

TOWN OF GRAND ISLE, VERMONT

AUDIT REPORT

JUNE 30, 2024

TOWN OF GRAND ISLE, VERMONT
 AUDIT REPORT
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Sullivan, Powers & Co., P.C.

Certified Public Accountants

77 Barre Street
P.O. Box 947
Montpelier, VT 05601
802/223-2352
www.sullivanpowers.com

Richard J. Brigham, CPA
Chad A. Hewitt, CPA
Jordon M. Plummer, CPA
VT Lic. #92-000180

Independent Auditor's Report

Selectboard
Town of Grand Isle, Vermont
9 Hyde Road
Grand Isle, Vermont 05458

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Grand Isle, 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 Grand Isle, Vermont's basic financial statements as listed in the Table of Contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
General Fund	Qualified
Highway Fund	Unmodified
Library Fund	Unmodified
ARPA Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Qualified Opinions on Governmental Activities and General Fund

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to previously present fairly, in all material respects, the financial position of the governmental activities and the General Fund of the Town of Grand Isle, Vermont, as of June 30, 2024, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Highway Fund, Library Fund, ARPA Fund, and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the Highway Fund, the Library Fund, the ARPA Fund, and the aggregate remaining fund information of the Town of Grand Isle, Vermont, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified 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 Grand Isle, 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 qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinions on the Governmental Activities and the General Fund

We did not audit the solid waste revenues because of inadequacies in the Town’s controls over solid waste receipts during the year. We were unable to obtain sufficient appropriate audit evidence about the completeness of the solid waste revenues in the accompanying Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund (stated at \$95,175) by other auditing procedures.

Change in Accounting Principle

As described in Note I.F. to the financial statements, in 2024, the Town adopted new accounting guidance, GASB Statement No. 100, “Accounting Changes and Error Corrections”, an amendment of GASB Statement No. 62. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Grand Isle, Vermont’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on Schedules 1 through 3, the Schedule of Proportionate Share of the Net Pension Liability on Schedule 4 and the Schedule of Contributions on Schedule 5 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Other Reporting Required by "Government Auditing Standards"

In accordance with "Government Auditing Standards", we have also issued our report dated December 3, 2024, on our consideration of the Town of Grand Isle, 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 Grand Isle, Vermont's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the Town of Grand Isle, Vermont's internal control over financial reporting and compliance.

Sullivan, Powers & Co.

December 3, 2024
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF GRAND ISLE, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
<u>ASSETS</u>	
Cash	\$ 471,603
Investments	1,487,675
Receivables (Net of Allowance for Uncollectibles)	208,002
Prepaid Expenses	22,749
Capital Assets:	
Land	232,195
Construction in Progress	42,510
Other Capital Assets, (Net of Accumulated Depreciation)	4,696,134
Total Assets	7,160,868
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Outflows of Resources Related to the Town's Participation in VMERS	56,541
Total Deferred Outflows of Resources	56,541
<u>LIABILITIES</u>	
Accounts Payable	55,912
Accrued Payroll and Benefits Payable	16,335
Unearned Revenue	7,844
Due to Delinquent Tax Collector	22,480
Due to Others	1,000
Accrued Interest Payable	10,794
Noncurrent Liabilities:	
Due Within One Year	139,881
Due in More than One Year	2,340,591
Total Liabilities	2,594,837
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Prepaid Property Taxes	2,961
Deferred Inflows of Resources Related to the Town's Participation in VMERS	3,319
Total Deferred Inflows of Resources	6,280
<u>NET POSITION</u>	
Net Investment in Capital Assets	2,663,101
Restricted:	
Non-Expendable:	
Cemetery	22,083
Expendable:	
Records Preservation	86,867
Unrestricted	1,844,241
Total Net Position	\$ 4,616,292

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

TOWN OF GRAND ISLE, VERMONT
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2024

	Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General Government	\$ 652,429	\$ 69,237	\$ 21,641	\$ (561,551)
Public Safety	424,870	2,956	0	(421,914)
Highways and Streets	669,435	31,336	85,194	(552,905)
Parks and Recreation	26,930	7,774	0	(19,156)
Library Services	67,611	0	1,417	(66,194)
Cemetery	37,569	3,050	980	(33,539)
Solid Waste	102,337	95,175	0	(7,162)
Interest on Long-term Debt	69,342	0	0	(69,342)
Total Primary Government	\$ 2,050,523	\$ 209,528	\$ 109,232	(1,731,763)
General Revenues:				
Property Taxes				1,652,272
Penalties and Interest on Delinquent Taxes				31,431
General State Grants				112,419
Unrestricted Investment Earnings				87,007
Insurance Proceeds				11,558
Other Revenues				2,833
Total General Revenues				1,897,520
Change in Net Position				165,757
Net Position - July 1, 2023				4,450,535
Net Position - June 30, 2024				\$ 4,616,292

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

TOWN OF GRAND ISLE, VERMONT
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2024

	General Fund	Highway Fund	Library Fund	ARPA Fund	Non-Major Governmental Funds	Total
ASSETS						
Cash	\$ 322,557	\$ 0	\$ 97,550	\$ 1,047	\$ 50,449	\$ 471,603
Investments	322,660	0	312,406	632,023	220,586	1,487,675
Receivables (Net of Allowance for Uncollectibles)	195,502	12,500	0	0	0	208,002
Due from Other Funds	0	175,327	29,345	0	19,649	224,321
Prepaid Items	<u>22,749</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,749</u>
Total Assets	<u>\$ 863,468</u>	<u>\$ 187,827</u>	<u>\$ 439,301</u>	<u>\$ 633,070</u>	<u>\$ 290,684</u>	<u>\$ 2,414,350</u>
LIABILITIES						
Accounts Payable	\$ 54,560	\$ 0	\$ 1,352	\$ 0	\$ 0	\$ 55,912
Accrued Payroll and Benefits Payable	16,335	0	0	0	0	16,335
Due to Other Funds	206,321	0	0	18,000	0	224,321
Unearned Revenue	7,544	0	0	0	300	7,844
Due to Delinquent Tax Collector	22,480	0	0	0	0	22,480
Due to Others	<u>1,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,000</u>
Total Liabilities	<u>308,240</u>	<u>0</u>	<u>1,352</u>	<u>18,000</u>	<u>300</u>	<u>327,892</u>
DEFERRED INFLOWS OF RESOURCES						
Prepaid Property Taxes	2,961	0	0	0	0	2,961
Unavailable Property Taxes and Interest	<u>96,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>96,000</u>
Total Deferred Inflows of Resources	<u>98,961</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>98,961</u>
FUND BALANCES						
Nonspendable	22,749	0	0	0	22,083	44,832
Restricted	86,867	0	0	0	0	86,867
Committed	188,579	187,827	437,949	0	268,301	1,082,656
Assigned	47,214	0	0	615,070	0	662,284
Unassigned	<u>110,858</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>110,858</u>
Total Fund Balances	<u>456,267</u>	<u>187,827</u>	<u>437,949</u>	<u>615,070</u>	<u>290,384</u>	<u>1,987,497</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 863,468</u>	<u>\$ 187,827</u>	<u>\$ 439,301</u>	<u>\$ 633,070</u>	<u>\$ 290,684</u>	
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:						
Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds.						4,970,839
Other Assets are not Available to Pay for Current-Period Expenditures, and, Therefore, are Deferred in the Funds.						96,000
Long-term and Accrued Liabilities, Including Bonds Payable and the Net Pension Liability, are not Due or Payable in the Current Period and, Therefore, are not Reported in the Funds.						(2,491,266)
Deferred Outflows and Inflows of Resources relating to the Town's Participation in VMERS are applicable to Future Periods and, Therefore, are not Reported in the Funds.						<u>53,222</u>
Net Position of Governmental Activities						<u>\$ 4,616,292</u>

