

TOWN OF CALAIS, VERMONT

AUDIT REPORT

JUNE 30, 2023

TOWN OF CALAIS, VERMONT
 AUDIT REPORT
 TABLE OF CONTENTS
 JUNE 30, 2023

		<u>Page #</u>
Independent Auditor's Report		1-4
 Basic Financial Statements:		
Statement of Net Position - Modified Cash Basis	Exhibit A	5
Statement of Activities - Modified Cash Basis	Exhibit B	6
 Governmental Funds:		
Statement of Modified Cash Basis Assets, Liabilities and Fund Balances	Exhibit C	7
Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances	Exhibit D	8
 Fiduciary Fund:		
Statement of Fiduciary Net Position	Exhibit E	9
Statement of Changes in Fiduciary Net Position	Exhibit F	10
Notes to the Financial Statements		11-28
 Other Information:		
Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balance - Budget and Actual - Budgetary Basis - General Fund	Schedule 1	29-33
Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balance - Budget and Actual - Highway Fund	Schedule 2	34-35
Combining Schedule of Modified Cash Basis Assets, Liabilities and Fund Balances - Non-Major Governmental Funds	Schedule 3	36

TOWN OF CALAIS, VERMONT
AUDIT REPORT
TABLE OF CONTENTS
JUNE 30, 2023

		<u>Page #</u>
Combining Schedule of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances - Non-Major Governmental Funds	Schedule 4	37
Combining Schedule of Modified Cash Basis Assets, Liabilities and Fund Balances - Non-Major Special Revenue Funds	Schedule 5	38
Combining Schedule of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances - Non-Major Special Revenue Funds	Schedule 6	39
Combining Schedule of Modified Cash Basis Assets, Liabilities and Fund Balances - Non-Major Capital Projects Funds	Schedule 7	40
Combining Schedule of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances - Non-Major Capital Projects Funds	Schedule 8	41
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"		42-43

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 Calais, Vermont
3120 Pekin Brook Road
East Calais, Vermont 05650

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 Calais, Vermont as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Calais, 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	Unmodified
Highway Fund	Unmodified
Cemetery Fund	Qualified
ARPA Fund	Unmodified
VCDP Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Qualified Opinions on the Governmental Activities and the Cemetery Fund

In our opinion, except for the effects of the matter described 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 Cemetery Fund of the Town of Calais, Vermont, as of June 30, 2023, and the changes in financial position thereof for the year then ended in accordance with the modified cash basis of accounting, as described in Note I.D.

Unmodified Opinions on the General Fund, the Highway Fund, the ARPA Fund and the 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 General Fund, the Highway Fund, the ARPA Fund, the VCDP Fund and the aggregate remaining fund information of the Town of Calais, Vermont, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with the modified cash basis of accounting, as described in Note I.D.

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 Calais, 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 Cemetery Fund

The modified cash basis of accounting requires the Town to record its investments at historical cost. Currently, the Town’s investments in the governmental activities and the Cemetery Fund are recorded at current market value. The amount by which this departure would affect the assets, net position, fund balance and revenues of the governmental activities and the Cemetery Fund has not been determined.

The Town has not tracked the amount of perpetual care funds it has received in the Cemetery Fund. Therefore, they are not able to determine the amounts of nonspendable restricted, committed or assigned fund balance in the Cemetery Fund and the restricted net position on the government-wide financial statements.

Basis of Accounting

We draw attention to Note I.D. to the financials statements, which describes the basis of accounting. The financial statements are prepared primarily on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note I; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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 Calais, 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 Responsibility

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

In performing an audit in accordance with generally accepted auditing standards 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 Calais, 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 Calais, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Calais, Vermont's basic financial statements. The budgetary comparison information on Schedules 1 and 2 and the combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by "Government Auditing Standards"

In accordance with "Government Auditing Standards", we have also issued our report dated November 27, 2023 on our consideration of the Town of Calais, Vermont's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 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 Calais, Vermont's internal control over financial reporting and compliance.

Sullivan, Powers & Co.

November 27, 2023
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF CALAIS, VERMONT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2023

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 1,212,587
Investments	<u>222,417</u>
Total Assets	<u>1,435,004</u>
<u>LIABILITIES</u>	
Due to State of Vermont	763
Tax Sale Overpayment	42,938
Due to Others	<u>29,072</u>
Total Liabilities	<u>72,773</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Prepaid Property Taxes	<u>15,408</u>
Total Deferred Inflows of Resources	<u>15,408</u>
<u>NET POSITION</u>	
Restricted:	
General Government	87,988
Cemetery	234,522
Eligible ARPA Uses	245,200
Unrestricted	<u>779,113</u>
Total Net Position	<u>\$ 1,346,823</u>

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

TOWN OF CALAIS, VERMONT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	Program Cash Receipts				Net (Disbursements)/ Receipts and Changes in Net Position
Cash Disbursements	Charges for Services	Operating Grants/Loans and Contributions	Capital Grants/Loans and Contributions	Governmental Activities	
Functions/Programs:					
Governmental Activities:					
General Government	\$ 814,102	\$ 32,584	\$ 9,600	\$ 0	\$ (771,918)
Public Safety	354,496	982	0	0	(353,514)
Highways and Streets	870,114	0	296,209	66,667	(507,238)
Culture and Recreation	38,634	1,325	0	0	(37,309)
Community Development	364,980	0	364,980	0	0
Cemetery	82,659	21,205	0	0	(61,454)
Debt Service	168,677	0	0	0	(168,677)
Total Governmental Activities	\$ <u>2,693,662</u>	\$ <u>56,096</u>	\$ <u>670,789</u>	\$ <u>66,667</u>	<u>(1,900,110)</u>
 General Receipts:					
Property Taxes					1,567,062
Penalties and Interest on Delinquent Taxes					11,456
General State Grants					117,296
Unrestricted Investment Earnings					18,204
Other Revenues					1,358
ARPA Funds					239,851
Total General Receipts					<u>1,955,227</u>
Change in Net Position					55,117
Net Position - July 1, 2022					<u>1,291,706</u>
Net Position - June 30, 2023					\$ <u>1,346,823</u>

