

TOWN OF BETHEL, VERMONT

**AUDIT REPORT AND REPORTS ON
COMPLIANCE AND INTERNAL CONTROL**

JUNE 30, 2024

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AUDIT REPORT
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Independent Auditor's Report

Board of Selectmen
Town of Bethel, Vermont
134 South Main Street
Bethel, Vermont 05032

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Bethel, Vermont, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Bethel, Vermont and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principles

As described in Note I.F. to the financial statements, 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 Bethel, Vermont's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Bethel, 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 Bethel, 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. 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 Schedule 1, the Schedule of Proportionate Share of the Net Pension Liability on Schedule 2 and the Schedule of Contributions on Schedule 3 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.

Supplemental Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Bethel, 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 March 25, 2025 on our consideration of the Town of Bethel, Vermont's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Bethel, 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 Bethel, Vermont's internal control over financial reporting and compliance.

Sullivan, Powers & Co.

March 25, 2025
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF BETHEL, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash	\$ 2,344,365	\$ 10,389	\$ 2,354,754
Investments	384,935	12,718	397,653
Receivables (Net of Allowance for Uncollectibles)	1,595,773	12,614	1,608,387
Lease Receivable	68,675	0	68,675
Internal Balances	41,579	(41,579)	0
Prepaid Expenses	37,192	0	37,192
Capital Assets:			
Land	326,708	7,100	333,808
Construction in Progress	209,968	1,507,349	1,717,317
Other Capital Assets, (Net of Accumulated Depreciation)	16,949,475	4,732,182	21,681,657
Total Assets	<u>21,958,670</u>	<u>6,240,773</u>	<u>28,199,443</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VSERS	<u>251,860</u>	<u>50,757</u>	<u>302,617</u>
Total Deferred Outflows of Resources	<u>251,860</u>	<u>50,757</u>	<u>302,617</u>
<u>LIABILITIES</u>			
Accounts Payable	170,837	324,048	494,885
Accrued Payroll and Benefits Payable	25,024	3,666	28,690
Unearned Revenue	12,200	0	12,200
Accrued Interest Payable	29,212	2,827	32,039
Noncurrent Liabilities:			
Due within One Year	119,694	41,441	161,135
Due in More than One Year	2,329,032	1,552,142	3,881,174
Total Liabilities	<u>2,685,999</u>	<u>1,924,124</u>	<u>4,610,123</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Prepaid Property Taxes	15,941	0	15,941
Lease Receivable	66,009	0	66,009
Deferred Inflows of Resources Related to the Town's Participation in VSERS	<u>238,957</u>	<u>48,147</u>	<u>287,104</u>
Total Deferred Inflows of Resources	<u>320,907</u>	<u>48,147</u>	<u>369,054</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	15,678,909	4,783,563	20,462,472
Restricted:			
Trustees of Public Funds	365,312	0	365,312
Revolving Loans	405,077	0	405,077
Other Purposes	111,792	0	111,792
Unrestricted/(Deficit)	<u>2,642,534</u>	<u>(464,304)</u>	<u>2,178,230</u>
Total Net Position	<u>\$ 19,203,624</u>	<u>\$ 4,319,259</u>	<u>\$ 23,522,883</u>

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

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

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Primary Government:							
Governmental Activities:							
General Government	\$ 679,298	\$ 34,313	\$ 23,432	\$ 0	\$ (621,553)	\$ 0	\$ (621,553)
Public Safety	379,404	2,576	0	0	(376,828)	0	(376,828)
Public Works	2,869,533	485	1,604,176	1,009,503	(255,369)	0	(255,369)
Culture and Recreation	242,756	13,360	26,400	0	(202,996)	0	(202,996)
Community Development	0	567	0	0	567	0	567
Cemetery	3,135	3,716	0	0	581	0	581
Sanitation	26,163	0	0	0	(26,163)	0	(26,163)
Interest on Long-term Debt	67,892	0	0	0	(67,892)	0	(67,892)
Total Governmental Activities	4,268,181	55,017	1,654,008	1,009,503	(1,549,653)	0	(1,549,653)
Business-type Activities:							
Water	217,256	254,068	0	424,120	0	460,932	460,932
Sewer	305,048	272,918	0	0	0	(32,130)	(32,130)
Total Business-type Activities	522,304	526,986	0	424,120	0	428,802	428,802
Total Primary Government	\$ 4,790,485	\$ 582,003	\$ 1,654,008	\$ 1,433,623	(1,549,653)	428,802	(1,120,851)
General Revenues:							
Property Taxes					2,440,836	0	2,440,836
Penalties and Interest on Delinquent Taxes					32,268	0	32,268
General State Grants					152,384	0	152,384
Unrestricted Investment Earnings					35,201	251	35,452
Insurance Proceeds					3,280	10,516	13,796
Donations					15,030	0	15,030
Other Revenues					3,576	116	3,692
Gain on Disposal of Asset Resulting from Insurance					136,162	0	136,162
Total General Revenues					2,818,737	10,883	2,829,620
Change in Net Position					1,269,084	439,685	1,708,769
Net Position - July 1, 2023					17,934,540	3,879,574	21,814,114
Net Position - June 30, 2024					\$ 19,203,624	\$ 4,319,259	\$ 23,522,883

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

TOWN OF BETHEL, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	FEMA Fund	Campbrook/Federal Highway Fund	Capital Roads Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 1,660,163	\$ 0	\$ 0	\$ 0	\$ 684,202	\$ 2,344,365
Investments	0	0	0	0	384,935	384,935
Receivables (Net of Allowance for Uncollectibles)	254,750	1,289,198	0	0	51,825	1,595,773
Lease Receivable	68,675	0	0	0	0	68,675
Due from Other Funds	491,627	0	0	328,286	712,410	1,532,323
Prepaid Items	37,192	0	0	0	0	37,192
Total Assets	\$ 2,512,407	\$ 1,289,198	\$ 0	\$ 328,286	\$ 1,833,372	\$ 5,963,263
LIABILITIES						
Accounts Payable	\$ 130,621	\$ 5,873	\$ 0	\$ 30,879	\$ 3,464	\$ 170,837
Accrued Payroll and Benefits Payable	25,024	0	0	0	0	25,024
Due to Other Funds	0	1,379,222	0	0	111,522	1,490,744
Unearned Revenue	0	0	0	0	12,200	12,200
Total Liabilities	155,645	1,385,095	0	30,879	127,186	1,698,805
DEFERRED INFLOWS OF RESOURCES						
Prepaid Property Taxes	15,941	0	0	0	0	15,941
Lease Receivable	66,009	0	0	0	0	66,009
Unavailable Property Taxes, Penalties, and Interest	71,000	0	0	0	0	71,000
Unavailable Grants	0	594,302	0	0	51,825	646,127
Unavailable Receivable from the Town of Royalton	163,678	0	0	0	0	163,678
Total Deferred Inflows of Resources	316,628	594,302	0	0	51,825	962,755
FUND BALANCES/(DEFICIT)						
Nonspendable	39,858	0	0	0	317,391	357,249
Restricted	25,168	0	0	0	539,622	564,790
Committed	9,475	0	0	297,407	673,507	980,389
Assigned	0	0	0	0	187,980	187,980
Unassigned/(Deficit)	1,965,633	(690,199)	0	0	(64,139)	1,211,295
Total Fund Balances/(Deficit)	2,040,134	(690,199)	0	297,407	1,654,361	3,301,703
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,512,407	\$ 1,289,198	\$ 0	\$ 328,286	\$ 1,833,372	
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.						17,486,151
Other Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds.						880,805
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.						(2,477,938)
Deferred Outflows and Inflows of Resources related to the Town's Participation in VSERS are applicable to Future Periods and, Therefore, are not Reported in the Funds.						12,903
Net Position of Governmental Activities						<u>\$ 19,203,624</u>