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

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

	General Fund	Highway Fund	Library Fund	ARPA Fund	Non-Major Governmental Funds	Total
Revenues:						
Property Taxes	\$ 938,880	\$ 597,790	\$ 71,032	\$ 0	\$ 36,570	\$ 1,644,272
Penalties and Interest on Delinquent Taxes	31,431	0	0	0	0	31,431
Intergovernmental	134,060	85,194	936	0	0	220,190
Charges for Services	111,973	28,944	0	0	8,944	149,861
Permits, Licenses and Fees	54,668	0	0	0	0	54,668
Fines and Forfeits	727	0	0	0	0	727
Investment Income	32,798	0	12,827	29,099	12,283	87,007
Donations	0	0	481	0	980	1,461
Other	2,833	2,392	0	0	1,880	7,105
Total Revenues	1,307,370	714,320	85,276	29,099	60,657	2,196,722
Expenditures:						
General Government	641,589	0	0	0	0	641,589
Public Safety	372,828	0	0	0	0	372,828
Highways and Streets	0	375,295	0	0	0	375,295
Parks and Recreation	0	0	0	0	25,975	25,975
Library Services	0	0	65,779	0	0	65,779
Cemetery	0	0	0	0	33,956	33,956
Solid Waste	98,778	0	0	0	0	98,778
Capital Outlay:						
Highways and Streets	0	415,493	0	0	0	415,493
Library Services	0	0	0	18,000	0	18,000
Cemetery	0	0	0	0	6,400	6,400
Solid Waste	11,300	0	0	0	0	11,300
Debt Service:						
Principal	87,500	52,381	0	0	0	139,881
Interest	43,604	20,735	0	0	0	64,339
Total Expenditures	1,255,599	863,904	65,779	18,000	66,331	2,269,613
Excess/(Deficiency) of Revenues Over Expenditures	51,771	(149,584)	19,497	11,099	(5,674)	(72,891)
Other Financing Sources/(Uses):						
Insurance Proceeds	11,558	0	0	0	0	11,558
Transfers In	0	100,000	0	0	50,000	150,000
Transfers Out	(50,000)	0	0	0	(100,000)	(150,000)
Total Other Financing Sources/(Uses)	(38,442)	100,000	0	0	(50,000)	11,558
Net Change in Fund Balances	13,329	(49,584)	19,497	11,099	(55,674)	(61,333)
Fund Balances - July 1, 2023	442,938	237,411	418,452	603,971	346,058	2,048,830
Fund Balances - June 30, 2024	\$ 456,267	\$ 187,827	\$ 437,949	\$ 615,070	\$ 290,384	\$ 1,987,497

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

TOWN OF GRAND ISLE, 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

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

Net change in fund balances - total government funds (Exhibit D)	\$	(61,333)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$451,193) is allocated over their estimated useful lives and reported as depreciation expense (\$356,322). This is the amount by which capital outlays exceeded depreciation in the current period.		94,871
The issuance of long-term debt (\$-0-) (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$139,881) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		139,881
Governmental funds report employer pension contributions as expenditures (\$18,087). However, in the statement of activities, the cost of pension benefits earned net of employee contributions (\$31,176) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.		(13,089)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This amount is the net difference in the treatment of these items from the previous year.		8,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount is the net difference in the treatment of these items from the previous year.		<u>(2,573)</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>165,757</u></u>

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

TOWN OF GRAND ISLE, VERMONT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUND
 JUNE 30, 2024

	Custodial Fund Education Tax Fund
<u>ASSETS</u>	
Assets:	\$ <u>0</u>
<u>LIABILITIES</u>	
Liabilities:	<u>0</u>
<u>NET POSITION</u>	
Net Position:	\$ <u><u>0</u></u>

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

TOWN OF GRAND ISLE, VERMONT
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUND
 FOR THE YEAR ENDED JUNE 30, 2024

	Custodial Fund Education Tax Fund
<u>ADDITIONS</u>	
Education Taxes Collected for Other Governments	\$ <u>6,378,230</u>
Total Additions	<u>6,378,230</u>
<u>DEDUCTIONS</u>	
Education Taxes Distributed to Other Governments	<u>6,378,230</u>
Total Deductions	<u>6,378,230</u>
Change in Net Position	0
Net Position - July 1, 2023	<u>0</u>
Net Position - June 30, 2024	\$ <u><u>0</u></u>

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

TOWN OF GRAND ISLE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

The Town of Grand Isle, Vermont, (herein the "Town") operates under a Selectboard form of government and provides the following services: public safety, highways and streets, parks and recreation, library services, cemetery, solid waste, public improvements, planning and zoning and general administrative services.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Financial Reporting Entity

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

B. Basis of Presentation

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

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

TOWN OF GRAND ISLE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government, the Town. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of activities between funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange 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 and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Town reports on the following major governmental funds:

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

Highway Fund – This fund accounts for the resources of the Highway Department.

Library Fund – This fund accounts for the resources of the Grand Isle Free Library.

ARPA Fund – This fund accounts for the resources from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program used to support the Town's response to and recovery from the COVID-19 public health emergency.

Additionally, the Town reports the following fund type:

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

C. Measurement Focus

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

TOWN OF GRAND ISLE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

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

D. Basis of Accounting

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

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

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

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

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

TOWN OF GRAND ISLE, VERMONT
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JUNE 30, 2024

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

E. Use of Estimates

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

F. New Pronouncement – Accounting Changes and Error Corrections

Effective June 30, 2024, the Town implemented GASB Statement No. 100, “Accounting Changes and Error Corrections”, an amendment of GASB Statement No. 62. GASB Statement No. 100 identifies accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes various transactions or events included in these changes. This Statement established accounting and financial reporting requirements for each type of accounting change and correction of an error in previously issued financial statements. The implementation of this Standard did not have an impact on the financial statements.

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

1. Cash

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

Excess cash of individual funds are shown as due from other funds and excess cash withdrawals are shown as due to other funds. Interest income is allocated based on the due from/to other fund balances.

2. Investments

The Town invests in investments as allowed by State statutes. Investments with readily determinable fair values are reported at fair value. Unrealized gains and losses are included in revenue.

3. Receivables

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

TOWN OF GRAND ISLE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

4. Due from/to Other Funds

Activity between funds that are representative of lending/borrowing arrangement that are outstanding at the end of the fiscal year are referred to as “advances to/from other funds.” All other outstanding balances between funds are reported as “due from/to other funds.”

5. Prepaid Expenses/Items

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

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

6. Deferred Outflows/Inflows of Resources

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

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

7. Capital Assets

Capital assets are reported at actual cost or estimated historical cost based on appraisals or deflated current replacement cost if purchased or constructed. Contributed assets are recorded at their estimated acquisition value at the time received. Major outlays for capital assets and improvements are capitalized as constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets’ lives are not capitalized. Infrastructure assets are reported starting with the 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 service lives, generally using the straight-line method of calculating depreciation.

TOWN OF GRAND ISLE, VERMONT
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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:

	Capitalization Threshold	Estimated Service Life
Land	\$ 5,000	Not Depreciated
Land Improvements	\$ 5,000	15 Years
Buildings and Building Improvements	\$ 5,000	20-40 Years
Vehicles, Machinery, Equipment and Furniture	\$ 5,000	3-25 Years
Infrastructure	\$ 5,000	10-30 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.

