQUENT EVENTS

In accordance with professional accounting standards, the Town has evaluated subsequent events through October 25, 2024, which is the date the financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2024, have been incorporated into the financial statements herein.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Northfield, Vermont
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS - GENERAL FUND
For the Year Ended June 30, 2024

	Approved Budget	Actual	Variance Favorable/ (Unfavorable)
REVENUES			
Property Tax	\$ 3,775,140	\$ 3,717,607	\$ (57,533)
Penalties and Interest on Taxes	43,000	47,101	4,101
Intergovernmental	352,000	371,777	19,777
Charges for Services	987,080	986,062	(1,018)
Permits, Licenses and Fees	12,660	13,003	343
Fines and Forfeits	15,100	19,561	4,461
Investment Income	11,000	70,740	59,740
Donations	-	75	75
Other	-	25	25
TOTAL REVENUES	5,195,980	5,225,951	29,971
EXPENDITURES			
GENERAL GOVERNMENT			
Town Manager	157,120	153,518	3,602
Town Clerk/Treasurer	196,150	200,066	(3,916)
Board of Civil Authority	6,690	3,462	3,228
Accounting	289,210	285,065	4,145
Listers	32,100	26,742	5,358
Municipal Building	36,140	33,672	2,468
Management Support	146,470	153,424	(6,954)
Planning/Zoning	37,220	39,499	(2,279)
TOTAL GENERAL GOVERNMENT	901,100	895,448	5,652
PUBLIC SAFETY			
Fire Department	96,630	88,373	8,257
Police Department	1,132,620	874,379	258,241
Ambulance Department	454,560	505,231	(50,671)
TOTAL PUBLIC SAFETY	1,683,810	1,467,983	215,827
HIGHWAYS AND STREETS			
Highway	1,099,890	1,133,391	(33,501)
Town Garage	30,640	27,257	3,383
TOTAL HIGHWAYS AND STREETS	1,130,530	1,160,648	(30,118)
CULTURE AND RECREATION			
Cemetery	63,620	64,844	(1,224)
Library/Historical Society Building	50,190	48,305	1,885
Human Services	136,500	136,500	-
Grounds/Parks/Facilities	67,040	66,566	474
Recreation Committee	600	2	598
Conservation Committee	1,450	422	1,028
Energy Committee	250	10	240
Pool	99,430	102,408	(2,978)
TOTAL CULTURE AND RECREATION	419,080	419,057	23

See Accompanying Notes to Basic Financial Statements.

Town of Northfield, Vermont
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS - GENERAL FUND
For the Year Ended June 30, 2024

	<u>Approved Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
OTHER EXPENSES AND APPROPRIATIONS			
Community Development	59,700	59,700	-
Economic Development	88,660	95,276	(6,616)
Debt Service	<u>281,330</u>	<u>280,331</u>	<u>999</u>
TOTAL OTHER EXPENSES AND APPROPRIATIONS	<u>429,690</u>	<u>435,307</u>	<u>(5,617)</u>
TOTAL EXPENDITURES	<u>4,564,210</u>	<u>4,378,443</u>	<u>185,767</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>631,770</u>	<u>847,508</u>	<u>215,738</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	115,860	103,007	(12,853)
Transfers Out	<u>(878,300)</u>	<u>(878,300)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(762,440)</u>	<u>(775,293)</u>	<u>(12,853)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (130,670)</u>	<u>\$ 72,215</u>	<u>\$ 202,885</u>

See Accompanying Notes to Basic Financial Statements.

Town of Northfield, Vermont
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2024

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Town's proportion of the net pension liability (asset)	0.4317%	0.3912%	0.3714%	0.4438%	0.4268%	0.4238%	0.4241%	0.4671%	0.4976%	0.5633%
Town's proportionate share of the net pension liability (asset)	<u>\$ 1,382,904</u>	<u>\$ 1,186,842</u>	<u>\$ 546,696</u>	<u>\$ 1,122,684</u>	<u>\$ 740,410</u>	<u>\$ 596,118</u>	<u>\$ 513,846</u>	<u>\$ 601,074</u>	<u>\$ 383,590</u>	<u>\$ 51,409</u>
Town's covered-employee payroll	<u>\$ 1,501,364</u>	<u>\$ 1,254,720</u>	<u>\$ 1,118,830</u>	<u>\$ 1,225,575</u>	<u>\$ 1,108,374</u>	<u>\$ 1,023,752</u>	<u>\$ 964,059</u>	<u>\$ 1,017,156</u>	<u>\$ 1,027,871</u>	<u>\$ 1,121,347</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	92.11%	94.59%	48.86%	91.60%	66.80%	58.23%	53.30%	59.09%	37.32%	4.58%
Plan fiduciary net position as a percentage of the total pension liability	74.01%	73.60%	86.29%	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%

Significant Actuarial Assumptions and methods are described in Note 12 to the financial statements.