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

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

	General Fund	FEMA Fund	Campbrook/Federal Highway Fund	Capital Roads Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:						
Property Taxes	\$ 2,443,837	\$ 0	\$ 0	0	\$ 0	\$ 2,443,837
Penalties and Interest on Delinquent Taxes	32,268	0	0	0	0	32,268
Intergovernmental	323,983	900,739	753,832	432,047	177,884	2,588,485
Charges for Services	36,724	0	0	0	0	36,724
Permits, Licenses and Fees	37,615	0	0	0	0	37,615
Fines and Forfeits	2,576	0	0	0	0	2,576
Loan Repayments	0	0	0	0	14,067	14,067
Loan Interest Income	0	0	0	0	567	567
Investment Income	1,066	0	0	0	34,135	35,201
Donations	0	0	0	0	15,030	15,030
Other	5,148	0	0	0	0	5,148
Total Revenues	2,883,217	900,739	753,832	432,047	241,683	5,211,518
Expenditures:						
General Government	610,593	0	0	0	67,045	677,638
Public Safety	309,102	0	0	0	8,834	317,936
Public Works	907,601	1,435,284	0	19,543	0	2,362,428
Culture and Recreation	150,573	0	0	0	60,459	211,032
Sanitation	26,163	0	0	0	0	26,163
Cemeteries	3,135	0	0	0	0	3,135
Capital Outlay:						
Public Safety	0	0	0	0	234,000	234,000
Public Works	0	81,189	753,832	753,493	140,644	1,729,158
Culture and Recreation	7,200	0	0	0	151,880	159,080
Debt Service:						
Principal	117,746	0	0	0	0	117,746
Interest	61,934	0	0	0	0	61,934
Total Expenditures	2,194,047	1,516,473	753,832	773,036	662,862	5,900,250
Excess/(Deficiency) of Revenues Over Expenditures	689,170	(615,734)	0	(340,989)	(421,179)	(688,732)
Other Financing Sources/(Uses):						
Proceeds from Sale of Transfer Station	54,559	0	0	0	0	54,559
Insurance Proceeds	3,280	0	0	0	290,239	293,519
Transfers In	0	44,400	0	190,931	297,790	533,121
Transfers Out	(533,121)	0	0	0	0	(533,121)
Total Other Financing Sources/(Uses)	(475,282)	44,400	0	190,931	588,029	348,078
Net Change in Fund Balances	213,888	(571,334)	0	(150,058)	166,850	(340,654)
Fund Balances - July 1, 2023, As Previously Presented	1,826,246	(118,865)	0	0	1,934,976	3,642,357
Change within Financial Reporting Entity (Non-Major to Major)	0	0	0	447,465	(447,465)	0
Fund Balances/(Deficit) - July 1, 2023, As Adjusted	1,826,246	(118,865)	0	447,465	1,487,511	3,642,357
Fund Balances/(Deficit) - June 30, 2024	\$ 2,040,134	\$ (690,199)	\$ 0	297,407	\$ 1,654,361	\$ 3,301,703

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

TOWN OF BETHEL, 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)	\$	(340,654)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$2,122,238) is allocated over their estimated useful lives and reported as depreciation expense (\$650,345). This is the amount by which capital outlays exceeded depreciation in the current period.		1,471,893
The net effect of various transactions involving capital assets (i.e., sales and losses on disposal of net assets) is to decrease net position.		(154,077)
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 (\$117,746) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		117,746
The issuance of loans receivable (\$-0-) consumes current financial resources of governmental funds, while the repayment of the principal of loans receivable (\$14,067) provides current financial resources to governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of loans receivable.		(14,067)
Governmental funds report employer pension contributions as expenditures (\$88,435). However, in the statement of activities, the cost of pension benefits earned net of employee contributions (\$60,277) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.		28,158
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		162,240
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.		<u>(2,155)</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>1,269,084</u></u>

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

TOWN OF BETHEL, VERMONT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Water Fund	Sewer Fund	Total
Current Assets:			
Cash	\$ 0	\$ 10,389	\$ 10,389
Investments	0	12,718	12,718
Receivables (Net of Allowance for Uncollectibles)	7,536	5,078	12,614
Due From Other Funds	0	33,749	33,749
Total Current Assets	7,536	61,934	69,470
Noncurrent Assets:			
Capital Assets:			
Land	0	7,100	7,100
Construction in Progress	1,507,349	0	1,507,349
Water and Sewer Systems	4,754,436	3,220,625	7,975,061
Less: Accumulated Depreciation	(1,292,458)	(1,950,421)	(3,242,879)
Total Noncurrent Assets	4,969,327	1,277,304	6,246,631
Total Assets	4,976,863	1,339,238	6,316,101
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VSERS	12,684	38,073	50,757
Total Deferred Outflows of Resources	12,684	38,073	50,757
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	320,059	3,989	324,048
Accrued Payroll and Benefits Payable	1,210	2,456	3,666
Due to Other Funds	75,328	0	75,328
Accrued Interest Payable	2,827	0	2,827
General Obligation Bonds Payable - Current Portion	41,441	0	41,441
Total Current Liabilities	440,865	6,445	447,310
Noncurrent Liabilities:			
Compensated Absences Payable	1,204	3,611	4,815
Net Pension Liability	31,406	94,294	125,700
General Obligation Bonds Payable - Noncurrent Portion	1,421,627	0	1,421,627
Total Noncurrent Liabilities	1,454,237	97,905	1,552,142
Total Liabilities	1,895,102	104,350	1,999,452
Deferred Inflows of Resources Related to the Town's Participation in VSERS	12,029	36,118	48,147
Total Deferred Inflows of Resources	12,029	36,118	48,147
<u>NET POSITION</u>			
Net Investment in Capital Assets	3,506,259	1,277,304	4,783,563
Unrestricted/(Deficit)	(423,843)	(40,461)	(464,304)
Total Net Position	\$ 3,082,416	\$ 1,236,843	\$ 4,319,259