8. Pensions

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

9. Compensated Absences

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

10. Long-term Liabilities

Long-term liabilities include bonds and notes payable, financed purchases and other obligations such as compensated absences and the Town's net pension liability. 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 liabilities on their balance sheets.

TOWN OF GRAND ISLE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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11. Fund Equity

Fund equity is classified based upon any restrictions that have been placed on those balances or any tentative plans management may have made for those balances. Restrictions of net position in the government-wide and fiduciary fund financial statements represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a grant, contract, or other binding agreement. Fund balances of governmental 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.

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

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

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

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

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

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

TOWN OF GRAND ISLE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The General Fund, Highway Fund and Library Fund budgets are approved at the annual Town Meeting in March. Any budget changes require voter approval. There were no budget amendments during the year. The budgets presented herein are for the Town’s “General Fund”, “Highway Fund” and “Library Fund” only and do not include the Records Preservation Reserve Fund, the Reappraisal Reserve Fund and the Transfer Station Reserve Fund activity that is included with the General Fund, unbudgeted transfers for the General Fund, unbudgeted capital expenditures and related funding for the Highway Fund and expenditures related to the prior year’s budget for the Library Fund.

B. Budgeted Deficits

The Town budgeted a current year’s deficiency of revenues over expenditures in the General Fund and Library Fund in the amounts of \$50,000 and \$11,280, respectively, in order to utilize a portion of the previous year’s surpluses. These are reflected as a budgeted deficiency of revenues over expenditures on Schedules 1 and 3.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

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

Cash:

Deposits with Financial Institutions	\$ 459,861
Deposits with Investment Company	<u>11,742</u>
Total Cash	<u>471,603</u>

Investments:

Certificates of Deposit	1,465,323
Common Stock	<u>22,352</u>
Total Investments	<u>1,487,675</u>

Total Cash and Investments	<u>\$1,959,278</u>
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TOWN OF GRAND ISLE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

The Town has twelve (12) certificates of deposit at various banks as shown in the following table.

<u>Bank</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
NorthCountry Federal Credit Union	\$ 418,171	5.30%	08/22/2025
TD Bank	252,396	4.45%	10/10/2024
NorthCountry Federal Credit Union	213,852	5.20%	10/22/2024
M&T Bank	173,001	0.03%	06/30/2025
M&T Bank	100,709	3.25%	05/28/2025
M&T Bank	86,867	0.03%	06/30/2025
M&T Bank	79,109	0.03%	06/30/2025
Northfield Savings Bank	60,011	4.50%	07/13/2024
M&T Bank	35,622	0.03%	08/03/2024
M&T Bank	18,416	4.40%	02/19/2025
M&T Bank	15,577	4.40%	09/14/2024
NorthCountry Federal Credit Union	<u>11,592</u>	5.30%	05/10/2026
Total	<u>\$1,465,323</u>		

Custodial Credit Risk

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

	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC/SIPC/NCUA Insured	\$1,169,308	\$1,170,058
Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution's Agent	371,607	413,073
Uninsured, Collateralized by Irrevocable Standby Letters of Credit	<u>396,011</u>	<u>396,011</u>
Total	<u>\$1,936,926</u>	<u>\$1,979,142</u>

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

TOWN OF GRAND ISLE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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The book balance is comprised of the following:

Cash – Deposits with Financial Institutions	\$ 459,861
Cash – Deposits with Investment Company	11,742
Investments – Certificates of Deposit	<u>1,465,323</u>
Total	<u>\$1,936,926</u>

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’s certificates of deposit and common stock are not subject to interest rate risk disclosure.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. These organizations look at a number of factors in order to evaluate the risk of an obligation and rate the risk. The rating allows the investor to make informed buying and selling decisions. The Town does not have any policy to limit the exposure to credit risk. The Town’s certificates of deposit and common stock are not subject to credit risk disclosure.

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 certificates of deposit are not subject to concentration of credit risk disclosure. There are no other investments in any one issuer that represent more than 5% of total investments.

Fair Value

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

TOWN OF GRAND ISLE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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Level 1 – Unadjusted quoted prices for identical instruments in active markets

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

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

The Town has the following fair value measurements as of June 30, 2024:

Description	Total	Fair Value Measurements Using:		
		Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Common Stock	\$ 22,352	\$ 22,352	\$ 0	\$ 0
Total	<u>\$ 22,352</u>	<u>\$ 22,352</u>	<u>\$ 0</u>	<u>\$ 0</u>

B. 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
Delinquent Taxes Receivable	\$ 149,303
Penalties and Interest Receivable	27,718
Grants Receivable	12,500
Due from State of Vermont	31,173
Accounts Receivable	4,308
Allowance for Doubtful Accounts - Property Taxes and Interest	<u>(17,000)</u>
Total	<u>\$ 208,002</u>

TOWN OF GRAND ISLE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

C. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 232,195	\$ 0	\$ 0	\$ 232,195
Construction in Progress	<u>30,930</u>	<u>24,400</u>	<u>12,820</u>	<u>42,510</u>
Total Capital Assets, Not Being Depreciated	<u>263,125</u>	<u>24,400</u>	<u>12,820</u>	<u>274,705</u>
Capital Assets, Being Depreciated:				
Land Improvements	22,266	12,820	0	35,086
Buildings and Building Improvements	3,496,723	0	0	3,496,723
Vehicles, Machinery, Equipment and Furniture	779,754	280,277	0	1,060,031
Infrastructure	<u>1,937,489</u>	<u>146,516</u>	<u>0</u>	<u>2,084,005</u>
Totals	<u>6,236,232</u>	<u>439,613</u>	<u>0</u>	<u>6,675,845</u>
Less Accumulated Depreciation for:				
Land Improvements	13,712	2,075	0	15,787
Buildings and Building Improvements	394,319	91,010	0	485,329
Vehicles, Machinery, Equipment and Furniture	372,891	92,665	0	465,556
Infrastructure	<u>842,467</u>	<u>170,572</u>	<u>0</u>	<u>1,013,039</u>
Totals	<u>1,623,389</u>	<u>356,322</u>	<u>0</u>	<u>1,979,711</u>
Total Capital Assets, Being Depreciated	<u>4,612,843</u>	<u>83,291</u>	<u>0</u>	<u>4,696,134</u>
Governmental Activities Capital Assets, Net	<u>\$ 4,875,968</u>	<u>\$ 107,691</u>	<u>\$ 12,820</u>	<u>\$ 4,970,839</u>

Depreciation was charged as follows:

Governmental Activities:	
General Government	\$ 9,138
Public Safety	52,042
Highways and Streets	287,015
Parks and Recreation	955
Cemetery	3,613
Solid Waste	<u>3,559</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 356,322</u>

TOWN OF GRAND ISLE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

D. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2024 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 0	\$ 206,321
Highway Fund	175,327	0
Library Fund	29,345	0
ARPA Fund	0	18,000
Non-Major Governmental Funds	<u>19,649</u>	<u>0</u>
Total	<u>\$ 224,321</u>	<u>\$ 224,321</u>

Interfund transfers during the year ended June 30, 2024 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Reappraisal Reserve Fund	\$ 10,000	* Appropriation
General Fund	Highway Capital Equipment Fund	50,000	Appropriation
Highway Capital Equipment Fund	Highway Fund	<u>100,000</u>	Additional Funding for Capital Purchase
Total		<u>\$ 160,000</u>	

* The transfer between the General Fund and the Reappraisal Reserve Fund is netted within the General Fund as this fund is consolidated within the General Fund in order to comply with GASB Statement No. 54.