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

TOWN OF CALAIS, VERMONT
STATEMENT OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Highway Fund	Cemetery Fund	ARPA Fund	VCDP Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS							
Cash	\$ 1,212,587	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,212,587
Investments	5,852	0	216,565	0	0	0	222,417
Due from Other Funds	<u>0</u>	<u>0</u>	<u>17,957</u>	<u>245,200</u>	<u>0</u>	<u>466,268</u>	<u>729,425</u>
Total Assets	<u>\$ 1,218,439</u>	<u>\$ 0</u>	<u>\$ 234,522</u>	<u>\$ 245,200</u>	<u>\$ 0</u>	<u>\$ 466,268</u>	<u>\$ 2,164,429</u>
LIABILITIES							
Due to State of Vermont	\$ 763	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 763
Tax Sale Overpayment	42,938	0	0	0	0	0	42,938
Due to Other Funds	717,312	0	0	0	0	12,113	729,425
Due to Others	<u>29,072</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>29,072</u>
Total Liabilities	<u>790,085</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,113</u>	<u>802,198</u>
DEFERRED INFLOWS OF RESOURCES							
Prepaid Property Taxes	<u>15,408</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,408</u>
Total Deferred Inflows of Resources	<u>15,408</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,408</u>
FUND BALANCES							
Restricted	0	0	234,522	245,200	0	87,988	567,710
Committed	7,045	0	0	0	0	252,569	259,614
Assigned	0	0	0	0	0	125,711	125,711
Unassigned/(Deficit)	<u>405,901</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(12,113)</u>	<u>393,788</u>
Total Fund Balances	<u>412,946</u>	<u>0</u>	<u>234,522</u>	<u>245,200</u>	<u>0</u>	<u>454,155</u>	<u>1,346,823</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,218,439</u>	<u>\$ 0</u>	<u>\$ 234,522</u>	<u>\$ 245,200</u>	<u>\$ 0</u>	<u>\$ 466,268</u>	<u>\$ 2,164,429</u>

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

TOWN OF CALAIS, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Highway Fund	Cemetery Fund	ARPA Fund	VCDP Fund	Non-Major Governmental Funds	Total Governmental Funds
Cash Receipts:							
Property Taxes	\$ 809,301	\$ 757,761	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,567,062
Penalties and Interest on Delinquent Taxes	11,456	0	0	0	0	0	11,456
Intergovernmental	118,796	296,209	0	239,851	364,980	8,550	1,028,386
Charges for Services	6,230	0	21,205	0	0	0	27,435
Permits, Licenses and Fees	23,198	0	0	0	0	5,463	28,661
Investment Income	2,952	0	14,495	0	0	758	18,205
Donations	0	0	0	0	0	50	50
Other	191	667	0	0	0	0	858
Total Cash Receipts	972,124	1,054,637	35,700	239,851	364,980	14,821	2,682,113
Cash Disbursements:							
General Government	523,831	0	0	226,390	0	13,202	763,423
Public Safety	346,496	0	0	8,000	0	0	354,496
Highways and Streets	0	870,114	0	0	0	0	870,114
Culture and Recreation	38,634	0	0	0	0	0	38,634
Community Development	0	0	0	0	364,980	0	364,980
Cemetery	0	0	82,659	0	0	0	82,659
Capital Outlay:							
General Government	0	0	0	0	0	50,680	50,680
Debt Service:							
Principal	96,166	65,437	0	0	0	0	161,603
Interest	3,657	3,417	0	0	0	0	7,074
Total Cash Disbursements	1,008,784	938,968	82,659	234,390	364,980	63,882	2,693,663
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>(36,660)</u>	<u>115,669</u>	<u>(46,959)</u>	<u>5,461</u>	<u>0</u>	<u>(49,061)</u>	<u>(11,550)</u>
Other Financing Sources/(Uses):							
Issuance of Long-term Debt	0	0	0	0	0	66,667	66,667
Transfers In	0	0	62,500	0	0	123,986	186,486
Transfers Out	<u>(83,000)</u>	<u>(103,486)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(186,486)</u>
Total Other Financing Sources/(Uses)	(83,000)	(103,486)	62,500	0	0	190,653	66,667
Net Change in Fund Balances	(119,660)	12,183	15,541	5,461	0	141,592	55,117
Fund Balances/(Deficit) - July 1, 2022	532,606	(12,183)	218,981	239,739	0	312,563	1,291,706
Fund Balances - June 30, 2023	\$ 412,946	\$ 0	\$ 234,522	\$ 245,200	\$ 0	\$ 454,155	\$ 1,346,823

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

TOWN OF CALAIS, VERMONT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUND
 JUNE 30, 2023

	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 CALAIS, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Custodial Fund Education Tax Fund
<u>ADDITIONS</u>	
Education Taxes Collected for Other Governments	\$ <u>2,845,609</u>
Total Additions	<u>2,845,609</u>
<u>DEDUCTIONS</u>	
Education Taxes Distributed to Other Governments	<u>2,845,609</u>
Total Deductions	<u>2,845,609</u>
Change in Net Position	0
Net Position - July 1, 2022	<u>0</u>
Net Position - June 30, 2023	\$ <u><u>0</u></u>

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

TOWN OF CALAIS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

The Town of Calais, Vermont operates under a Selectboard form of government and provides the following services: public safety, highways and streets, culture and recreation, cemetery, health and social services, public improvements, planning and zoning and general administrative services.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note I.D., these financial statements are presented on the modified cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. 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 funds of the Town of Calais, Vermont. The reporting entity consists of the primary government; organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government 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, liabilities, deferred inflows of resources, fund equity, receipts, and disbursements. 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. 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.

TOWN OF CALAIS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government, the Town. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of activities between funds. Governmental activities generally are financed through property taxes, intergovernmental receipts, and other nonexchange transactions.

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

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.

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

The Town reports on the following major governmental funds:

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

Highway Fund – This fund accounts for the receipts, disbursements and available resources of the Highway Department.

Cemetery Fund – This fund accounts for available resources for future costs associated with the cemetery.

ARPA Fund – This fund accounts for the resources from 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.

VCDP Fund – This fund accounts for the receipts, disbursements associated with the VCDP Grant.

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.

TOWN OF CALAIS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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 within the limitations of the modified cash basis of accounting. Equity (i.e., modified cash basis net position) is segregated into restricted and unrestricted net position. Operating statements present increases (i.e., receipts) and decreases (i.e., disbursements) in modified cash basis net position.

Governmental fund financial statements are reported using the current financial resources measurement focus within the limitations of the modified cash basis of accounting. Their reported fund balances (modified cash basis fund balances) 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., receipts and other financing sources) and decreases (i.e., disbursements and other financing uses) in modified cash basis fund balances.