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

TOWN OF BETHEL, VERMONT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	\$ 249,604	\$ 269,475	\$ 519,079
Interest and Penalties	4,464	3,443	7,907
Other	116	0	116
Total Operating Revenues	<u>254,184</u>	<u>272,918</u>	<u>527,102</u>
Operating Expenses:			
Payroll and Benefits	51,761	127,311	179,072
Administrative Services	9,200	7,227	16,427
Training and Certification	400	1,031	1,431
Supplies	1,602	3,393	4,995
Insurances	2,335	4,792	7,127
Professional Services	11,124	0	11,124
Utilities	18,329	28,027	46,356
Repairs and Maintenance	14,115	33,182	47,297
Chemicals	798	0	798
Permits and Testing	5,248	10,706	15,954
Sludge Disposal	0	16,650	16,650
Depreciation	93,684	72,478	166,162
Other Operating Expenses	1,220	251	1,471
Total Operating Expenses	<u>209,816</u>	<u>305,048</u>	<u>514,864</u>
Operating Income/(Loss)	<u>44,368</u>	<u>(32,130)</u>	<u>12,238</u>
Non-Operating Revenues/(Expenses):			
Investment Income	0	251	251
Interest Expense	(7,440)	0	(7,440)
Insurance Reimbursement	0	10,516	10,516
Total Non-Operating Revenues/(Expenses)	<u>(7,440)</u>	<u>10,767</u>	<u>3,327</u>
Net Income Before Capital Contributions	<u>36,928</u>	<u>(21,363)</u>	<u>15,565</u>
Capital Contributions	<u>424,120</u>	<u>0</u>	<u>424,120</u>
Total Capital Contributions	<u>424,120</u>	<u>0</u>	<u>424,120</u>
Change in Net Position	461,048	(21,363)	439,685
Net Position - July 1, 2023	<u>2,621,368</u>	<u>1,258,206</u>	<u>3,879,574</u>
Net Position - June 30, 2024	<u>\$ 3,082,416</u>	<u>\$ 1,236,843</u>	<u>\$ 4,319,259</u>

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

TOWN OF BETHEL, VERMONT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 272,661	\$ 285,414	\$ 558,075
Payments for Goods and Services	(56,858)	(103,891)	(160,749)
Payments for Interfund Services	(9,200)	(7,227)	(16,427)
Payments for Wages and Benefits	(47,768)	(115,550)	(163,318)
Net Cash Provided by Operating Activities	<u>158,835</u>	<u>58,746</u>	<u>217,581</u>
Cash Flows From Noncapital Financing Activities:			
(Increase)/Decrease in Due from Other Funds	90,030	(33,749)	56,281
Increase/(Decrease) in Due to Other Funds	75,328	(10,754)	64,574
Insurance Proceeds	<u>0</u>	<u>10,516</u>	<u>10,516</u>
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>165,358</u>	<u>(33,987)</u>	<u>131,371</u>
Cash Flows From Capital and Related Financing Activities:			
Proceeds from Long-term Debt	772,210	0	772,210
Acquisition and Construction of Capital Assets	(1,042,660)	(16,478)	(1,059,138)
Principal Paid on Long-term Debt	(47,374)	(7,753)	(55,127)
Interest Paid on Long-term Debt	(6,369)	(529)	(6,898)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(324,193)</u>	<u>(24,760)</u>	<u>(348,953)</u>
Cash Flows From Investing Activities:			
Receipt of Interest and Dividends	0	251	251
Net (Increase)/Decrease in Investments	<u>0</u>	<u>(25)</u>	<u>(25)</u>
Net Cash Provided by Investing Activities	<u>0</u>	<u>226</u>	<u>226</u>
Net Increase in Cash	0	225	225
Cash - July 1, 2023	<u>0</u>	<u>10,164</u>	<u>10,164</u>
Cash - June 30, 2024	<u>\$ 0</u>	<u>\$ 10,389</u>	<u>\$ 10,389</u>
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating Income/(Loss)	\$ 44,368	\$ (32,130)	\$ 12,238
Depreciation	93,684	72,478	166,162
(Increase)/Decrease in Receivables	18,499	15,561	34,060
(Increase)/Decrease in Prepaid Expenses	607	1,823	2,430
(Increase)/Decrease in Deferred Outflows of Resources Related to the Town's Participation in VSERS	894	2,662	3,556
Increase/(Decrease) in Accounts Payable	(2,294)	(7,682)	(9,976)
Increase/(Decrease) in Accrued Payroll and Benefits Payable	124	69	193
Increase/(Decrease) in Unearned Revenue	(22)	(3,065)	(3,087)
Increase/(Decrease) in Compensated Absences Payable	245	734	979
Increase/(Decrease) in Net Pension Liability	3,181	9,619	12,800
Increase/(Decrease) in Deferred Inflows of Resources Related to the Town's Participation in VSERS	(451)	(1,323)	(1,774)
Net Cash Provided by Operating Activities	<u>\$ 158,835</u>	<u>\$ 58,746</u>	<u>\$ 217,581</u>

There was \$316,927 of capital acquisitions in the Water Fund included in accounts payable at June 30, 2024.

The Water Fund recognized a forgiveness of debt from the State of Vermont in the amount of \$424,120.

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

TOWN OF BETHEL, 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 BETHEL, 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>2,649,898</u>
Total Additions	<u>2,649,898</u>
<u>DEDUCTIONS</u>	
Education Taxes Distributed to Other Governments	<u>2,649,898</u>
Total Deductions	<u>2,649,898</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 BETHEL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

The Town of Bethel, Vermont, (herein the "Town") operates under a Manager/Board of Selectmen form of government and provides the following services as authorized by State statutes: public safety, highways and streets, health and social services, community/economic development, culture and recreation, sanitation, cemetery, public improvements, planning and zoning, water, sewer and general administrative services.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Town of Bethel, 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 Bethel, 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 BETHEL, 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. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

FEMA Fund – This fund accounts for the FEMA related activity of the Town.

Campbrook/Federal Highway Fund - This fund accounts for the Federal Highway related activity of the Town.

Capital Roads Fund – This fund accounts for the capital road activity of the Town.

The Town reports on the following major enterprise funds:

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

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

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

Additionally, the Town reports the following fund type:

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

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

C. Measurement Focus

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

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

D. Basis of Accounting

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

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

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.

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

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.

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 financial reporting requirements related to changes within the financial reporting entity as a result of a change in a fund's presentation from a non-major fund to a major fund.

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

1. Cash

Cash balances of most Town funds are deposited with and invested by the Town Treasurer. The Town considers all short-term investments of thirty (30) days or less to be cash equivalents.

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

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

2. Investments

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

3. Receivables

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

4. Internal Balances

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

5. Pensions

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

6. Inventories and Prepaid Expenses/Items

Inventory quantities are determined by physical count and are valued at the lower of cost or market.

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

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

7. Deferred Outflows/Inflows of Resources

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

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

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

8. Capital Assets

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

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

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

	Capitalization Threshold	Estimated Service Life
Land	\$ 1,000	Not Depreciated
Land Improvements	\$ 5,000	20-50 Years
Buildings and Building Improvements	\$ 5,000	50 Years
Machinery and Equipment	\$ 1,000	5-25 Years
Infrastructure	\$ 5,000	15-50 Years
Water and Sewer Systems	\$ 5,000	20-75 Years

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

9. Leases

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

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

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

10. Compensated Absences

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

11. Long-term Liabilities

Long-term liabilities include bonds payable, 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 and proprietary fund financial statements. Governmental fund financial statements do not include any long-term liabilities as those statements use the current financial resources measurement focus and only include current liabilities on their balance sheets.

12. Fund Equity

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

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

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

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

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 expenditures, whereas government-wide statements report those transactions as increases and decreases in liabilities, respectively.

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

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.

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The budget is approved at the annual Town Meeting in March. Any budget changes require voter approval. There were no budget amendments during the year. The budget presented herein is for the Town’s “General Fund” only and does not include the Town Clerk Fund, the Cemeteries Fund, the Conservation Fund and the Better Connections Fund activity that is included with the General Fund.