E. Deferred Outflows of Resources

Deferred outflows of resources in the governmental activities consists of \$10,406 from the difference between the expected and actual experience, \$18,877 from the net difference between the projected and actual investment earnings on pension plan investments, \$5,408 from changes in assumptions and \$3,763 from changes in the Town’s proportional share of contributions related to the Town’s participation in the Vermont Municipal Employee’s Retirement System (VMERS) and \$18,087 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the governmental activities is \$56,541.

F. Unearned Revenue

Unearned revenue in the governmental activities consists of \$7,544 of grant revenue and \$300 of cemetery fees received in advance. Total unearned revenue in the governmental activities is \$7,844.

Unearned revenue in the General Fund consists of \$7,544 of grant revenue received in advance.

Unearned revenue in the Non-Major Governmental Funds consists of \$300 of cemetery fees received in advance.

TOWN OF GRAND ISLE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

G. Deferred Inflows of Resources

Deferred inflows of resources in the governmental activities consists of \$3,319 from changes in the Town’s proportional share of contributions related to the Town’s participation in the Vermont Municipal Employee’s Retirement System (VMERS). It also includes \$2,961 of prepaid property taxes. Total deferred inflows of resources in the governmental activities is \$6,280.

Deferred inflows of resources in the General Fund consists of \$96,000 of delinquent property taxes 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 \$2,961 of prepaid property taxes. Total deferred inflows of resources in the General Fund is \$98,961.

H. 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.

The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside to pay current employees, retirees, and beneficiaries. The accrual for the Town’s share of the net pension liability is recorded in the government-wide financial statements.

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

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Fire Station, Principal Payments of \$87,500 Payable on November 1 Annually, Interest Ranging from 1.75% to 3.79% Payable on May 1 and November 1, Due November, 2038	\$1,400,000	\$ 0	\$ 87,500	\$1,312,500
Bond Payable, Vermont Municipal Bond Bank, Highway Garage, Principal Payments of \$52,381 Payable on November 1 Annually, Interest at 2.03% Payable on May 1 and November 1, Due November, 2042	<u>1,047,619</u>	<u>0</u>	<u>52,381</u>	<u>995,238</u>
Total	<u>\$2,447,619</u>	<u>\$ 0</u>	<u>\$139,881</u>	<u>\$2,307,738</u>

TOWN OF GRAND ISLE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds Payable	\$ 2,447,619	\$ 0	\$ 139,881	\$ 2,307,738	\$ 139,881
Compensated Absences Payable	9,242	0	2,430	6,812	0
Net Pension Liability	<u>154,306</u>	<u>11,616</u>	<u>0</u>	<u>165,922</u>	<u>0</u>
Total Governmental Activities Long-term Liabilities	<u>\$ 2,611,167</u>	<u>\$ 11,616</u>	<u>\$ 142,311</u>	<u>\$ 2,480,472</u>	<u>\$ 139,881</u>

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

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

Debt service requirements to maturity are as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2025	\$ 139,881	\$ 64,765	\$ 204,646
2026	139,881	61,478	201,359
2027	139,881	57,983	197,864
2028	139,881	54,225	194,106
2029	139,881	50,273	190,154
2030-2034	699,405	187,545	886,950
2035-2039	699,405	76,129	775,534
2040-2043	<u>209,523</u>	<u>8,507</u>	<u>218,030</u>
Total	<u>\$ 2,307,738</u>	<u>\$ 560,905</u>	<u>\$ 2,868,643</u>

I. Fund Balances

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

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

TOWN OF GRAND ISLE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

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

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

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

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

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

Major Funds

General Fund:	
Nonspendable Prepaid Items	\$22,749

Non-Major Funds

Permanent Fund:	
Nonspendable for Perpetual Care	<u>22,083</u>
Total Nonspendable Fund Balances	<u>\$44,832</u>

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

Major Funds

General Fund:	
Restricted for Records Preservation Expenses by Statute (Source of Revenue is Restoration Fees)	<u>\$86,867</u>
Total Restricted Fund Balances	<u>\$86,867</u>

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

Major Funds

General Fund:	
Committed for Reappraisal Expenses by the Voters	\$ <u>188,579</u>

TOWN OF GRAND ISLE, VERMONT
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JUNE 30, 2024

Highway Fund:		
Committed for Highway Expenditures by the Voters		\$ <u>187,827</u>
Library Fund:		
Committed for Library Expenses by the Voters		<u>437,949</u>
 <u>Non-Major Funds</u>		
Special Revenue Fund:		
Committed for Recreation Expenses by the Voters		14,802
Capital Project Funds:		
Committed for Capital Equipment Expenditures by the Voters		79,109
Permanent Fund:		
Committed for Cemetery Expenses by the Voters		<u>174,390</u>
Total Non-Major Funds		<u>268,301</u>
Total Committed Fund Balances		<u>\$1,082,656</u>

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

Major Funds

General Fund:		
Assigned for Transfer Station Expenses		\$ <u>47,214</u>
ARPA Fund:		
Assigned for Community Building Project		<u>615,070</u>
Total Assigned Fund Balances		<u>\$662,284</u>

J. Restricted Net Position

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

Governmental Activities:		
Restricted for Cemetery Perpetual Care by Sale of Lots		\$ 22,083
Restricted for Records Preservation Expenses by Statute		<u>86,867</u>
Total Governmental Activities		<u>\$108,950</u>

TOWN OF GRAND ISLE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

V. OTHER INFORMATION

A. Pension Plan

Defined Benefit Plan

The Vermont Municipal Employees' Retirement System (VMERS)

Plan Description

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

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

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

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

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

As of June 30, 2023, the measurement date selected by the State of Vermont, VMERS was funded at 74.01% and had a plan fiduciary net position of \$912,113,032 and a total pension liability of \$1,232,406,785 resulting in a net position liability of \$320,293,753. The Town's proportionate share of this was 0.0518% resulting in a net pension liability of \$165,922. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. The Town's proportion of 0.0518% was an increase of 0.0009 from its proportion measured as of the prior year.

TOWN OF GRAND ISLE, VERMONT
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For the year ended June 30, 2024, the Town recognized pension expense of \$31,176.

As of June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 10,406	\$ 0
Net difference between projected and actual investment earnings on pension plan investments	18,877	0
Changes in assumptions	5,408	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,763	3,319
Town's required employer contributions made subsequent to the measurement date	18,087	0
	\$ 56,541	\$ 3,319

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of \$18,087 will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending <u>June 30</u>	
2025	\$11,342
2026	6,580
2027	17,603
2028	(390)
Total	\$35,135

Summary of Plan Provisions

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

Creditable Service – Service as a member plus purchased service.

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

TOWN OF GRAND ISLE, VERMONT
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JUNE 30, 2024

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

Normal Retirement Amount – Group A – 1.4% of AFC times service. Group B – 1.7% of AFC times service as a Group B member plus percentage earned as a Group A member times AFC. Group C – 2.5% of AFC times service as a Group C member plus percentage earned as a Group A or B member times AFC. Group D – 2.5% of AFC times service as a Group D member plus percentage earned as a Group A, B or C member times AFC. Maximum benefit is 60% of AFC for Groups A and B and 50% of AFC for Groups C and D. The previous amounts include the portion of the allowance provided by member contributions.

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

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

Vesting – All Groups – Five (5) years of service. Allowance beginning at Normal Retirement Age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on “Post-Retirement Adjustments”.