D. Basis of Accounting

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

The Town's policy is to prepare its financial statements generally on the basis of cash receipts and disbursements; consequently, certain revenue and related assets are recognized when received rather than when earned and certain expenditures and related liabilities are recognized when paid rather than when the obligation is incurred. The exceptions to this are that the Town records investments at market value and deposits with their insurance company for HRA benefits as assets, amounts due to the State of Vermont for dog and marriage licenses, tax sale overpayments and due to others for resources held for reclamation work under a surety agreement with a local business as liabilities and property taxes paid in advance as deferred inflows of resources. The recording of investments at market value is not in accordance with the modified cash basis of accounting which requires investments to be carried at cost.

General capital asset acquisitions are reported as expenditures. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

E. 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.

TOWN OF CALAIS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

2. Investments

The Town invests in investments as allowed by State Statute. Investments are reported at current market value.

3. 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 in 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.

4. Interfund Receivables/Payables

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

5. Deferred Inflows of Resources

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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Budgets are approved at the annual Town Meeting in March. Any budget changes require voter approval. There were no budget changes during the year. The budget presented herein is for the Town's "General Fund" only and does not include the Swim Program Fund activity this is included with the General Fund.

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2023, expenditures in the General Fund exceeded appropriations by \$126,237. These over-expenditures were funded by excess revenues and available fund balance.

For the year ended June 30, 2023, expenditures in the Highway Fund exceeded appropriations by \$119,443. These over-expenditures were funded by excess revenues.

TOWN OF CALAIS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments as of June 30, 2023 consist of the following:

Cash:		
Deposits with Financial Institutions		\$ <u>1,212,587</u>
Total Cash		1,212,587
Investments:		
Mutual Funds – Equities		<u>222,417</u>
Total Cash and Investments		<u>\$1,435,004</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 mutual funds are in the name of the Town and are not exposed to custodial credit risk. The following table reflects the custodial credit risk of the Town’s cash.

	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC Insured	\$ 250,000	\$ 250,000
Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution’s Agent	<u>962,587</u>	<u>1,010,855</u>
Total	<u>\$1,212,587</u>	<u>\$1,260,855</u>

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

Interest Rate Risk

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

TOWN OF CALAIS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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 mutual funds are open-ended and are, therefore, excluded from the credit risk analysis.

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 has no investments subject to concentration of credit risk disclosure.

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).

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

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

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

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

Description	Total	Fair Value Measurements Using:		
		Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Mutual Funds - Equities	\$ 222,417	\$ 222,417	\$ 0	\$ 0
Total	\$ 222,417	\$ 222,417	\$ 0	\$ 0

TOWN OF CALAIS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

B. Interfund Balances and Transfers

Interfund balances as of June 30, 2023 are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 0	\$717,312
Cemetery Fund	17,957	0
ARPA Fund	245,200	0
Non-Major Governmental Funds	<u>466,268</u>	<u>12,113</u>
Total	<u>\$729,425</u>	<u>\$729,425</u>

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Swim Program Fund	\$ 1,500 *	Appropriation
General Fund	Cemetery Fund	62,500	Appropriation
General Fund	Conservation Commission Fund	5,000	Appropriation
General Fund	Technology Fund	8,000	Appropriation
General Fund	Town Hall Fund	6,000	Appropriation
General Fund	Town Office Fund	1,500	Appropriation
Highway Fund	Highway Equipment Fund	<u>103,486</u>	Close Out Fund
Total		<u>\$187,986</u>	

* The transfer from the General Fund to the Swim Program Fund is netted within the General Fund as this fund is consolidated with the General Fund to comply with GASB Statement No. 54.

C. Deferred Inflows of Resources

Deferred inflows of resources consist of \$15,408 of prepaid property taxes.

D. 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.

TOWN OF CALAIS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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

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

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

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

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

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

Major Funds

Cemetery Fund:

Restricted for Cemetery Expenses by Donations (Source of Revenue is Sales of Lots and Donations)	\$234,522
--	-----------

ARPA Fund:

Restricted for Eligible Uses of the Coronavirus Local Fiscal Recovery Funding by Grant Agreement (Source of Revenue Is Grant Revenue)	<u>245,200</u>
---	----------------

Total Major Funds:	<u>479,722</u>
--------------------	----------------

Non-Major Funds

Special Revenue Funds:

Restricted for Trails Expenses by Donations (Source of Revenue is Donations)	3,464
Restricted for Records Preservation Expenses by Statutes (Source of Revenue is Restoration Fees)	<u>17,594</u>

Total Special Revenue Funds	<u>21,058</u>
-----------------------------	---------------

TOWN OF CALAIS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Capital Projects Funds:	
Restricted for Lakes & Ponds Fund Expenditures by Donations (Source of Revenue is Donations)	\$ 263
Restricted for EMFD Equipment by Debt Agreement (Source of Revenue is Debt Proceeds)	<u>66,667</u>
Total Capital Projects Funds	<u>66,930</u>
Total Non-Major Funds	<u>87,988</u>
Total Restricted Fund Balances	<u>\$567,710</u>

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

Major Funds

General Fund:	
Committed for Swim Program Expenses by the Voters	\$ <u>7,045</u>

Non-Major Funds

Special Revenue Funds:	
Committed for Conservation Commission Expenses by the Voters	<u>39,483</u>

Capital Projects Funds:	
Committed for EMFD Equipment Expenditures by the Voters	15,297
Committed for Town Hall Expenditures by the Voters	558
Committed for Town Office Expenditures by the Voters	52,171
Committed for Technology Expenditures by the Voters	20,949
Committed for Capital Roads Expenditures by the Voters	<u>124,111</u>
Total Capital Projects Funds	<u>213,086</u>
Total Non-Major Funds	<u>252,569</u>
Total Committed Fund Balances	<u>\$259,614</u>

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

Non-Major Funds

Special Revenue Funds:	
Assigned for Reappraisal Expenses	<u>\$103,348</u>

TOWN OF CALAIS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Capital Projects Funds:	
Assigned for Curtis Pond Dam Expenditures	\$ <u>22,363</u>
 Total Non-Major Funds	 <u>125,711</u>
 Total Assigned Fund Balances	 <u>\$125,711</u>

The unassigned deficit of \$10,850 in the CLG Maple Corner Grant Fund will be funded with future grant revenue.

The unassigned deficit of \$1,263 in the Hazard Mitigation Plan Grant Fund will be funded with future grant revenue.

E. Restricted Net Position

The restricted net position in the Governmental Activities includes the restricted fund balances of \$567,710.