B. Budgeted Surplus

The Town elected to budget revenue in excess of expenditures by \$134,455 in the General Fund. This is reflected as a current year’s budgeted excess of revenues over expenditures on Schedule 1.

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

C. Adjustments to Beginning Balances

During fiscal year 2024, changes within the financial reporting entity resulted in adjustments to beginning fund balances as follows:

	Reporting Units Affected by Adjustments to Beginning Balances	
	Capital Roads Fund	Non-Major Governmental Funds
Fund Balances - July 1, 2023, As Previously Presented	\$ 0	\$ 1,934,976
Change within Financial Reporting Entity (Non-Major to Major Fund)	447,465	(447,465)
Fund Balances - July 1, 2023, As Adjusted	\$ 447,465	\$ 1,487,511

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	\$2,352,811
Deposits held by Investment Company	1,643
Cash on Hand	300
Total Cash	2,354,754
Investments:	
Certificates of Deposit	202,715
Common Stock	11,135
Exchange Traded Funds	173,614
Mutual Funds – Mixed Holdings	10,189
Total Investments	397,653
Total Cash and Investments	\$2,752,407

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

The Town has ten (10) 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>
Northfield Savings Bank	\$ 1,321	4.40%	05/22/2025
Northfield Savings Bank	23,481	4.40%	06/03/2025
Northfield Savings Bank	20,402	4.40%	12/08/2024
Northfield Savings Bank	7,458	4.88%	05/26/2025
Northfield Savings Bank	55,083	4.88%	06/20/2025
Northfield Savings Bank	2,572	4.88%	06/24/2025
Mascoma Savings Bank	37,720	0.10%	09/06/2024
Mascoma Savings Bank	12,718	0.20%	12/30/2024
Osaic Institutions	13,987	5.30%	11/22/2024
Osaic Institutions	<u>27,973</u>	5.30%	11/22/2024
 Total	 <u>\$202,715</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 Town’s common stock, exchange traded funds and mutual funds are in the name of the Town and are not exposed to custodial credit risk. The following table shows the custodial credit risk of the Town’s cash and certificates of deposit.

	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC/SIPC Insured	<u>\$2,557,169</u>	<u>\$2,600,496</u>

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

The book balance is comprised of the following:

Cash – Deposits with Financial Institutions	\$2,352,811
Cash – Deposits held by Investment Company	1,643
Investments – Certificates of Deposit	<u>202,715</u>
 Total	 <u>\$2,557,169</u>

TOWN OF BETHEL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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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, common stock and exchange traded funds are not subject to interest rate risk disclosure. The Town's mutual funds are open-ended and, therefore, are also exempt from interest rate 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, common stock and exchange traded funds are not subject to credit risk disclosure. The Town's mutual funds are open-ended and, therefore, are also 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's certificates of deposit and mutual funds are exempt from concentration of credit risk analysis. The Town has \$173,614, (43.66%), of their investments invested in exchange traded funds of Vanguard Index Funds (VTI). There are no other investments in any one issuer that represent more than 5% of total investments.

Fair Value

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

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

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

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

TOWN OF BETHEL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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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	\$ 11,135	\$ 11,135	\$ 0	\$ 0
Exchange-Traded Funds	173,614	173,614	0	0
Mutual Funds - Mixed Holdings	<u>10,189</u>	<u>10,189</u>	<u>0</u>	<u>0</u>
Total	\$ <u>194,938</u>	\$ <u>194,938</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	Business-type Activities	Total
Delinquent Taxes Receivable	\$ 80,473	\$ 0	\$ 80,473
Penalties and Interest Receivable	10,599	0	10,599
Grants Receivable	1,341,023	0	1,341,023
Due from Town of Royalton	163,678	0	163,678
Billed Services	0	22,614	22,614
Allowance for Doubtful Accounts - Water/Sewer	<u>0</u>	<u>(10,000)</u>	<u>(10,000)</u>
	\$ <u>1,595,773</u>	\$ <u>12,614</u>	\$ <u>1,608,387</u>

C. Lease Receivable

In September, 2010, the Town entered into a lease agreement with the Vermont Telecommunications Authority (VTA) to lease land at the Town Garage at 443 Sand Hill Road to VTA for telecommunications equipment to be constructed. The initial lease terms are for ten (10) years, with four (4) successive five (5) year renewal terms, with payments due monthly. The lease was transferred from VTA to the State of Vermont Department of Public Service. The lease will renew automatically unless the State of Vermont Department of Public Service declines the option. The Lessee has the right to terminate this agreement provided that sixty (60) days prior notice is given. The initial payments for years one (1) through ten (10) are \$200, and \$300 per month during successive years. During any month that the State of Vermont Department of Public Service has more than two wireless cellular service providers on the tower, they will pay \$500 per month in years one (1) through ten (10), and \$600 per month during successive years. The commencement of the first lease term was January 1, 2011.

As of June 30, 2024, the Town's receivable for lease payments was \$68,675. During the year ended June 30, 2024, the Town recognized \$5,057 and \$2,143 in lease revenue and interest revenue, respectively.

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

The future lease payments for these agreements are as follows:

2025	\$ 7,200
2026	7,200
2027	7,200
2028	7,200
2029	7,200
2030-2034	36,000
2035-2036	<u>9,000</u>
	<u>\$81,000</u>

D. Sale of Bethel/Royalton Solid Waste Management Facility

In fiscal year 2024, the Town approved an asset purchase agreement with the Town of Royalton, Vermont for the sale of the Town of Bethel, Vermont’s interest in the Bethel/Royalton Solid Waste Management Facility for the price of \$272,797 to be paid in five annual installments. As of June 30, 2024 the Town’s received payments of \$54,559. As of June 30, 2024, the Town’s receivable balance is \$163,678.

E. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 326,708	\$ 0	\$ 0	\$ 326,708
Construction in Progress	26,900	183,068	0	209,968
Total Capital Assets, Not Being Depreciated	<u>353,608</u>	<u>183,068</u>	<u>0</u>	<u>536,676</u>
Capital Assets, Being Depreciated:				
Land Improvements	230,446	28,850	0	259,296
Buildings and Building Improvements	2,587,906	118,005	0	2,705,911
Machinery and Equipment	2,740,796	284,990	272,975	2,752,811
Infrastructure	16,840,580	1,507,325	0	18,347,905
Totals	<u>22,399,728</u>	<u>1,939,170</u>	<u>272,975</u>	<u>24,065,923</u>
Less Accumulated Depreciation for:				
Land Improvements	98,342	4,239	0	102,581
Buildings and Building Improvements	779,777	69,799	0	849,576
Machinery and Equipment	1,196,107	142,747	118,898	1,219,956
Infrastructure	4,510,775	433,560	0	4,944,335
Totals	<u>6,585,001</u>	<u>650,345</u>	<u>118,898</u>	<u>7,116,448</u>
Total Capital Assets, Being Depreciated	<u>15,814,727</u>	<u>1,288,825</u>	<u>154,077</u>	<u>16,949,475</u>
Governmental Activities Capital Assets, Net	<u>\$ 16,168,335</u>	<u>\$ 1,471,893</u>	<u>\$ 154,077</u>	<u>\$ 17,486,151</u>