Town of Northfield, Vermont
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
For the Year Ended June 30, 2024

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contributions (Actuarially Determined)	<u>\$ 123,067</u>	<u>\$ 97,882</u>	<u>\$ 82,583</u>	<u>\$ 91,978</u>	<u>\$ 81,997</u>	<u>\$ 74,223</u>	<u>\$ 69,263</u>	<u>\$ 70,984</u>	<u>\$ 69,550</u>	<u>\$ 61,718</u>
Contributions in Relation to the Actuarially Determined Contributions	<u>\$ 123,607</u>	<u>\$ 97,882</u>	<u>\$ 82,583</u>	<u>\$ 91,978</u>	<u>\$ 81,997</u>	<u>\$ 74,223</u>	<u>\$ 69,263</u>	<u>\$ 70,984</u>	<u>\$ 69,550</u>	<u>\$ 61,718</u>
Covered Employee Payroll	<u>\$ 1,501,364</u>	<u>\$ 1,254,720</u>	<u>\$ 1,118,830</u>	<u>\$ 1,225,575</u>	<u>\$ 1,108,374</u>	<u>\$ 1,023,752</u>	<u>\$ 964,059</u>	<u>\$ 1,017,156</u>	<u>\$ 1,027,871</u>	<u>\$ 1,121,347</u>
Contributions as a Percentage of Covered Employee Payroll	8.23%	7.80%	7.38%	7.50%	7.40%	7.25%	7.18%	6.98%	6.77%	5.50%

Significant Actuarial Assumptions and methods are described in Note 12 to the financial statements.

OTHER SUPPLEMENTARY INFORMATION

Town of Northfield, Vermont
 OTHER SUPPLEMENTARY INFORMATION
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2024

	<u>Special Revenue Funds</u>	<u>Permanent Funds</u>	<u>Total</u>
<u>ASSETS</u>			
ASSETS			
Cash	\$ 1,502,751	\$ 215,982	\$ 1,718,733
Receivables	<u>2,681</u>	<u>-</u>	<u>2,681</u>
 TOTAL ASSETS	 <u>\$ 1,505,432</u>	 <u>\$ 215,982</u>	 <u>\$ 1,721,414</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable	\$ 7,940	\$ -	\$ 7,940
Due to Other Funds	<u>2,681</u>	<u>-</u>	<u>2,681</u>
 TOTAL LIABILITIES	 <u>10,621</u>	 <u>-</u>	 <u>10,621</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned grant revenue	<u>1,299,358</u>	<u>-</u>	<u>1,299,358</u>
FUND BALANCES			
Nonspendable	-	215,982	215,982
Restricted	<u>195,453</u>	<u>-</u>	<u>195,453</u>
 TOTAL FUND BALANCES	 <u>195,453</u>	 <u>215,982</u>	 <u>411,435</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 1,505,432</u>	 <u>\$ 215,982</u>	 <u>\$ 1,721,414</u>

Town of Northfield, Vermont
OTHER SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	Special Revenue Funds	Permanent Funds	Total
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Intergovernmental	\$ 340,752	\$ -	\$ 340,752
Charges for Services	3,209	-	3,209
Investment Income	72,618	9,633	82,251
Donations/Fundraising	<u>9,920</u>	<u>-</u>	<u>9,920</u>
TOTAL REVENUES	<u>426,499</u>	<u>9,633</u>	<u>436,132</u>
EXPENDITURES			
General Government	44,872	-	44,872
Public Safety	3,105	-	3,105
Culture and Recreation	9,931	-	9,931
Capital Outlay:			
Culture and Recreation	13,862	-	13,862
Public Safety	<u>14,861</u>	<u>-</u>	<u>14,861</u>
TOTAL EXPENDITURES	<u>86,631</u>	<u>-</u>	<u>86,631</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>339,868</u>	<u>9,633</u>	<u>349,501</u>
OTHER FINANCING SOURCES/(USES)			
Transfers In/(Out)	<u>(276,637)</u>	<u>(9,621)</u>	<u>(286,258)</u>
CHANGE IN FUND BALANCE	63,231	12	63,243
FUND BALANCE, Beginning of Year	<u>132,222</u>	<u>215,970</u>	<u>348,192</u>
FUND BALANCE, End of Year	<u>\$ 195,453</u>	<u>\$ 215,982</u>	<u>\$ 411,435</u>

Town of Northfield, Vermont
OTHER SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2024