IV. OTHER INFORMATION

A. Pension Plan

Defined Benefit Plan

Plan Description

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

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

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

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

TOWN OF CALAIS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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

As of June 30, 2022, the measurement date selected by the State of Vermont, VMERS was funded at 73.60% and had a plan fiduciary net position of \$845,979,471 and a total pension liability of \$1,149,351,427 resulting in a net position liability of \$303,371,956. As of June 30, 2023, the Town's proportionate share of this was 0.0791% resulting in a net pension liability of \$239,832. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. The Town's proportion of 0.0791% was a decrease of 0.0005 from its proportion measured as of the prior year.

Summary of System Provisions

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

Service Retirement Allowance:

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

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

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

Early Retirement Allowance:

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

TOWN OF CALAIS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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

Vested Retirement Allowance:

Eligibility – Five (5) years of service.

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

Disability Retirement Allowance:

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

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

Death Benefit:

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

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

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

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

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

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

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

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

TOWN OF CALAIS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Significant Actuarial Assumptions and Methods

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

Inflation: 2.30% per year.

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

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

Mortality:

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

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

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

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

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

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

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

TOWN OF CALAIS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Long-term Expected Rate of Return:

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

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

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

TOWN OF CALAIS, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2023

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

<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$359,378	\$239,832	\$141,501

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.

B. Commitments and Contingencies

On June 30, 2010, the Town signed a Financing and Land Use Agreement with the Town of East Montpelier, Vermont related to the land and building constructed for the East Montpelier Volunteer Fire Department, Inc. The property is owned by the Town of East Montpelier and the bond payable, with a current balance of \$840,000 is a liability of the Town of East Montpelier. The Town of Calais, which also receives its public safety coverage from the East Montpelier Volunteer Fire Department, Inc., has agreed to reimburse the Town of East Montpelier one-third of the annual bond principal and interest payments for twenty (20) years. After full payment of the bond, if either town wishes to terminate this agreement, an appraisal will be done of the property and the buy-out amount between the two parties will be two-thirds of the fair market value to the Town of East Montpelier and one-third of the fair market value to the Town of Calais. On June 24, 2013, the Town signed a Cost Allocation Agreement with the Town of East Montpelier in which all future improvements to the property will be split two-thirds by the Town of East Montpelier and one-third by the Town of Calais and must have consent from both Towns.

Future bond principal and interest reimbursements to the Town of East Montpelier are as follows:

2024	\$ 47,618
2025	46,032
2026	44,412
2027	42,758
2028	41,076
2029-2031	<u>112,892</u>
Total	<u>\$334,788</u>

The Town is a participating member in the Central Vermont Solid Waste Management District. The Town, as a member, could be required to share in any special assessments.

TOWN OF CALAIS, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2023

C. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains insurance coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this coverage in any of the past three 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.

D. Property Taxes

The Town is responsible for assessing and collecting its own property taxes as well as education taxes for the State of Vermont. The tax rate is set by the Selectboard based on the voter approved budget, the estimated grand list and the State education property tax liability. Property taxes were levied in August and were payable in two (2) installments on September 15 and November 15. The Town assesses a three percent (3%) penalty after the levy date, with a grace period of seven (7) calendar days. Interest is charged at one-half percent (½%) per month. The tax rates for 2023 are as follows:

	<u>Homestead</u>	<u>Non-Homestead</u>
Town	.7626	.7626
Local Agreements	.0073	.0073
Education	<u>1.7479</u>	<u>1.6724</u>
Total	<u>2.5178</u>	<u>2.4423</u>

E. Long-Term Debt

The Town issues general obligation bonds to provide resources for the acquisition and construction of major capital assets and to refund prior issues. General obligation bonds are direct and pledge the full faith and credit of the Town. New bonds generally are issued as 10 to 30 year bonds.

The Town has other notes payable to finance capital purchases and a General Fund deficit through the State of Vermont Municipal Equipment Loan Fund and a local bank.

TOWN OF CALAIS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

The Town enters into lease agreements as the lessee for the purpose of financing the acquisition of major pieces of equipment. These lease agreements qualify as financed purchases for accounting purposes (even though they may include clauses that allow for cancellation of the lease in the event the Town does not appropriate funds in future years) and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date of the leases.

Long-term debt activity during the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Town Office, Principal Payments of \$10,000 Payable on November 15 Annually, Interest at 4.93% Payable on May 15 and November 15, Due November, 2024	\$ 30,000	\$ 0	\$ 10,000	\$ 20,000
Note Payable, Community Bank, N.A., Town Hall Improvements, Principal Payments of \$40,000 Plus Interest Payable on June 30 Annually, Interest at 2.74%, Due and Paid June, 2023. The Town Did Not Make A Payment in 2022	80,000	0	80,000	0
Financed Purchase, Municipal Leasing Consultants, LLC, 2019 Highway Truck, Interest at 3.79%, Principal and Interest Payments of \$41,787 Payable on January 7 Annually, Due and Paid January, 2023	40,260	0	40,260	0
Note Payable, Community Bank, N.A., Technology Server Loan, Principal Payments of \$6,167 Plus Interest Payable on April 5 Annually, Interest at 3.25%, Due and Paid April, 2023	6,166	0	6,166	0
Financed Purchase, Municipal Leasing Consultants, LLC, 2019 Highway Truck, Interest at 3.39%, Principal and Interest Payments of \$21,035 Payable on September 13 Annually, Due September, 2023	40,023	0	19,678	20,345

TOWN OF CALAIS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Note Payable, Community Bank, N.A., Chipper Loan, Principal Payments of \$5,499 Plus Interest Payable on July, 28 Annually, Interest at 3.25%, Due July 28, 2024	\$ 16,496	\$ 0	\$ 5,499	\$ 10,997
Note Payable, Community Bank, N.A., EMFD Fire Truck Loan, Principal Payments of \$13,334 Plus Interest Payable on June 14 Annually, Interest at 5.18%, Due June, 2028	<u>0</u>	<u>66,667</u>	<u>0</u>	<u>66,667</u>
Total	<u>\$212,945</u>	<u>\$ 66,667</u>	<u>\$161,603</u>	<u>\$118,009</u>

Maturities are estimated to be as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 49,178	\$3,695
2025	28,832	848
2026	13,333	2,072
2027	13,333	1,381
2028	<u>13,333</u>	<u>691</u>
Total	<u>\$118,009</u>	<u>\$8,687</u>

The Town refinanced the Town Office bond. The savings is being applied to interest payments and will result in a refund of interest when the bond is paid off.

F. Subsequent Events

On February 22, 2023, the Town entered into a loan agreement with Kansas State Bank in the amount of \$176,931 for a 2024 Western Star Truck with payments beginning February 22, 2024. The Town has not yet received the vehicle.