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

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 7,100	\$ 0	\$ 0	\$ 7,100
Construction in Progress	157,452	1,349,897	0	1,507,349
Total Capital Assets, Not Being Depreciated	164,552	1,349,897	0	1,514,449
Capital Assets, Being Depreciated:				
Water System	4,744,746	9,690	0	4,754,436
Sewer System	3,204,147	16,478	0	3,220,625
Totals	7,948,893	26,168	0	7,975,061
Less Accumulated Depreciation for:				
Water System	1,198,774	93,684	0	1,292,458
Sewer System	1,877,943	72,478	0	1,950,421
Totals	3,076,717	166,162	0	3,242,879
Total Capital Assets, Being Depreciated	4,872,176	(139,994)	0	4,732,182
Business-type Activities Capital Assets, Net	\$ 5,036,728	\$ 1,209,903	\$ 0	\$ 6,246,631

Depreciation was charged as follows:

Governmental Activities:		Business-type Activities:	
General Government	\$ 38,735	Water	\$ 93,684
Public Safety	61,546	Sewer	72,478
Public Works	517,218		
Culture and Recreation	32,846		
Total Depreciation Expense - Governmental Activities	\$ 650,345	Total Depreciation Expense - Business-type Activities	\$ 166,162

F. 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	\$ 491,627	\$ 0
FEMA Fund	0	1,379,222
Capital Roads Fund	328,286	0
Non-Major Governmental Funds	712,410	111,522
Water Fund	0	75,328
Sewer Fund	33,749	0
	\$ 1,566,072	\$ 1,566,072

TOWN OF BETHEL, VERMONT
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Interfund transfers during the year ended June 30, 2024 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Conservation Fund	\$ 2,500	* Appropriation
General Fund	FEMA Fund	44,400	Appropriation
General Fund	Reappraisal Fund	7,000	Appropriation
General Fund	Council on the Arts Fund	2,000	Appropriation
General Fund	Capital Cruiser Fund	5,000	Appropriation
General Fund	Recreation Reserve Fund	40,000	Appropriation
General Fund	Capital Improvement Fund	55,000	Appropriation
General Fund	Fire Equipment Fund	63,790	Appropriation
General Fund	Highway Equipment Trust Fund	125,000	Appropriation
General Fund	Capital Road Fund	<u>190,931</u>	Appropriation
Total		<u>\$ 535,621</u>	

* The transfer from the General Fund to the Conservation Fund was netted within the General Fund as this fund is consolidated within the General Fund in order to comply with GASB Statement No. 54.

G. Deferred Outflows of Resources

Deferred outflows of resources in the governmental activities consists of \$64,096 from the difference between the expected and actual experience, \$49,992 from the difference between expected and actual investment earnings, \$44,767 from changes in assumptions, \$19,409 from changes in the proportion related to the Town's participation in the Vermont State Employee's Retirement System (VSERS) and \$73,596 of required employer pension contributions subsequent to the measurement date, as further described in Note V.A. Total deferred outflows of resources in the governmental activities is \$251,860.

Deferred outflows of resources in the business-type activities consists of \$12,915 from the difference between the expected and actual experience, \$10,073 from the difference between expected and actual investment earnings, \$9,019 from changes in assumptions, \$3,911 from changes in the proportion related to the Town's participation in the Vermont State Employee's Retirement System (VSERS) and \$14,839 of required employer pension contributions subsequent to the measurement date, as further described in Note V.A. Total deferred outflows of resources in the business-type activities is \$50,757.

TOWN OF BETHEL, VERMONT
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Deferred outflows of resources in the Water Fund consists of \$3,227 from the difference between the expected and actual experience, \$2,517 from the difference between expected and actual investment earnings, \$2,253 from changes in assumptions, \$977 from changes in the proportion related to the Town's participation in the Vermont State Employee's Retirement System (VSERS) and \$3,710 of required employer pension contributions subsequent to the measurement date, as further described in Note V.A. Total deferred outflows of resources in the Water Fund is \$12,684.

Deferred outflows of resources in the Sewer Fund consists of \$9,688 from the difference between the expected and actual experience, \$7,556 from the difference between expected and actual investment earnings, \$6,766 from changes in assumptions, \$2,934 from changes in the proportion related to the Town's participation in the Vermont State Employee's Retirement System (VSERS) and \$11,129 of required employer pension contributions subsequent to the measurement date, as further described in Note V.A. Total deferred outflows of resources in the Sewer Fund is \$38,073.

H. Unearned Revenue

Unearned revenue in the governmental activities and the Non-Major Governmental Funds consists of \$12,200 of grant revenue received in advance.

I. Deferred Inflows of Resources

Deferred inflows of resources in the governmental activities consists of \$238,957 from changes in the proportion related to the Town's participation in the Vermont State Employee's Retirement System (VSERS). It also includes \$15,941 of prepaid property taxes and \$66,009 associated with leases that will be recognized as revenue over the lease terms. Total deferred inflows of resources in the governmental activities is \$320,907.

Deferred inflows of resources in the business-type activities consists of \$48,147 from changes in the proportion related to the Town's participation in the Vermont State Employee's Retirement System (VSERS). Total deferred inflows of resources in the business-type activities is \$48,147.

Deferred inflows of resources in the General Fund consists of \$71,000 of delinquent property taxes, penalties and interest on those taxes not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. It also includes \$15,941 of prepaid property taxes, \$66,009 associated with leases that will be recognized as revenue over the lease terms and \$163,678 of amounts due from the Town of Royalton related to the purchase of the Bethel/Royalton Transfer Station. Total deferred inflows of resources in the General Fund is \$316,628.

Deferred inflows of resources in the FEMA Fund consists of \$594,302 of grant revenue not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities.

Deferred inflows of resources in the Non-Major Governmental Funds consists of \$51,825 of grant revenue not collected within sixty (60) days after year-end and would not be available to liquidate current liabilities.

TOWN OF BETHEL, VERMONT
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Deferred inflows of resources in the Water Fund consists of \$12,029 from changes in the proportion related to the Town's participation in the Vermont State Employee's Retirement System (VSERS). Total deferred inflows of resources in the Water Fund is \$12,029.

Deferred inflows of resources in the Sewer Fund consists of \$36,118 from changes in the proportion related to the Town's participation in the Vermont State Employee's Retirement System (VSERS). Total deferred inflows of resources in the Sewer Fund is \$36,118.

J. Short-Term Debt

On December 18, 2023, the Town obtained a \$1,000,000 grant anticipation note through Mascoma Savings Bank to help fund expenses related to the July, 2023 flood. Interest is at 5% and due within one year. The Town has not drawn on this line of credit.

K. Long-term Liabilities

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 have been issued for both governmental and proprietary activities. Bonds are reported in governmental activities if the debt is expected to be repaid from general governmental revenues and in business-type activities if the debt is expected to be repaid from proprietary fund revenues.

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

The Town has notes payable to finance various capital projects through a local bank.

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

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

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

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.

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

The accrual for the Town’s share of the net pension liability is recorded in the government-wide financial statements and proprietary fund 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 and proprietary fund financial statements.