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

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

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

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

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

TOWN OF GRAND ISLE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

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

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

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

Member Contribution Rates:

- Group A – 3.75% effective July 1, 2023; 4.00% effective July 1, 2024; 4.25% effective July 1, 2025, and thereafter.
- Group B – 6.125% effective July 1, 2023; 6.375% effective July 1, 2024; 6.625% effective July 1, 2025, and thereafter.
- Group C – 11.25% effective July 1, 2023; 11.50% effective July 1, 2024; 11.75% effective July 1, 2025, and thereafter.
- Group D – 12.60% effective July 1, 2023; 12.85% effective July 1, 2024; 13.10% effective July 1, 2025, and thereafter.

Employer Contribution Rates:

- Group A – 5.25% effective July 1, 2023; 5.50% effective July 1, 2024; 5.75% effective July 1, 2025, and thereafter.
- Group B – 6.75% effective July 1, 2023; 7.00% effective July 1, 2024; 7.25% effective July 1, 2025, and thereafter.
- Group C – 8.50% effective July 1, 2023; 8.75% effective July 1, 2024; 9.00% effective July 1, 2025, and thereafter.
- Group D – 11.10% effective July 1, 2023; 11.35% effective July 1, 2024; 11.60% effective July 1, 2025, and thereafter.

Significant Actuarial Assumptions and Methods

Inflation Rate – 2.30% per year.

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

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

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

TOWN OF GRAND ISLE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Mortality:

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

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

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

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

Age of Spouse – Females three (3) years younger than males.

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

Determination of Discount Rate and Investment Rates of Return

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

TOWN OF GRAND ISLE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equities	44%	5.35%
Private Equity	10%	7.50%
Emerging Market Debt	2%	5.00%
Private and Alternative Credit	10%	5.50%
Non-Core Real Estate	4%	5.50%
Core Fixed Income	19%	1.50%
Core Real Estate	4%	3.25%
US TIPS	2%	1.50%
Infrastructure/Farmland	5%	4.25%

Discount Rate – The long-term expected rate of return on pension plan investments is 7.00%. The high quality tax-exempt general obligation municipal bond rate (20-Bond GO Index) as of the closest date prior to the valuation date of June 30, 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 costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plans' Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 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.

Discount Rate Sensitivity

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the Town's proportionate share of the net pension liability as of June 30, 2023, calculated using the discount rate of 7.00%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$249,738	\$165,922	\$97,028

Additional Information

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

TOWN OF GRAND ISLE, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2024

B. Risk Management

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

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

C. Property Taxes

The Town is responsible for assessing and collecting its own property taxes as well as education taxes for the State of Vermont. Property taxes are assessed based on property valuations as of April 1, the voter approved budgets and the State education property tax liability. Property taxes are collected three (3) times per year. During the tax year ended June 30, 2024, taxes became due and payable on October 31, 2023, January 31, 2024 and April 30, 2024. Interest is assessed at 1% per month. All unpaid taxes after the April 30 payment are subject to an 8% penalty. Unpaid taxes become an enforceable lien on the property and such properties are subject to tax sale. The tax rates for 2024 were as follows:

	<u>Homestead</u>	<u>Non-Homestead</u>
Town	.3620	.3620
Education	<u>1.5632</u>	<u>1.5992</u>
Total	<u>1.9252</u>	<u>1.9612</u>

D. 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.

TOWN OF GRAND ISLE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Revenues:			
General Revenues:			
Property Taxes	\$ 943,534	\$ 938,880	\$ (4,654)
State of Vermont - PILOT Program	39,900	50,103	10,203
Current Tax Interest	7,750	7,025	(725)
State of Vermont - Current Use	45,500	50,488	4,988
State of Vermont - State Owned Land	11,678	11,828	150
State of Vermont - Reimbursement Services	35,000	31,173	(3,827)
State of Vermont - Reappraisal	11,254	11,373	119
National Opioid Settlement Income	0	2,826	2,826
Solar Credits	10,250	10,498	248
	<u>1,104,866</u>	<u>1,114,194</u>	<u>9,328</u>
Total General Revenues			
Town Revenues:			
Interest on Delinquent Taxes	12,500	8,374	(4,126)
Penalties on Delinquent Taxes	18,500	16,032	(2,468)
State of Vermont - Local Fines	5,250	727	(4,523)
Other	0	7	7
	<u>36,250</u>	<u>25,140</u>	<u>(11,110)</u>
Total Town Revenues			
Town Clerk Revenues:			
Copier Fees	3,950	2,892	(1,058)
Certified Copy Fees	550	490	(60)
Dog License Fees	1,120	1,315	195
Dog Fines	0	25	25
Liquor License Fees	450	255	(195)
Marriage License Fees	750	585	(165)
Recording Fees	30,000	18,645	(11,355)
Preservation of Records Fees	10,908	6,670	(4,238)
Town Clerk Fees	16,500	16,737	237
Vault Search Time Fees	900	717	(183)
Fax Fees	70	93	23
Spring Weight Permit Fees	700	720	20
DMV Temporary Renewal Fees	150	135	(15)
GISU/School District Reimbursement	2,750	935	(1,815)
	<u>68,798</u>	<u>50,214</u>	<u>(18,584)</u>
Total Town Clerk Revenues			
Other Revenues:			
Interest/Dividends	1,000	22,797	21,797
	<u>1,000</u>	<u>22,797</u>	<u>21,797</u>
Total Other Revenues			
Listers Revenues:			
State of Vermont - Reappraisal Study	1,400	1,338	(62)
Lister Cards	400	163	(237)
Grand List	50	40	(10)
	<u>1,850</u>	<u>1,541</u>	<u>(309)</u>
Total Listers Revenues			

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF GRAND ISLE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance Favorable/ (Unfavorable)
DRB/Planning/Zoning Revenues:			
Planning - Bylaw/Town Plan Books	\$ 50	\$ 0	\$ (50)
Planning - Grants	0	8,930	8,930
DRB - Hearing Fees	3,200	1,000	(2,200)
Zoning - Building Permit Fees	10,000	7,750	(2,250)
Zoning - Square Footage Fees	10,000	12,751	2,751
Zoning - After the Fact Permit Fees	150	0	(150)
Zoning - Other Permit Fees	500	0	(500)
Zoning - Miscellaneous Income	50	64	14
Total DRB/Planning/Zoning Revenues	23,950	30,495	6,545
Solid Waste Revenues:			
Landfill Revenues	88,000	89,496	1,496
Recycling Revenues	8,000	5,144	(2,856)
Transfer Station Stickers	2,500	535	(1,965)
Insurance Proceeds	0	11,558	11,558
Total Solid Waste Revenues	98,500	106,733	8,233
Total Revenues	1,335,214	1,351,114	15,900
Expenditures:			
General Town Expenses:			
Town Report Preparers	500	500	0
Custodial Services	6,000	6,209	(209)
IT Administrator	25,000	29,568	(4,568)
Constable	1,000	1,250	(250)
Animal Control	3,500	3,391	109
Health Officer	1,519	1,910	(391)
Lawn Care	11,500	9,270	2,230
Selectboard	7,767	9,357	(1,590)
Selectboard Secretary	10,000	10,000	0
Delinquent Tax Penalty	16,500	16,032	468
FICA	3,995	2,798	1,197
Interest Expense	0	85	(85)
Audit	26,500	25,670	830
Computer	10,000	10,653	(653)
VLCT Dues	3,849	3,849	0
Law Enforcement	164,268	154,245	10,023
Electric	2,700	3,352	(652)
Water	800	621	179
Fuel	2,500	1,739	761
Legal Fees - Municipal	15,000	22,114	(7,114)
Legal Fees - Delinquent Tax Collector	3,000	1,047	1,953
Office Supplies	3,500	3,074	426
Postage	4,100	3,951	149
Public Notices	800	848	(48)
Town Report	1,000	851	149
Professional Education	1,200	2,778	(1,578)
Telephone	3,300	2,610	690
Copiers	3,800	3,553	247