TOWN OF CALAIS, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Receipts:			
Real Estate Taxes	\$ 809,321	\$ 809,301	\$ (20)
State Current Use	108,000	110,373	2,373
Delinquent Tax Interest	1,000	5,090	4,090
Delinquent Tax Penalty	5,000	6,366	1,366
PILOT Funds	6,700	6,923	223
Lister Equalization Income	1,000	1,000	0
Interest Earned	500	2,860	2,360
Dog Licenses	1,500	1,552	52
Liquor Licenses	140	255	115
Zoning & Curb Cut Fees	2,200	2,090	(110)
Traffic Fines	1,500	982	(518)
Marriage Licenses	50	80	30
Recording Fees	23,000	18,239	(4,761)
Green-Up Day Income	0	125	125
Cannabis Control Board Income	0	500	500
Miscellaneous Income	0	66	66
Lease of Land	200	4,905	4,705
	<u>960,111</u>	<u>970,707</u>	<u>10,596</u>
Total Cash Receipts			
Cash Disbursements:			
Selectboard:			
Selectboard Assistant	11,250	5,550	5,700
Grant Coordinator	11,250	465	10,785
Selectboard Stipend	3,565	2,600	965
Selectboard Recording Secretary	4,750	1,850	2,900
Bank/Credit Card Fees	300	245	55
Professional Fees	0	4,800	(4,800)
Legal Fees	10,000	112,950	(102,950)
Independent Audit	15,500	15,500	0
Town Website	950	660	290
Education & Training	400	141	259
Copier Lease & Maintenance	645	226	419
Mileage Reimbursement	200	762	(562)
Volunteer Appreciation	500	0	500
Miscellaneous	100	729	(629)
	<u>59,410</u>	<u>146,478</u>	<u>(87,068)</u>
Total Selectboard			
Town Clerk:			
Town Clerk Wages	46,288	48,803	(2,515)
Assistant Town Clerk Wages	22,000	34,001	(12,001)
Land Record Books	580	627	(47)
Digitizing Survey Maps	400	0	400
Vault Shelving/Map Storage	10,000	0	10,000
	<u>79,268</u>	<u>83,431</u>	<u>(4,163)</u>
Total Town Clerk			

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF CALAIS, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Town Listers:			
Listers Wages	\$ 8,000	\$ 10,471	\$ (2,471)
Tax Map Revisions	3,100	3,700	(600)
Software Licenses	1,216	584	632
Lister Education and Training	400	0	400
Listers Expenses	100	98	2
Total Town Listers	<u>12,816</u>	<u>14,853</u>	<u>(2,037)</u>
Town Treasurer:			
Town Treasurer Wages	55,037	0	55,037
Assistant Town Treasurer Wages	5,064	8,352	(3,288)
Total Town Treasurer	<u>60,101</u>	<u>8,352</u>	<u>51,749</u>
Town Audit:			
Town Auditor	4,000	0	4,000
Town Report	3,000	3,664	(664)
Total Town Audit	<u>7,000</u>	<u>3,664</u>	<u>3,336</u>
Delinquent Tax Collector:			
Delinquent Tax Collector Wages	11,000	11,192	(192)
Total Delinquent Tax Collector	<u>11,000</u>	<u>11,192</u>	<u>(192)</u>
Election Expenses:			
Election Postage	500	53	447
Election Expenses	2,500	1,340	1,160
Total Election Expenses	<u>3,000</u>	<u>1,393</u>	<u>1,607</u>
General Office Expenses:			
Contracts/NEMRC/Cott	8,440	95,440	(87,000)
IT Disaster Recovery	12,328	16,168	(3,840)
Education and Training	500	434	66
Maintenance	1,500	1,093	407
Generator Maintenance	1,000	0	1,000
Facilities Maintenance	2,500	3,147	(647)
Telephone and Internet	3,240	3,681	(441)
Advertising	500	7,172	(6,672)
Postage	3,000	507	2,493
Supplies	4,500	3,584	916
Office Equipment	2,000	1,458	542
Heat & Electric	5,180	3,208	1,972
TO Security System	600	576	24
Software Licenses	1,460	1,038	422
Town Office Reserve Fund	1,500	1,500	0
Technology Reserve Fund	8,000	8,000	0
Total General Office Expenses	<u>56,248</u>	<u>147,006</u>	<u>(90,758)</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF CALAIS, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Payroll Taxes & Benefits:			
FICA & Medicare	\$ 15,063	\$ 10,533	\$ 4,530
VMERS Retirement	7,582	4,262	3,320
Health Insurance	43,940	22,277	21,663
HRA Contribution	10,200	5,468	4,732
Dental Insurance	865	823	42
Disability Insurance	591	414	177
Total Payroll Taxes & Benefits	78,241	43,777	34,464
Taxes, Dues & Assessments:			
CVSWMD	1,607	781	826
Washington County Tax	16,935	17,204	(269)
CVRPC	2,209	2,209	0
VLCT Dues	3,179	3,179	0
CVSPAB	100	0	100
Total Taxes, Dues & Assessments	24,030	23,373	657
Zoning Administration:			
Zoning Admin Stipend	4,800	4,800	0
Zoning Assistant	2,400	0	2,400
DRB - Secretary	400	0	400
Zoning Expenses	300	511	(211)
Total Zoning Administration	7,900	5,311	2,589
Planning Commission:			
Planning Commission Assistant Wages	5,000	0	5,000
Planning Commission Education and Training	200	0	200
Planning Commission Expenses	1,000	584	416
Total Planning Commission	6,200	584	5,616
Fire & Ambulance Service:			
East Montpelier Fire Department	62,837	62,837	0
EMFD Ambulance	121,083	121,083	0
Woodbury Fire Department	35,370	35,370	0
WFD Truck Payment	17,850	17,850	0
WVFD Equip Reserve Fund	100	0	100
EMFD Truck Loan	13,667	31,000	(17,333)
Rural Fire Protection Program	31,000	0	31,000
Total Fire & Ambulance Service	281,907	268,140	13,767
Police Patrol & Public Safety:			
Constable Wages	2,000	3,063	(1,063)
Health Officer Stipend	1,000	0	1,000
Sheriff's Patrol	4,000	3,640	360
East Calais Street Lights	1,500	1,571	(71)
Total Police Patrol & Public Safety	8,500	8,274	226
Animal Control:			
Dog Expenses & CVHS	700	20,926	(20,226)
Total Animal Control	700	20,926	(20,226)