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

Governmental Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Church Street Bridge, Principal Payments Ranging from \$15,000 to \$20,000 Payable on December 1 Annually, Interest Rates Ranging from 1.90% to 4.65% Payable on June 1 and December 1, Due December, 2028	\$ 90,000	\$ 0	\$ 15,000	\$ 75,000
Bond Payable, U.S. Department of Agriculture, Town Hall Reconstruction, Principal Payments of \$43,900 Payable on December 20 Annually, Interest at 3.75% Payable on June 20 and December 20, Due December, 2030. 3% of Interest Paid is Refundable to the Town Under the Build America Bond Program.	350,900	0	43,900	307,000
Note Payable, Mascoma Savings Bank, Flood Recovery, Interest at 3% Until April 18, 2032 at Which Time the Rate will Change to a Variable Rate Based on 80% of the 10 Year FHLB Rate, Principal and Interest Payments of \$82,946 Payable on April 18 Annually, Due April, 2044	1,321,654	0	43,199	1,278,455
Financed Purchase, Kansas State Bank, Principal and Interest Payments of \$21,381 Payable on July 5 Annually, Interest at 3.53%, Due July, 2031	<u>162,434</u>	<u>0</u>	<u>15,647</u>	<u>146,787</u>
Total Governmental Activities	<u>\$1,924,988</u>	<u>\$ 0</u>	<u>\$117,746</u>	<u>\$1,807,242</u>

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

Business-type Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, State of Vermont Special Environmental Revolving Fund, 2009 Water Main Replacement, Principal and Interest Payments of \$30,247 Payable on January 1 Annually, Interest at 3.0%, Due January, 2031	\$ 212,322	\$ 0	\$ 23,877	\$ 188,445
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water System Improvements, Authorized to \$2,506,323, but Eligible for \$1,566,452 Subsidy, Principal Payments of \$23,497 Payable on August 1 Annually Beginning on August 1, 2022, 0% Interest, 2% Administrative Fee. Due August, 2061. The Town Recognized \$252,662 of the Subsidy during the Year.	916,374	0	276,159	640,215
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water System Improvements, Authorized to \$2,500,000, but Eligible for \$666,500 Subsidy, Principal and Interest Payments of \$78,127 Payable on January 1 Annually Beginning In October, 2025, 0% Interest, 2% Administrative Fee, Due January, 2031. The Town Recognized \$171,458 of the Subsidy during the Year.	33,656	772,210	171,458	634,408
Note Payable, Mascoma Savings Bank Sewer Treatment System, Principal Payments of \$7,998 Plus Interest Payable on June 30 Annually, Interest at 3.35%, Due June, 2023. The Town Made the June 30, 2022 Payment in July, 2022 and the final June 30, 2023 Payment in July, 2023.	<u>7,753</u>	<u>0</u>	<u>7,753</u>	<u>0</u>
Total Business-type Activities	<u>\$1,170,105</u>	<u>\$772,210</u>	<u>\$479,247</u>	<u>\$1,463,068</u>

TOWN OF BETHEL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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Changes in long-term liabilities during the year were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds Payable	\$ 440,900	\$ 0	\$ 58,900	\$ 382,000	\$ 58,900
Notes Payable	1,321,654	0	43,199	1,278,455	44,595
Financed Purchases	162,434	0	15,647	146,787	16,199
Compensated Absences Payable	21,431	0	3,803	17,628	0
Net Pension Liability	664,651	0	40,795	623,856	0
Total Governmental Activities Long-term Liabilities	\$ 2,611,070	\$ 0	\$ 162,344	\$ 2,448,726	\$ 119,694
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
General Obligation Bonds Payable	\$ 1,162,352	\$ 772,210	\$ 471,494	\$ 1,463,068	\$ 41,441
Notes Payable	7,753	0	7,753	0	0
Compensated Absences Payable	3,836	979	0	4,815	0
Net Pension Liability	112,900	12,800	0	125,700	0
Total Business-type Activities Long-term Liabilities	\$ 1,286,841	\$ 785,989	\$ 479,247	\$ 1,593,583	\$ 41,441

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

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

Debt service requirements to maturity are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 119,694	\$ 56,233	\$ 41,441	\$ 5,653
2026	121,604	52,079	83,635	41,586
2027	123,574	47,918	85,224	39,997
2028	125,606	45,150	86,853	38,368
2029	127,703	39,628	88,522	36,700
2030-2034	422,108	147,811	375,642	160,725
2035-2039	318,187	96,543	314,253	132,802
2040-2044	368,697	45,860	84,239	0
2045-2049	80,069	2,880	84,239	0
2050-2054	0	0	84,239	0
2055-2059	0	0	84,239	0
2060-2064	0	0	50,542	0
Total	\$ 1,807,242	\$ 534,102	\$ 1,463,068	\$ 455,831

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

L. Fund Balances

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

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

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

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	\$ 37,192
Nonspendable Resources from Lease Receivable in Excess of Related Deferred Inflow of Resources	<u>2,666</u>
Total General Fund	<u>39,858</u>

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

Non-Major Funds

Permanent Funds:

Nonspendable Edmund’s Memorial Fund Principal	\$ 200
Nonspendable Trustees of Public Funds Fund Principal	<u>317,191</u>
Total Permanent Funds	<u>317,391</u>
Total Non-Major Funds	<u>317,391</u>
Total Nonspendable Fund Balances	<u>\$357,249</u>

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

Major Funds

General Fund:

Restricted for Cemetery Expenses by Sale of Lots (Source of Revenue is Lot Sales)	<u>\$ 25,168</u>
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Non-Major Funds

Special Revenue Funds:

Restricted for Council on the Arts Expenses by Donations (Source of Revenue is Donations)	5,326
Restricted for Forward Festival Expenses by Donations (Source of Revenue is Donations)	4,228
Restricted for Bandshell Maintenance Expenses by Donations (Source of Revenue is Donations)	2,312
Restricted for Leasehold Expenses by Donations (Source of Revenue is Donations)	3,706
Restricted for Town Records Preservation Expenses by Statue (Source of Revenue is Recording Fees)	40,950
Restricted for Emergency Shelter Expenses by Donations (Source of Revenue is Donations)	753
Restricted for Walking Trail Expenses by Donations (Source of Revenue is Donations)	1,439
Restricted for Bilodeau Land Purchase by Donations (Source of Revenue is Donations)	347
Restricted for Revolving Loan Expenses by Grant Agreement (Source of Revenue is Grant Revenue)	405,077
Restricted for Fireman’s Donation Expenses by Donations (Source of Revenue is Donations)	<u>24,730</u>
Total Special Revenue Funds	<u>488,868</u>

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

Capital Projects Funds:

Restricted for Town Hall Renovation Expenditures by Donations (Source of Revenue is Donations)	\$ <u>1,970</u>
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Total Capital Projects Funds	<u>1,970</u>
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Permanent Funds:

Restricted for Edmund’s Memorial by Bequest – Expendable Portion	663
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Restricted for Trustees of Public Funds by Bequests Spendable Portion (Source of Revenue is Bequests)	<u>48,121</u>
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Total Permanent Funds	<u>48,784</u>
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Total Non-Major Funds	<u>539,622</u>
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Total Restricted Fund Balances	<u>\$564,790</u>
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The fund balances in the following funds are committed as follows:

Major Funds

General Fund:

Committed for Conservation Expenses by the Voters	\$ 9,075
Committed for Better Connections Expenses by the Voters	<u>400</u>

Total General Fund	<u>9,475</u>
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Capital Roads Fund:

Committed for Capital Roads Expenditures by the Voters	<u>297,407</u>
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Non-Major Funds

Capital Projects Funds:

Committed for Town Hall Renovation Expenditures by the Voters	19,145
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Committed for Recreation Reserve Expenditures by the Voters	62,002
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Committed for Capital Improvement Expenditures by the Voters	330,723
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Committed for Fire Equipment Expenditures by the Voters	235,129
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Committed for Capital Cruiser Expenditures by the Voters	20,295
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Committed for Highway Equipment Expenditures by the Voters	<u>6,213</u>
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Total Capital Projects Funds	<u>673,507</u>
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Total Non-Major Funds	<u>673,507</u>
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Total Committed Fund Balances	<u>\$980,389</u>
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TOWN OF BETHEL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

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

Non-Major Funds

Special Revenue Funds:

Assigned for Reappraisal Expenses	<u>\$187,980</u>
Total Assigned Fund Balances	<u>\$187,980</u>

The deficit in the FEMA Fund of \$690,199 will be funded by the collection of grant receivables and transfers in from other funds.