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TOWN OF GRAND ISLE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
General Town Expenses/(Cont'd):			
Upkeep/Maintenance - Annex	\$ 1,000	\$ 1,271	\$ (271)
Repairs/Maintenance	15,000	13,929	1,071
Mileage	50	128	(78)
Fish Hatchery - Highway Department	31,500	28,944	2,556
Fish Hatchery - Fire Department	3,500	2,229	1,271
Fireworks Display	500	500	0
Fire Station Bond Payment	134,702	131,104	3,598
Fire Station Operation/Maintenance	10,500	11,604	(1,104)
National Opioid Settlement Expenses	<u>0</u>	<u>2,880</u>	<u>(2,880)</u>
Total General Town Expenses	<u>530,350</u>	<u>523,914</u>	<u>6,436</u>
Town Clerk/Treasurer:			
Town Clerk/Treasurer	105,663	104,786	877
Retirement	5,250	5,812	(562)
Health	11,935	0	11,935
Dental	650	548	102
FICA	8,083	7,949	134
Digitize Land Records Grant Expenses	0	824	(824)
Memberships/Dues	50	70	(20)
Animal Supplies & Expenses	150	136	14
Land/Vital Records Supplies	900	605	295
Restoration of Records	800	0	800
Professional Education	1,200	10	1,190
Mileage	1,600	1,570	30
Animal License Return	1,250	1,225	25
Marriage License Return	<u>750</u>	<u>585</u>	<u>165</u>
Total Town Clerk/Treasurer	<u>138,281</u>	<u>124,120</u>	<u>14,161</u>
GISU/School District Expenses:	<u>2,750</u>	<u>935</u>	<u>1,815</u>
Historical Buildings Operation:			
Electric	410	787	(377)
Payroll - Wages & FICA	6,500	5,639	861
Security/Telephone	850	1,285	(435)
Water	650	591	59
Insurance	350	0	350
Buildings/Grounds Repairs/Maintenance	<u>2,500</u>	<u>243</u>	<u>2,257</u>
Total Historical Buildings Operation	<u>11,260</u>	<u>8,545</u>	<u>2,715</u>
Elections:			
Election Officials	3,500	1,608	1,892
FICA	268	125	143
Other Election Supplies	300	152	148
Program Tabulator/Ballots	<u>2,000</u>	<u>1,915</u>	<u>85</u>
Total Elections	<u>6,068</u>	<u>3,800</u>	<u>2,268</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF GRAND ISLE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance Favorable/ (Unfavorable)
Zoning Office:			
Zoning Administrator	\$ 27,560	\$ 26,745	\$ 815
FICA	2,108	2,046	62
Mapping Services	825	925	(100)
Equipment	0	81	(81)
Legal Fees - Enforcement	6,000	695	5,305
Professional Education	100	30	70
Mileage	50	0	50
Total Zoning Office	36,643	30,522	6,121
Listers Office:			
Lister Salaries	37,100	25,579	11,521
FICA	2,838	1,957	881
Property Tax Map Update	925	925	0
Computer	700	2,194	(1,494)
Memberships/Dues	275	100	175
Public Notices	300	240	60
Professional Education	250	180	70
Mileage	600	338	262
Miscellaneous	100	0	100
Total Listers Office	43,088	31,513	11,575
Planning Commission:			
Administrative Assistant	4,558	4,558	0
FICA	350	350	0
NW Regional Planning Dues	2,420	2,420	0
Bylaws/Plan	525	9,246	(8,721)
Public Notices	400	64	336
Professional Education	250	0	250
Mileage	50	0	50
Total Planning Commission	8,553	16,638	(8,085)
Development Review Board:			
Clerk	22,700	7,436	15,264
Stipends	5,830	2,925	2,905
FICA	2,184	793	1,391
Equipment	400	0	400
Legal Fees	2,000	450	1,550
Public Notices	800	328	472
Professional Education	200	10	190
Miscellaneous	100	0	100
Total Development Review Board	34,214	11,942	22,272

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF GRAND ISLE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance Favorable/ (Unfavorable)
Solid Waste Operation:			
Attendant - Transfer Station	\$ 12,500	\$ 11,378	\$ 1,122
Attendant - Recycling Center	14,100	17,044	(2,944)
Highway Department - Labor	5,700	3,870	1,830
FICA	2,500	2,470	30
Utilities/Services	4,000	5,950	(1,950)
Square Fees	0	435	(435)
Equipment	5,000	12,295	(7,295)
Fuel	400	140	260
NWSW Dues	2,504	2,504	0
Supplies	500	271	229
Public Notices	0	186	(186)
Repairs/Maintenance	5,000	11,134	(6,134)
Miscellaneous	500	576	(76)
Total Solid Waste Operation	52,704	68,253	(15,549)
Solid Waste Disposal:			
Recyclables	2,500	2,491	9
Tires	1,700	1,363	337
Mixed Solid Waste	30,000	37,769	(7,769)
Scales & Building	4,000	202	3,798
Construction & Disposal	8,000	0	8,000
Total Solid Waste Disposal	46,200	41,825	4,375
Grand Isle County Tax:	143,903	139,834	4,069
Reappraisal Reserve Fund:	10,000	10,000	0
Articles:			
Emerald Ash Borer Tree Removal	10,000	26,775	(16,775)
Champlain Islands Parent Child Center	1,500	1,500	0
UVM Home Health & Hospice	7,500	7,500	0
Grand Isle Rescue	73,000	73,000	0
Grand Isle Volunteer Fire Department	90,000	90,000	0
Grand Isle Volunteer Fire Department - Capital Equipment	30,000	30,000	0
Capital Equipment Reserve	50,000	50,000	0
Fire/Rescue Communications	10,500	10,500	0
Island Arts	1,950	1,950	0
Total Articles	274,450	291,225	(16,775)
Insurance:			
Unemployment	750	824	(74)
Municipal Insurance	46,000	53,896	(7,896)
Total Insurance	46,750	54,720	(7,970)
Total Expenditures	1,385,214	1,357,786	27,428
Excess/(Deficiency) of Revenues Over Expenditures	\$ (50,000)	(6,672)	\$ 43,328

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TOWN OF GRAND ISLE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Accrual Basis of Accounting:	
Records Preservation Reserve Fund Income	\$ 3,088
Reappraisal Reserve Fund Income	6,810
Reappraisal Reserve Fund Transfer In	10,000
Transfer Station Reserve Fund Income	<u>103</u>
Net Change in Fund Balance	13,329
Fund Balance - July 1, 2023	<u>442,938</u>
Fund Balance - June 30, 2024	<u>\$ 456,267</u>

The reconciling items are due to combining three (3) funds, the Records Preservation Reserve Fund, the Reappraisal Reserve Fund and the Transfer Station Reserve Fund with the General Fund in order to comply with GASB Statement No. 54.