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF CALAIS, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Conservation Commission:			
Conservation Commission Secretary	\$ 600	\$ 0	\$ 600
Conservation Commission Education and Training	200	0	200
Green-Up Day	200	0	200
Conservation Commission Expenses	250	0	250
Conservation Fund Appropriation	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Total Conservation Commission	<u>6,250</u>	<u>5,000</u>	<u>1,250</u>
Swim Program:			
Swim Program Appropriation	<u>1,500</u>	<u>1,500</u>	<u>0</u>
Total Swim Program	<u>1,500</u>	<u>1,500</u>	<u>0</u>
Town Hall:			
Maintenance	1,500	434	1,066
Janitorial	1,500	0	1,500
Supplies	1,000	550	450
Utilities	3,200	4,200	(1,000)
Phone/Internet	1,500	0	1,500
Security	600	0	600
Town Hall Reserve Fund	<u>6,000</u>	<u>6,000</u>	<u>0</u>
Total Town Hall	<u>15,300</u>	<u>11,184</u>	<u>4,116</u>
Insurance:			
Building & Liability Insurance	11,484	10,312	1,172
Unemployment Insurance	439	975	(536)
Workers Compensation	<u>753</u>	<u>802</u>	<u>(49)</u>
Total Insurance	<u>12,676</u>	<u>12,089</u>	<u>587</u>
Long-term Debt:			
Town Office Bond	9,343	10,000	(657)
Town Office Bond Interest	1,259	133	1,126
EMFD Station Bond	35,000	35,000	0
EMFD Bond Interest	14,156	14,156	0
Town Hall Renovation Loan	40,000	80,000	(40,000)
Town Hall Renovation Interest	1,096	3,231	(2,135)
Deficit Loan Interest	0	114	(114)
Server Loan Principal	6,167	6,166	1
Server Loan Interest	<u>201</u>	<u>179</u>	<u>22</u>
Total Long-term Debt	<u>107,222</u>	<u>148,979</u>	<u>(41,757)</u>
Social Service Appropriations:			
Circle	700	700	0
Calais Community Connections	1,000	1,000	0
CV Adult Basic Education	1,000	1,000	0
CV Council on Aging	1,400	1,400	0
CV Economic Development Council	500	500	0
CV Home Health & Hospice	4,150	4,150	0
CV Memorial Civic Center	800	800	0
Friends of Winooski River	300	300	0
Family Center of Washington County	500	500	0
Good Beginnings of Central VT	300	300	0
Green Mountain Transit Agency	859	859	0

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF CALAIS, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Social Service Appropriations/(Cont'd):			
Greenup	\$ 100	\$ 100	\$ 0
Kellogg-Hubbard Library	29,898	29,898	0
Montpelier Senior Center	4,900	4,900	0
Old West Church Association	200	200	0
Peoples Health & Wellness Clinic	1,500	1,500	0
Mosaic Vermont, Inc.	200	200	0
Twin Valley Senior Center	3,000	3,000	0
VT Association for the Blind	650	650	0
VT Center for Independent Living	800	800	0
Washington County Diversion Program	300	300	0
Washington County Youth Service	500	500	0
Woodbury/Calais Foodshelf	210	210	0
Rural Community Transport	1,400	1,400	0
Friends of Calais Town Hall	975	975	0
Good Samaritan Haven	1,500	1,500	0
Washington County Mental Health	200	200	0
Community Harvest	250	250	0
OUR House CVT	250	250	0
	<u>58,342</u>	<u>58,342</u>	<u>0</u>
Total Social Service Appropriations			
Other Warned Articles/Appropriations:			
Transfer to Cemetery Fund	42,500	42,500	0
Transfer to Cemetery Fund - Cemetery Fencing	20,000	20,000	0
	<u>62,500</u>	<u>62,500</u>	<u>0</u>
Total Other Warned Articles/Appropriations			
Total Cash Disbursements	<u>960,111</u>	<u>1,086,348</u>	<u>(126,237)</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>\$ 0</u>	<u>(115,641)</u>	<u>\$ (115,641)</u>
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Cash Basis of Accounting:			
Swim Program Fund Income		1,417	
Swim Program Fund Expenses		(6,936)	
Swim Program Fund Transfers In		1,500	
		<u>(119,660)</u>	
Net Change in Fund Balance		(119,660)	
Fund Balance - July 1, 2022		<u>532,606</u>	
Fund Balance - June 30, 2023		<u>\$ 412,946</u>	

The reconciling items are due to combining one (1) fund, the Swim Program Fund, with the General Fund in order to comply with GASB Statement No. 54.

TOWN OF CALAIS, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Receipts:			
Real Estate Taxes	\$ 757,761	\$ 757,761	\$ 0
State Aid	165,000	170,045	5,045
Miscellaneous Income	0	667	667
George Road Grant Income	250	0	(250)
Better Back Roads Grant Income	0	14,743	14,743
Grants-in-Aid Grant Income	0	2,332	2,332
Moscow Woods Grant Income	0	60,228	60,228
Lighten Ridge Grant Income	0	48,861	48,861
Total Cash Receipts	923,011	1,054,637	131,626
Cash Disbursements:			
General Highway:			
Wages	190,365	200,475	(10,110)
Road Commissioner	70,160	25,177	44,983
Temporary	30,711	39,482	(8,771)
Public Works Director	0	4,001	(4,001)
Operation Mngr Wages	20,000	7,316	12,684
FICA	23,810	20,643	3,167
VMERS Retirement	12,849	13,010	(161)
VMERS Ret Director	0	1,657	(1,657)
VMERS Retirement Rd. Comm.	4,736	260	4,476
Health Insurance	54,066	28,469	25,597
Health/Life Insurance - Road Commissioner	11,118	3,357	7,761
Education & Training	500	180	320
Uniforms	5,500	7,922	(2,422)
MRGP Fees	1,590	1,765	(175)
Total General Highway	425,405	353,714	71,691
Road Maintenance:			
Equipment Hired	10,000	1,224	8,776
Roadside Mowing	1,000	2,154	(1,154)
Miscellaneous	5,000	389	4,611
Gravel	80,000	92,435	(12,435)
Sand	65,000	40,736	24,264
Bridges & Culverts	8,000	3,393	4,607
Pavement Seal Crack	15,000	14,400	600
Erosion Stone	4,000	700	3,300
Road Salt	18,000	20,837	(2,837)
Magic Salt	1,000	0	1,000
Chloride	15,000	27,318	(12,318)
Road Signs	3,000	55,197	(52,197)
Guard Rails	1,500	0	1,500
Total Road Maintenance	226,500	258,783	(32,283)
Vehicle/Equipment Maintenance:			
Vehicle/Equipment Repair	45,000	85,965	(40,965)
Gas, Oil, Diesel	45,000	62,188	(17,188)
Total Vehicle/Equipment Maintenance	90,000	148,153	(58,153)