The deficit in the Grants Fund of \$31,688 will be funded by the collection of grant receivables, and future grant proceeds.

The deficit in the Sanders Earmark Fund of \$32,451 will be funded by the collection of grant receivables.

M. Restricted Net Position

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

Governmental Activities:

Restricted for Cemetery Expenses by Sale of Lots	\$ 25,168
Restricted for Council on the Arts Expenses by Donations	5,326
Restricted for Forward Festival Expenses by Donations	4,228
Restricted for Bandshell Maintenance Expenses by Donations	2,312
Restricted for Leasehold Expenses by Donations	3,706
Restricted for Town Records Preservation Expenses by Statute	40,950
Restricted for Emergency Shelter Expenses by Donations	753
Restricted for Walking Trail Expenses by Donations	1,439
Restricted for Bilodeau Land Purchase Expenses by Donations	347
Restricted for Revolving Loan Fund by Grant Agreement	405,077
Restricted for Fireman’s Donation Expenses	24,730
Restricted for Town Hall Renovation Expenditures by Donations	1,970
Restricted for Edmund’s Memorial by Bequest	863
Restricted for Trustees of Public Funds by Bequests	<u>365,312</u>
Total Governmental Activities	<u>\$882,181</u>

The unrestricted deficit in the Water Fund of \$423,843 will be funded in future years with additional revenues.

The unrestricted deficit in the Sewer Fund of \$40,461 will be funded in future years with additional revenues.

TOWN OF BETHEL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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V. OTHER INFORMATION

A. Pension Plans

Defined Benefit Plan

Plan Description

The Vermont State Retirement System (VSRS) (3 V.S.A. Chapter 16) is substantially a single-employer defined benefit pension plan which covers substantially all general State employees and State Police, except employees hired in a temporary capacity. Membership in the system is a condition of employment. All eligible employees of the Town are Group F members.

Management of the plan is vested in the VSRS Retirement Board, which consists of an appointee of the governor; state treasurer; commissioner of human resources; commissioner of finance and management; three members of the Vermont State Employees' Association who are active members of the system (each chosen by such association in accordance with its articles of association) and one retired state employee who is a beneficiary of the system (to be elected by the Vermont Retired State Employees' Association).

Membership of the Vermont State Retirement System is made up of the following:

- General employees who did not join the non-contributory system on July 1, 1981 (Group A);
- State police, law enforcement positions, and airport firefighters (Group C);
- Judges (Group D);
- Terminated vested members of the non-contributory system and all other general employees (Group F).
- Certain Department of Corrections and Department of Mental Health positions (Group G)

Benefits Provided

Details of the pension benefits provided by the retirement plan are as follows:

TOWN OF BETHEL, VERMONT
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Vermont State Retirement System	Group A	Group C	Group D	Group F	Group G
Average Final Compensation (AFC)	Highest 3 consecutive years, including unused annual leave payoff	Highest 2 consecutive years, including unused annual leave payoff	If served 5 or more years as a judge in Group D and are 57 years of age on or before 06/30/2022, or are a Group D member with 15 or more years of service on or before 06/30/2022 - AFC is final salary at retirement. All other - average earned income from final 2 years of service	Highest 3 consecutive years, excluding unused annual leave payoff	Highest 3 consecutive years, excluding unused annual leave payoff
Benefit Formula	1.67% x AFC x creditable service	2.5% x AFC x creditable service up to 20 years	3.33% x AFC x creditable service (after 12 years in Group D)	1.25% x AFC x service prior to 12/31/90 + 1.67% x AFC x service after 1/1/91	2.50% x AFC x creditable service
Maximum Benefit Payable	100% of AFC	If eligible for retirement on 07/01/2022 or after: 50% of AFC, but for each year of service that is completed on or after 7/1/2022, after attaining age 50 and 20 years of service, maximum retirement allowance cap increases 1.5% for each additional year of service.	100% of final salary if served 5 or more years as a judge in Group D and are 57 years of age on or before 06/30/2022, or are a Group D member with 15 or more years of service on or before 06/30/2022. All other - 80% of your salary at retirement	50% of AFC if hired before 7/1/08, 60% of AFC if hired on or after 7/1/08	50% of AFC
Normal Retirement (no reduction)	Age 65 with 5 years of service or 62 with 20 years of service	Age 55, mandatory at 57 years of age	If first appointed or elected on or before 06/30/2022 - Age 62 with 5 years of service, if first appointed or elected on or after 07/01/2022 - Age 65 with 5 years of service	Age 62 or with 30 years of service if hired before 7/1/08, Age 65 or a combination of age & service credit that equals 87 if hired on or after 7/1/08	Age 65 with 5 years of service or 55 with 20 years of service
Early Retirement Eligibility	Age 55 with 5 years of service or 30 years of service (any age)	Age 50 with 20 years of service	Age 55 with 5 years of service or 30 years of service (any age)	Age 55 with 5 years of service	Age 55 with 5 years of service
Early Retirement Reduction	Actuarially reduced benefit if under 30 years of service	No reduction	3% per year from age 62	If hired before 7/1/08: 6% per year preceding age 62, if hired on or after 7/1/08: no reduction if age 65 with 5 years of service, or if combination of age and service equal to 87; otherwise, monthly reduction preceding age 65 based on years of service: 35+ years - 1/8th of 1%; 30-34 years - 1/4th of 1%; 25-29 years - 1/3rd of 1%; 20-24 years - 5/12th of 1%; less than 20 years - 5/9th of 1%	Actuarially equivalent reduction
Post-Retirement COLA	Full CPI, up to a maximum of 5%, after 12 months of retirement	If eligible for retirement on 07/01/2022 or after: 100% CPI, with a ceiling of 4% and a floor of 1%, must have collected a benefit for 24 months prior to the COLA effective date. All others: Full CPI, up to a maximum of 5%, after 12 months of retirement.	If eligible for retirement on 07/01/2022 or after: 100% CPI if CPI is greater than 1%, with a ceiling of 5% for amounts equal to or less than \$75,000 annual retirement allowance. 50% CPI if CPI is greater than 1%, with a ceiling of 5% for amounts greater than \$75,000 annual retirement allowance. No COLA if CPI is less than 1%, must have collected a benefit for 24 months prior to the COLA effective date. All	If eligible for retirement on 07/01/2022 or after: 100% CPI, with a ceiling of 4% and a floor of 0%, must have collected a benefit for 24 months prior to the COLA effective date. Will not receive a COLA until have met normal retirement age. All others: for members retiring on or after 07/01/2008, 100% of a fiscal year CPI increase. For members who retired before 07/01/2008, 50% of a fiscal year CPI	If eligible for retirement on 07/01/2022 or after: 100% CPI, with a ceiling of 4% and a floor of 0%, must have collected a benefit for 24 months prior to the COLA effective date. Will not receive a COLA until have met normal retirement age.
Disability Benefit*	Unreduced, accrued benefit with minimum of 25% of AFC	Unreduced, accrued benefit with minimum of 25% of AFC, with children's benefit of 10% of AFC to maximum of three concurrently, if injured on the job 50% of	Unreduced, accrued benefit with minimum of 25% of AFC	Unreduced, accrued benefit with minimum of 25% of AFC	Unreduced, accrued benefit with minimum of 25% of AFC
Death-in-Service Benefit	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied plus children's benefits up to maximum of three concurrently	70% of accrued benefit with no actuarial reduction applied, plus children's benefit	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied plus children's benefits up to maximum of three concurrently	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied plus children's benefits up to maximum of three concurrently	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied plus children's benefits up to maximum of three concurrently