	Pool Donation Fund	Conservation Fund	Ambulance Donation Fund	Fire Donation Fund	Recreation Committee Fund	Police Donation Fund	Community Development Fund	Common Fund	Ambulance Explorers Fund	Energy Committee Fund	Flood Buyout Grant Fund	ARPA Grant Fund	Total Special Revenue Funds
ASSETS													
Cash	\$ 10,862	\$ 2,460	\$ 4,146	\$ 36,387	\$ 8,143	\$ 16,665	\$ 21,616	\$ 1,607	\$ 118	\$ 3,995	\$ -	\$ 1,396,752	\$ 1,502,751
Receivables	-	-	-	-	-	-	-	-	-	-	2,681	-	2,681
TOTAL ASSETS	\$ 10,862	\$ 2,460	\$ 4,146	\$ 36,387	\$ 8,143	\$ 16,665	\$ 21,616	\$ 1,607	\$ 118	\$ 3,995	\$ 2,681	\$ 1,396,752	\$ 1,505,432
LIABILITIES AND FUND BALANCE													
LIABILITIES													
Accounts Payable	\$ 1,169	\$ -	\$ -	\$ -	\$ -	\$ 2,843	\$ -	\$ -	\$ 118	\$ 3,810	\$ -	\$ -	\$ 7,940
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	2,681	-	2,681
TOTAL LIABILITIES	1,169	-	-	-	-	2,843	-	-	118	3,810	2,681	-	10,621
DEFERRED INFLOWS OF RESOURCES													
Unearned grant revenue	-	-	-	-	-	8,625	-	-	-	-	-	1,290,733	1,299,358
FUND BALANCES													
Restricted	9,693	2,460	4,146	36,387	8,143	5,197	21,616	1,607	-	185	-	106,019	195,453
TOTAL LIABILITIES AND FUND BALANCE	\$ 10,862	\$ 2,460	\$ 4,146	\$ 36,387	\$ 8,143	\$ 16,665	\$ 21,616	\$ 1,607	\$ 118	\$ 3,995	\$ 2,681	\$ 1,396,752	\$ 1,505,432

Town of Northfield, Vermont
OTHER SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2024

	Pool Donation Fund	Conservation Fund	Ambulance Donation Fund	Fire Donation Fund	Recreation Committee Fund	Police Donation Fund	Community Development Fund	Common Fund	Ambulance Explorers Fund	Energy Committee	Flood Buyout Grant Fund	ARPA Grant Fund	Total Special Revenue Funds
REVENUES													
Intergovernmental	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ 4,000	2,681	\$ 329,871	\$ 340,752
Charges for Services	2,659	-	-	550	-	-	-	-	-	-	-	-	3,209
Investment Income	339	74	124	1,434	260	59	691	43	-	101	-	69,493	72,618
Donations/Fundraising	-	300	1,110	7,110	-	1,100	-	300	-	-	-	-	9,920
TOTAL REVENUES	2,998	4,374	1,234	9,094	260	1,359	691	343	-	4,101	2,681	399,364	426,499
EXPENDITURES													
General Government	-	-	-	-	-	-	-	-	-	-	2,500	42,372	44,872
Public Safety	-	-	-	2,221	-	884	-	-	-	-	-	-	3,105
Culture and Recreation	2,246	4,000	-	-	-	-	-	-	-	3,685	-	-	9,931
Capital Outlay													
Culture and Recreation	-	-	-	-	-	-	-	-	-	13,862	-	-	13,862
Public Safety	-	-	-	14,861	-	-	-	-	-	-	-	-	14,861
TOTAL EXPENDITURES	2,246	4,000	-	17,082	-	884	-	-	-	17,547	2,500	42,372	86,631
OTHER FINANCING USES													
Transfers In/(Out)	-	-	-	-	-	-	-	-	-	10,862	-	(287,499)	(276,637)
CHANGE IN FUND BALANCE	752	374	1,234	(7,988)	260	475	691	343	-	(2,584)	181	69,493	63,231
FUND BALANCE, Beginning of Year	8,941	2,086	2,912	44,375	7,883	4,722	20,925	1,264	-	2,769	(181)	36,526	132,222
FUND BALANCE, End of Year	\$ 9,693	\$ 2,460	\$ 4,146	\$ 36,387	\$ 8,143	\$ 5,197	\$ 21,616	\$ 1,607	\$ -	\$ 185	\$ -	\$ 106,019	\$ 195,453

Town of Northfield, Vermont
OTHER SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET
NON-MAJOR PERMANENT FUNDS
June 30, 2024