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF CALAIS, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Town Garage:			
Trash Removal	\$ 500	\$ 0	\$ 500
Tire Recycle	150	1,323	(1,173)
Garage Maintenance	2,000	4,578	(2,578)
Security	0	385	(385)
Computer Expenses	500	0	500
Communications	4,000	3,794	206
Radios & Paging	750	229	521
Supplies	1,000	921	79
Welding & Shop Supplies	4,000	20,553	(16,553)
Utilities	<u>3,000</u>	<u>2,468</u>	<u>532</u>
Total Town Garage	<u>15,900</u>	<u>34,251</u>	<u>(18,351)</u>
Insurance:			
Liability Insurance	12,301	10,336	1,965
Unemployment Insurance	835	240	595
Workers Compensation	<u>18,213</u>	<u>14,913</u>	<u>3,300</u>
Total Insurance	<u>31,349</u>	<u>25,489</u>	<u>5,860</u>
H.W. Grant Expenses			
Luce Road Grant Expenses	0	15,225	(15,225)
Kent Hill Grant Expenses	0	8,289	(8,289)
Better Back Roads Grant Expenses	0	2,483	(2,483)
Moscow Woods Grant Expenses	<u>0</u>	<u>23,727</u>	<u>(23,727)</u>
Total H.W. Grant Expenses	<u>0</u>	<u>49,724</u>	<u>(49,724)</u>
Capital Expenses:			
2017 West Star - #1842 Principal	19,678	19,678	0
2017 West Star - #1842 Interest	1,357	1,357	0
14 Volvo Exvtr - #8014 Principal	5,499	5,499	0
14 Volvo Exvtr - #8014 Interest	536	533	3
2019 International - Principal	40,261	40,261	0
2019 International - Interest	1,526	1,526	0
Wood Chipper - Principal	42,000	0	42,000
Wood Chipper - Interest	<u>3,000</u>	<u>0</u>	<u>3,000</u>
Total Capital Expenses	<u>113,857</u>	<u>68,854</u>	<u>45,003</u>
Transfer to Highway Equipment Fund:	<u>20,000</u>	<u>103,486</u>	<u>(83,486)</u>
Total Cash Disbursements	<u>923,011</u>	<u>1,042,454</u>	<u>(119,443)</u>
Excess of Cash Receipts Over Cash Disbursements	\$ <u>0</u>	12,183	\$ <u>12,183</u>
Fund Balance - July 1, 2022		<u>(12,183)</u>	
Fund Balance - June 30, 2023		<u>\$ 0</u>	

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF CALAIS, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS
 ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2023

	Special Revenue Funds	Capital Projects Funds	Total
<u>ASSETS</u>			
Due from Other Funds	\$ <u>163,889</u>	\$ <u>302,379</u>	\$ <u>466,268</u>
Total Assets	\$ <u><u>163,889</u></u>	\$ <u><u>302,379</u></u>	\$ <u><u>466,268</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Due to Other Funds	\$ <u>12,113</u>	<u>0</u>	\$ <u>12,113</u>
Total Liabilities	<u>12,113</u>	<u>0</u>	<u>12,113</u>
Fund Balances:			
Restricted	21,058	66,930	87,988
Committed	39,483	213,086	252,569
Assigned	103,348	22,363	125,711
Unassigned/(Deficit)	<u>(12,113)</u>	<u>0</u>	<u>(12,113)</u>
Total Fund Balances	<u>151,776</u>	<u>302,379</u>	<u>454,155</u>
Total Liabilities and Fund Balances	\$ <u><u>163,889</u></u>	\$ <u><u>302,379</u></u>	\$ <u><u>466,268</u></u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF CALAIS, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND
 CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds	Capital Projects Funds	Total
Cash Receipts:			
Intergovernmental	\$ 8,550	\$ 0	\$ 8,550
Permits, Licenses and Fees	5,463	0	5,463
Interest	347	411	758
Donations	<u>50</u>	<u>0</u>	<u>50</u>
Total Cash Receipts	<u>14,410</u>	<u>411</u>	<u>14,821</u>
Cash Disbursements:			
General Government	13,202	0	13,202
Capital Outlay:			
General Government	<u>0</u>	<u>50,680</u>	<u>50,680</u>
Total Cash Disbursements	<u>13,202</u>	<u>50,680</u>	<u>63,882</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>1,208</u>	<u>(50,269)</u>	<u>(49,061)</u>
Other Financing Sources:			
Issuance of Long-term Debt	0	66,667	66,667
Transfers In	<u>5,000</u>	<u>118,986</u>	<u>123,986</u>
Total Other Financing Sources	<u>5,000</u>	<u>185,653</u>	<u>190,653</u>
Net Change in Fund Balances	6,208	135,384	141,592
Fund Balances - July 1, 2022	<u>145,568</u>	<u>166,995</u>	<u>312,563</u>
Fund Balances - June 30, 2023	<u>\$ 151,776</u>	<u>\$ 302,379</u>	<u>\$ 454,155</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF CALAIS, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS
 ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2023