TOWN OF GRAND ISLE, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - BUDGETARY BASIS
 HIGHWAY FUND
 FOR THE YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes	\$ 597,790	\$ 597,790	\$ 0
State of Vermont - State Aid	70,600	72,694	2,094
State of Vermont - Reimbursement Services	28,000	28,944	944
Grant Income	0	12,500	12,500
Miscellaneous	0	2,392	2,392
Total Revenues	696,390	714,320	17,930
Expenditures:			
Labor	147,600	141,152	6,448
Overtime Labor	17,250	11,018	6,232
Retirement	11,200	9,818	1,382
Health	23,870	27,791	(3,921)
Dental	1,200	1,097	103
FICA	12,700	11,561	1,139
Tools/Supplies	4,000	3,782	218
Highway Dump Truck Payment	25,000	0	25,000
Highway Dump Truck Interest	4,600	0	4,600
New Garage Principal & Interest	75,000	73,116	1,884
Road Materials	21,000	20,950	50
Equipment Repairs & Maintenance	22,000	22,751	(751)
Rented Equipment	9,500	15,000	(5,500)
Miscellaneous Equipment	2,500	2,560	(60)
Tires	2,500	2,660	(160)
Salt/Sand/Trucking	29,500	26,720	2,780
Equipment Fuel	24,000	18,952	5,048
Computer	0	575	(575)
Culverts	5,000	20,513	(15,513)
Office & Cell Phones	3,000	2,515	485
Electric	3,500	2,934	566
Fuel - Garage Heating	7,000	5,739	1,261
Road Signs & Posts	8,000	7,787	213
Water - Highway Department	1,000	632	368
Chloride	5,000	859	4,141
State of Vermont - State Aid Expenses	70,600	72,694	(2,094)
State Stormwater Permits	1,750	2,050	(300)
Retreatment	40,000	40,000	0
Outfitting New Garage	2,000	0	2,000
Miscellaneous	4,000	8,547	(4,547)
Road Materials - Blacktop	60,000	38,529	21,471
Old Town Garage Demolition	52,120	2,625	49,495
Total Expenditures	696,390	594,927	101,463
Excess of Revenues Over Expenditures	\$ 0	119,393	\$ 119,393
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Accrual Basis of Accounting:			
Unbudgeted Transfer In		100,000	
Unbudgeted Western Star Truck Purchase		(268,977)	
Net Change in Fund Balance		(49,584)	
Fund Balance - July 1, 2023		237,411	
Fund Balance - June 30, 2024		\$ 187,827	

The reconciling items are due to unbudgeted capital expenditures and related funding.

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TOWN OF GRAND ISLE, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - BUDGETARY BASIS
 LIBRARY FUND
 FOR THE YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes	\$ 71,032	\$ 71,032	\$ 0
Donations	0	481	481
Interest	0	12,827	12,827
Grant Income	0	936	936
Total Revenues	71,032	85,276	14,244
Expenditures:			
Librarian Salaries	39,908	38,587	1,321
FICA	3,053	2,952	101
Health Insurance	11,935	0	11,935
Retirement	2,566	2,456	110
Dental	600	548	52
Booklist	200	0	200
Magazine Subscriptions	100	0	100
Adult Books	4,200	4,120	80
Audio Visual	1,000	949	51
Children's Books	2,200	2,206	(6)
GMLC	750	601	149
Professional Development	300	0	300
Utilities	5,000	0	5,000
Electric	0	1,662	(1,662)
Fuel	0	663	(663)
Telephone	0	1,548	(1,548)
Water	0	609	(609)
Office Supplies/Postage	1,500	1,129	371
Interlibrary Loan	1,100	1,125	(25)
Bank Fees/Miscellaneous	100	0	100
Computer Replacement	300	0	300
Technical/Computer Support	1,200	478	722
Travel	150	12	138
Dues	170	0	170
Cleaning - Library & Furnace	2,880	2,880	0
Programs	2,000	1,998	2
Furniture/Fixture/Hardware	100	0	100
Automation/Follett	1,000	1,100	(100)
Miscellaneous	0	9	(9)
Total Expenditures	82,312	65,632	16,680
Excess/(Deficiency) of Revenues Over Expenditures	\$ (11,280)	19,644	\$ 30,924
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Accrual Basis of Accounting:			
Unbudgeted Expenditures - Prior Year Carryover Funds		(147)	
Net Change in Fund Balance		19,497	
Fund Balance - July 1, 2023		418,452	
Fund Balance - June 30, 2024		\$ 437,949	

The reconciling item is due to expenditures related to the prior year's budget.

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF GRAND ISLE, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 VMERS DEFINED BENEFIT PLAN
 JUNE 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	\$ 320,293,753	\$ 303,371,956	\$ 147,184,198	\$ 252,974,064	\$ 173,491,807	\$ 140,675,892	\$ 121,155,552	\$ 128,696,167	\$ 77,095,810	\$ 9,126,613
Town's Proportion of the Net Pension Liability	0.0518%	0.0509%	0.0515%	0.0483%	0.0580%	0.0670%	0.0651%	0.0748%	0.0690%	0.0788%
Town's Proportionate Share of the Net Pension Liability	\$ 165,922	\$ 154,306	\$ 75,801	\$ 122,076	\$ 100,547	\$ 94,291	\$ 78,828	\$ 96,243	\$ 51,550	\$ 7,192
Town's Covered Employee Payroll	\$ 227,164	\$ 203,614	\$ 190,837	\$ 173,934	\$ 197,941	\$ 213,458	\$ 193,188	\$ 206,649	\$ 173,893	\$ 198,347
Town's Proportionate Share of the Net Pension Liability as a Percentage of Town's Covered Employee Payroll	73.0406%	75.7836%	39.7203%	70.1852%	50.7964%	44.1731%	40.8038%	46.5732%	29.6447%	3.6260%
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%

Notes to Schedule

Benefit Changes: None.

Changes in Assumptions and Methods: Effective for the June 30, 2023 actuarial valuation, the following assumptions were updated:

- Assumed rates of salary increase were adjusted, generally increased, based on plan experience.
- Mortality assumptions changed as follows:

Pre-Retirement:

- Groups A/B - Changed from 40% of PubG-2010 General Employee Amount-Weighted Below Median (sex-specific) tables and 60% of PubG-2010 General Employee Amount-Weighted (sex specific) tables to 60% of PubG-2010 General Employee Amount-Weighted Below Median (sex-specific) tables and 40% of PubG-2010 General Employee Amount-Weighted (sex-specific) tables.
- Group C - Changed from 40% of PubG-2010 General Employee Amount-Weighted Below Median (sex-specific) tables and 60% of PubG-2010 General Employee Amount-Weighted (sex specific) tables to PubG-2010 General Employee Amount-Weighted Below Median (sex-specific) tables.
- Group D - Changed from PubG-2010 General Employee Amount-Weighted Above Median (sex specific) tables to PubS-2010 Public Safety Employee Amount-Weighted Below Median (sex specific) tables.

Healthy Post-Retirement - Retirees:

- Groups A/B - Changed from 104% of 40% PubG-2010 General Healthy Retiree Amount-Weighted Below Median (sex-specific) tables and 60% of PubG-2010 General Healthy Retiree Amount-Weighted (sex-specific) tables to PubG-2010 General Healthy Retiree Amount-Weighted Below Median (sex-specific) tables with 90% and 87% adjustments for males and females, respectively.
- Group C - Changed from 104% of 40% PubG-2010 General Healthy Retiree Amount-Weighted Below Median (sex-specific) tables and 60% of PubG-2010 General Healthy Retiree Amount-Weighted (sex-specific) tables to PubG-2010 General Healthy Retiree Amount-Weighted (sex-specific) tables.
- Group D - Changed from PubG-2010 General Healthy Retiree Amount-Weighted (sex-specific) tables to PubS-2010 Public Safety Retiree Amount-Weighted Below Median (sex-specific) tables.