Cemetery
Fund

ASSETS

ASSETS
Cash

\$ 215,982

LIABILITIES AND NET POSITION

NET POSITION
Nonspendable

\$ 215,982

Town of Northfield, Vermont
 OTHER SUPPLEMENTARY INFORMATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 NON-MAJOR PERMANENT FUNDS
 For the Year Ended June 30, 2024

	<u>Cemetery Fund</u>
REVENUES	
Investment Income	\$ <u>9,633</u>
OTHER FINANCING (USES)	
Transfers Out	<u>(9,621)</u>
CHANGE IN FUND BALANCE	12
FUND BALANCE, Beginning of Year	<u>215,970</u>
FUND BALANCE - End of Year	<u>\$ 215,982</u>

OTHER REPORTING REQUIRED BY THE SINGLE AUDIT ACT

Town of Northfield, Vermont
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Pass Through Grantor Number	Federal Assistance Listing Number	Federal Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through the State of Vermont			
Department of Public Safety			
Department of Homeland Security	02140-34532-006	97.039	\$ 2,413
Disaster Grants - Public Assistance	02140-84720-106	97.036	<u>16,686</u>
Total Department of Homeland Security			<u>19,099</u>
U.S. DEPARTMENT OF AGRICULTURE			
Cooperative Forestry Assistance			
Cooperative Forestry Assistance	06130-UCF-GUF-22-03	10.664	<u>4,000</u>
U.S. DEPARTMENT OF JUSTICE			
Bulletproof Vest Partnership Program			
Equitable Share Program			
		16.607	3,028
		16.922	<u>200</u>
			<u>3,228</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through the State of Vermont			
Highway Planning and Construction			
Federal Highway	CA0718	20.205	<u>27,443</u>
CORNAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS			
COVID-19 ARPA - American Rescue Plan			
		21.027	<u>329,871</u>
Passed through the State of Vermont			
Department of Environmental Conservation			
APRA 3 Acre Private- Public Partnership Project	06140-2022-ARPA-CWB-08	21.027	11,692
ARPA - Main Street Stormwater Separation and CSO Abatement	06140-2022-ARPA-CSO-03	21.027	<u>537,311</u>
			<u>878,874</u>
Clean Water State Revolving Fund Cluster			
US. ENVIRONMENTAL PROTECTION AGENCY			
Passed through State of Vermont			
Department of Environmental Conservation			
	RF1-352-1.0	66.458	<u>22,166</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 954,810</u>

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of the Town of Northfield, Vermont under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operation of the Town of Northfield, Vermont, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Town of Northfield, Vermont.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant and costs contract activity of the Town of Northfield, Vermont and is presented on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.



Kittell Branagan & Sargent

Certified Public Accountants

Vermont License # 167

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

To the Selectboard of
Town of Northfield, Vermont
Northfield, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Town of Northfield, Vermont, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Town of Northfield, Vermont's basic financial statements, and have issued our report thereon dated October 25, 2024.

Report on Internal Control over Financial Reporting

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

A handwritten signature in black ink that reads "Kittell Brannagan" followed by a small "Esq." and "Sargent". The signature is written in a cursive style.

St. Albans, Vermont
October 25, 2024



Kittell Branagan & Sargent

Certified Public Accountants

Vermont License # 167

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

To the Selectboard of
Town of Northfield, Vermont
Northfield, Vermont

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Town of Northfield, Vermont's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Town of Northfield, Vermont's major federal programs for the year ended June 30, 2024. Town of Northfield, Vermont's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Town of Northfield, Vermont complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Town of Northfield, Vermont and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Town of Northfield, Vermont's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Town of Northfield, Vermont's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Town of Northfield, Vermont's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Town of Northfield, Vermont's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town of Northfield, Vermont's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Town of Northfield, Vermont's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Town of Northfield, Vermont's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Kaitell Brannigan Esq. Sergeant". The signature is written in dark ink and is positioned above the typed name and title.

St. Albans, Vermont
October 25, 2024

Town of Northfield, Vermont
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of Town of Northfield, Vermont.
2. There were no significant deficiencies disclosed during the audit of the financial statements of Town of Northfield, Vermont.
3. No instances of noncompliance material to the financial statements of Town of Northfield, Vermont were disclosed during the audit.
4. There were no significant deficiencies disclosed during the audit of major federal award programs.
5. The auditor's report on compliance for the major federal award programs for Town of Northfield, Vermont expresses an unmodified opinion.
6. There were no audit findings relative to the major federal award programs for Town of Northfield, Vermont.
7. The programs tested as major programs were:

ARPA Funds	<u>CFDA #</u> 21.027
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8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Town of Northfield, Vermont was determined to be not a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

There were no findings related to the financial statements audit.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no findings or questioned costs related to the major federal award programs.