	Reappraisal Fund	Conservation Commission Fund	Trails Fund	Record Preservation Fund	CLG Maple Corner Grant Fund	Hazard Mitigation Plan Grant Fund	Total
<u>ASSETS</u>							
Due from Other Funds	\$ 103,348	\$ 39,483	\$ 3,464	\$ 17,594	\$ 0	\$ 0	\$ 163,889
Total Assets	<u>\$ 103,348</u>	<u>\$ 39,483</u>	<u>\$ 3,464</u>	<u>\$ 17,594</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 163,889</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,850	\$ 1,263	\$ 12,113
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,850</u>	<u>1,263</u>	<u>12,113</u>
Fund Balances/(Deficit):							
Restricted	0	0	3,464	17,594	0	0	21,058
Committed	0	39,483	0	0	0	0	39,483
Assigned	103,348	0	0	0	0	0	103,348
Unassigned/(Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(10,850)</u>	<u>(1,263)</u>	<u>(12,113)</u>
Total Fund Balances/(Deficit)	<u>103,348</u>	<u>39,483</u>	<u>3,464</u>	<u>17,594</u>	<u>(10,850)</u>	<u>(1,263)</u>	<u>151,776</u>
Total Liabilities and Fund Balances	<u>\$ 103,348</u>	<u>\$ 39,483</u>	<u>\$ 3,464</u>	<u>\$ 17,594</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 163,889</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF CALAIS, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND
 CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Reappraisal Fund	Conservation Commission Fund	Trails Fund	Record Preservation Fund	CLG Maple Corner Grant Fund	Hazard Mitigation Plan Grant Fund	Total
Cash Receipts:							
Intergovernmental	\$ 8,500	\$ 0	\$ 0	\$ 50	\$ 0	\$ 0	\$ 8,550
Permits, Licenses and Fees	0	0	0	5,463	0	0	5,463
Interest	244	94	9	0	0	0	347
Donations	0	0	50	0	0	0	50
Total Cash Receipts	<u>8,744</u>	<u>94</u>	<u>59</u>	<u>5,513</u>	<u>0</u>	<u>0</u>	<u>14,410</u>
Cash Disbursements:							
General Government	0	589	135	8,510	2,768	1,200	13,202
Total Cash Disbursements	<u>0</u>	<u>589</u>	<u>135</u>	<u>8,510</u>	<u>2,768</u>	<u>1,200</u>	<u>13,202</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>8,744</u>	<u>(495)</u>	<u>(76)</u>	<u>(2,997)</u>	<u>(2,768)</u>	<u>(1,200)</u>	<u>1,208</u>
Other Financing Sources:							
Transfers In	0	5,000	0	0	0	0	5,000
Total Other Financing Sources	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000</u>
Net Change in Fund Balances	8,744	4,505	(76)	(2,997)	(2,768)	(1,200)	6,208
Fund Balances/(Deficit) - July 1, 2022	<u>94,604</u>	<u>34,978</u>	<u>3,540</u>	<u>20,591</u>	<u>(8,082)</u>	<u>(63)</u>	<u>145,568</u>
Fund Balances/(Deficit) - June 30, 2023	<u>\$ 103,348</u>	<u>\$ 39,483</u>	<u>\$ 3,464</u>	<u>\$ 17,594</u>	<u>\$ (10,850)</u>	<u>\$ (1,263)</u>	<u>\$ 151,776</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF CALAIS, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS
 ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2023

	Lakes & Ponds Fund	Curtis Pond Dam Fund	EMFD Equipment Fund	Town Hall Fund	Town Office Fund	Technology Fund	Highway Equipment Fund	Total
<u>ASSETS</u>								
Due from Other Funds	\$ 263	\$ 22,363	\$ 81,964	\$ 558	\$ 52,171	\$ 20,949	\$ 124,111	\$ 302,379
Total Assets	<u>\$ 263</u>	<u>\$ 22,363</u>	<u>\$ 81,964</u>	<u>\$ 558</u>	<u>\$ 52,171</u>	<u>\$ 20,949</u>	<u>\$ 124,111</u>	<u>\$ 302,379</u>
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:								
Restricted	263	0	66,667	0	0	0	0	66,930
Committed	0	0	15,297	558	52,171	20,949	124,111	213,086
Assigned	0	22,363	0	0	0	0	0	22,363
Total Fund Balances	<u>263</u>	<u>22,363</u>	<u>81,964</u>	<u>558</u>	<u>52,171</u>	<u>20,949</u>	<u>124,111</u>	<u>302,379</u>
Total Liabilities and Fund Balances	<u>\$ 263</u>	<u>\$ 22,363</u>	<u>\$ 81,964</u>	<u>\$ 558</u>	<u>\$ 52,171</u>	<u>\$ 20,949</u>	<u>\$ 124,111</u>	<u>\$ 302,379</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF CALAIS, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND
 CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 NON-MAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Lakes & Ponds Fund	Curtis Pond Dam Fund	EMFD Equipment Fund	Town Hall Fund	Town Office Fund	Technology Fund	Highway Equipment Fund	Total
Cash Receipts:								
Investment Income	\$ 1	\$ 93	\$ 52	\$ 8	\$ 132	\$ 44	\$ 81	\$ 411
Total Cash Receipts	<u>1</u>	<u>93</u>	<u>52</u>	<u>8</u>	<u>132</u>	<u>44</u>	<u>81</u>	<u>411</u>
Cash Disbursements:								
Capital Outlay:								
General Government	<u>0</u>	<u>33,369</u>	<u>0</u>	<u>10,450</u>	<u>6,861</u>	<u>0</u>	<u>0</u>	<u>50,680</u>
Total Cash Disbursements	<u>0</u>	<u>33,369</u>	<u>0</u>	<u>10,450</u>	<u>6,861</u>	<u>0</u>	<u>0</u>	<u>50,680</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>1</u>	<u>(33,276)</u>	<u>52</u>	<u>(10,442)</u>	<u>(6,729)</u>	<u>44</u>	<u>81</u>	<u>(50,269)</u>
Other Financing Sources:								
Issuance of Long-term Debt	<u>0</u>	<u>0</u>	<u>66,667</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>66,667</u>
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,000</u>	<u>1,500</u>	<u>8,000</u>	<u>103,486</u>	<u>118,986</u>
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>66,667</u>	<u>6,000</u>	<u>1,500</u>	<u>8,000</u>	<u>103,486</u>	<u>185,653</u>
Net Change in Fund Balances	1	(33,276)	66,719	(4,442)	(5,229)	8,044	103,567	135,384
Fund Balances - July 1, 2022	<u>262</u>	<u>55,639</u>	<u>15,245</u>	<u>5,000</u>	<u>57,400</u>	<u>12,905</u>	<u>20,544</u>	<u>166,995</u>
Fund Balances - June 30, 2023	<u>\$ 263</u>	<u>\$ 22,363</u>	<u>\$ 81,964</u>	<u>\$ 558</u>	<u>\$ 52,171</u>	<u>\$ 20,949</u>	<u>\$ 124,111</u>	<u>\$ 302,379</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
Jordon 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 Calais, Vermont
3120 Pekin Brook Road
East Calais, Vermont 05650

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 Calais, Vermont, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Calais, Vermont’s basic financial statements, and have issued our report thereon dated November 27, 2023. Our opinion on the governmental activities and the Cemetery Fund is qualified because of the recording of investments at market value rather than cost and the inability to determine the amounts of nonspendable, restricted, committed or assigned fund balance in the Cemetery Fund.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Calais, Vermont’s internal control over financial reporting (internal control) as a basis for designing the 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 Calais, Vermont’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Calais, Vermont’s internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Sullivan, Powers & Co.

November 27, 2023
Montpelier, Vermont
VT Lic. #92-000180