Healthy Post-Retirement - Beneficiaries:

- Groups A/B/C - Changed from 70% of the Pub-2010 Contingent Survivor Amount-Weighted Below Median (sex-specific) tables and 30% of the Pub-2010 Contingent Survivor Amount-Weighted (sex-specific) tables to Pub-2010 Contingent Survivor Amount-Weighted Below-Median (sex-specific) tables.
- Group D - Changed from Pub-2010 Contingent Survivor Amount-Weighted (sex-specific) tables to Pub-2010 Contingent Survivor Amount-Weighted Below-Median (sex-specific) tables.

Disabled Retirees:

- Group D - Changed from PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted (sex-specific) tables to PubS-2010 Safety Disabled Retiree Amount-Weighted (sex-specific) tables.

Mortality improvement scale was changed from generational projection using scale MP-2019 to generational projection using scale MP-2021 for all assumptions.

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

TOWN OF GRAND ISLE, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 VMERS DEFINED BENEFIT PLAN
 FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution (Actuarially Determined)	\$ 18,087	\$ 14,766	\$ 12,726	\$ 11,450	\$ 10,001	\$ 11,135	\$ 11,740	\$ 10,626	\$ 11,366	\$ 9,347
Contributions in Relation to the Actuarially Determined Contributions	<u>18,087</u>	<u>14,766</u>	<u>12,726</u>	<u>11,450</u>	<u>10,001</u>	<u>11,135</u>	<u>11,740</u>	<u>10,626</u>	<u>11,366</u>	<u>9,347</u>
Contribution Excess/(Deficiency)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Town's Covered Employee Payroll	\$ 267,949	\$ 227,164	\$ 203,614	\$ 190,837	\$ 173,934	\$ 197,941	\$ 213,458	\$ 193,188	\$ 206,649	\$ 173,893
Contributions as a Percentage of Town's Covered Employee Payroll	6.750%	6.500%	6.250%	6.000%	5.750%	5.625%	5.500%	5.500%	5.500%	5.375%

Notes to Schedule

Valuation Date: June 30, 2023

TOWN OF GRAND ISLE, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2024

	Special Revenue Fund <u>Recreation Fund</u>	Capital Projects Fund <u>Highway Capital Equipment Fund</u>	Permanent Fund <u>Cemetery Fund</u>	<u>Total</u>
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 50,449	\$ 50,449
Investments	0	79,109	141,477	220,586
Due from Other Funds	<u>14,802</u>	<u>0</u>	<u>4,847</u>	<u>19,649</u>
Total Assets	<u>\$ 14,802</u>	<u>\$ 79,109</u>	<u>\$ 196,773</u>	<u>\$ 290,684</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Unearned Revenue	\$ <u>0</u>	\$ <u>0</u>	\$ <u>300</u>	\$ <u>300</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>300</u>	<u>300</u>
Fund Balances:				
Nonspendable	0	0	22,083	22,083
Committed	<u>14,802</u>	<u>79,109</u>	<u>174,390</u>	<u>268,301</u>
Total Fund Balances	<u>14,802</u>	<u>79,109</u>	<u>196,473</u>	<u>290,384</u>
Total Liabilities and Fund Balances	<u>\$ 14,802</u>	<u>\$ 79,109</u>	<u>\$ 196,773</u>	<u>\$ 290,684</u>

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TOWN OF GRAND ISLE, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Fund <u>Recreation Fund</u>	Capital Projects Fund <u>Highway Capital Equipment Fund</u>	Permanent Fund <u>Cemetery Fund</u>	<u>Total</u>
Revenues:				
Property Taxes	\$ 16,120	\$ 0	\$ 20,450	\$ 36,570
Charges for Services	6,194	0	2,750	8,944
Investment Income	0	4,939	7,344	12,283
Donations	0	0	980	980
Other	<u>1,580</u>	<u>0</u>	<u>300</u>	<u>1,880</u>
Total Revenues	<u>23,894</u>	<u>4,939</u>	<u>31,824</u>	<u>60,657</u>
Expenditures:				
Parks and Recreation	25,975	0	0	25,975
Cemetery	0	0	33,956	33,956
Capital Outlay:				
Cemetery	<u>0</u>	<u>0</u>	<u>6,400</u>	<u>6,400</u>
Total Expenditures	<u>25,975</u>	<u>0</u>	<u>40,356</u>	<u>66,331</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>(2,081)</u>	<u>4,939</u>	<u>(8,532)</u>	<u>(5,674)</u>
Other Financing Sources/(Uses):				
Transfers In	0	50,000	0	50,000
Transfers Out	<u>0</u>	<u>(100,000)</u>	<u>0</u>	<u>(100,000)</u>
Total Other Financing Sources/(Uses)	<u>0</u>	<u>(50,000)</u>	<u>0</u>	<u>(50,000)</u>
Net Change in Fund Balances	(2,081)	(45,061)	(8,532)	(55,674)
Fund Balances - July 1, 2023	<u>16,883</u>	<u>124,170</u>	<u>205,005</u>	<u>346,058</u>
Fund Balances - June 30, 2024	<u>\$ 14,802</u>	<u>\$ 79,109</u>	<u>\$ 196,473</u>	<u>\$ 290,384</u>

See Disclaimer in Accompanying Independent Auditor's Report.

Sullivan, Powers & Co., P.C.

Certified Public Accountants

77 Barre Street
P.O. Box 947
Montpelier, VT 05601
802/223-2352
www.sullivanpowers.com

Richard J. Brigham, CPA
Chad A. Hewitt, CPA
Jordan M. Plummer, CPA
VT Lic. #92-000180

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

Selectboard
Town of Grand Isle, Vermont
9 Hyde Road
Grand Isle, Vermont 05458

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Grand Isle, 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 Grand Isle, Vermont's basic financial statements, and have issued our report thereon dated December 3, 2024. Our opinion on the governmental activities and the General Fund was qualified because of the inadequacies in the Town's controls over solid waste revenues during the year.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Grand Isle, Vermont's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Grand Isle, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Grand Isle, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Deficiencies in Internal Control as Item 2024-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Sullivan, Powers & Co.

December 3, 2024
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF GRAND ISLE, VERMONT
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2024

Deficiencies in Internal Control:

Material Weaknesses:

2024-001 Transfer Station Revenues

Criteria:

Internal controls over transfer station revenues should be in place so that no individual can both perpetrate and conceal errors or irregularities.

Condition:

The Town does not have adequate internal controls in place over transfer station revenues. Therefore, the Town cannot be sure that all of the cash collected is being handed over to them by the transfer station employees.

Cause:

Unknown.

Effect:

The collections at the transfer station are subject to misappropriation.

Recommendation:

Our primary recommendation is that the Town consider selling transfer station coupons off-site at the Town Treasurer's office and/or at local businesses. If sales take place at the transfer station, we recommend that the Town implement controls to ensure that all of the cash collected is being handed over to them by the transfer station employees.



TOWN OF GRAND ISLE

9 Hyde Road, P.O. Box 49, Grand Isle, Vermont 05458-0049

Phone (802) 372-8830 • Fax (802) 372-8815

www.grandislevt.org

December 3, 2024

Sullivan, Powers & Company
77 Barre Street
Montpelier, VT 05601

This letter is to address the Material Weakness in the Schedule of Deficiencies in the Internal Control for June 30, 2024.

2024-001 Transfer Station Revenues – Addressing the material weakness noted in the FY23 audit report, the Town of Grand Isle installed point-of-sales equipment to accept debit and credit cards. Also, effective 10/01/2024, cash payments were eliminated. Checks are still being accepted as a payment source as well.

Should any additional information be necessary feel free to contact me.

Best regards,

Melissa A. Boutin
Town Treasurer