TOWN OF BETHEL, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
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Contributions

Title 3 VSA Chapter 16 of Vermont Statutes grant the authority to the retirement board to review annually the amount of contribution recommended by the actuary of the retirement system as necessary to achieve and preserve the financial integrity of the fund, and submit this recommendation to the Governor and both houses of the legislature. Employee contributions are established in Chapter 16. Contribution rates for the fiscal year ended June 30, 2024, for the various groups are as follows:

Vermont State Retirement System	Group A	Group C	Group D*	Group F*	Group G
Employee Contributions	6.65% of gross payroll	9.53% of gross payroll	1st Quartile - 6.65% 2nd Quartile - 7.65% 3rd Quartile - 7.65% 4th Quartile - 7.65%	1st Quartile - 6.65% 2nd Quartile - 7.65% 3rd Quartile - 7.65% 4th Quartile - 7.65%	1st Quartile - 11.33% 2nd Quartile - 12.33% 3rd Quartile - 12.33% 4th Quartile - 12.33%
Employer Contributions	17.36% of gross payroll	17.36% of gross payroll	17.36% of gross payroll	17.36% of gross payroll	17.36% of gross payroll
*Contributions rates are based on where the employees' hourly pay rate falls into the 4 hourly pay rate quartiles, and is applied to all pay that is subject to retirement contributions.					

Financial Reporting of Net Pension Liability and Pension Expense by the Employer

This section includes the information that is required by GASB Statement No. 68. It reports information regarding the net pension liability (NPL), balances in the various components of deferred pension outflows of resources and deferred pension inflows of resources and the amounts to be recognized in pension expense in future periods; and the pension expense. In addition to presenting the NPL, this section also includes information on the actuarial assumptions used in the valuation, the discount rate that was used to calculate the NPL, and disclosures as to the sensitivity of the NPL to changes in the discount rate.

The Town is an independent municipal entity of the State of Vermont, and information is presented in this section for the Town's proportionate share of the various components of the plan. The proportionate share was determined by dividing the Town's Employer Contribution by the total Employer Contributions by all of the State's funds and component units.

Reporting Date, Measurement Date, and Valuation Date

Net pension liabilities, deferred pension outflows of resources, deferred pension inflows of resources, and pension expense are all presented as of the Town's reporting date (June 30, 2024) and for the Town's reporting period (the year ended June 30, 2024). These amounts are measured as of the measurement date and for the measurement period (the period between the prior and current measurement dates). GASB Statement No. 68 requires that the current measurement date be no earlier than the end of the employer's prior fiscal year. For the reporting date of June 30, 2024, the State has chosen to use the end of the prior fiscal year (June 30, 2023) as the measurement date, and the year ended June 30, 2022 as the measurement period.

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

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

The net pension liability is measured as the portion of the actuarial present value of projected benefit payments that is attributable to past periods of employee service, net of the pension plan's fiduciary net position. For June 30, 2024, Town's proportional share of the NPL is \$749,556, determined as of the June 30, 2023 measurement date. The Town's proportionate share of the collective net pension liability was 0.0648% on the measurement date, a decrease of 0.00044% from the prior measurement date proportionate share of 0.0692%.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 77,011	\$ 0
Difference between projected and actual investment earnings on pension assets	60,065	0
Changes in assumptions	53,786	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	23,320	287,104
Town's required employer contributions made subsequent to the measurement date	88,435	0
	\$ 302,617	\$ 287,104

The amounts reported as deferred pension outflows of resources resulting from employer contributions made subsequent to the measurement date of \$88,435, will be recognized as a reduction of the net pension liability at June 30, 2025. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ending <u>June 30</u>	
2025	\$ (7,336)
2026	(43,210)
2027	8,935
2028	<u>(31,311)</u>
Total	<u><u>\$(72,922)</u></u>

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

Actuarial Methods and Assumptions

Total pension liability at June 30, 2024 was determined using the June 30, 2022 actuarial valuation and applying roll forward procedures. The actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified were as follows:

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the following actuarial experience study for the three year period ended June 30, 2022:

	VSRS
Valuation date	6/30/2022*
Inflation assumptions	2.30%
Investment rate of return	7.00%
Projected salary increases	3.76% - 6.38%
Cost of living adjustments	The January 1, 2023 COLA: Groups A, C, D, F (retired on or after 7/1/2008) - 5.00%, Group F (retired before 7/1/2008) - 2.50%
Post Retirement Adjustments: assumed annual rate of cost of living increases	Groups A, C, & D retiring prior to 07/01/2022: 2.25%; Group F (retiring on or after 7/1/2008): 2.35%; Group F (retiring before 7/1/2008): 1.25%. Group A retiring on or after 07/01/2022: 2.25%, Group C retiring on or after 07/01/2022: 2.10%. Group D retiring on or after 07/01/2022: 2.25% on the first \$75,000 of retirement benefits, and 1.10% on amounts above \$75,000 of retirement benefits. Group F & G retiring on or after 07/01/2022: 2.15%.
*Valuation date is rolled forward to the measurement date of June 30, 2023 using standard actuarial techniques	

Vermont State Retirement System

Mortality rates are based as follows for the Vermont State Retirement System:

Pre-retirement Mortality: Groups A & F: PubG-2010 General Employee Amount-Weighted Table with generational projection using scale MP-2021. Groups C & G: PubS-2010 Public Safety Employee Amount-Weighted Table with generational projection using scale MP-2021. Group D: PubG-2010 General Employee Amount-Weighted Above Median Table with generational projection using scale MP-2021.

Post-retirement Retiree Mortality: Groups A & F: PubG-2010 General Healthy Retiree Amount-Weighted Table with credibility adjustments of 101% and 105% for the Male and Female tables, respectively, with generational projection using scale MP-2021. Groups C & G: PubS-2010 Public Safety Retiree Amount-Weighted Table with generational projection using scale MP-2021. Group D: PubG-2010 General Healthy Retiree Amount-Weighted Above Median Table with generational projection using scale MP-2021.

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

Post-retirement Beneficiaries Mortality: Groups A,F,C, & G: Pub-2010 Contingent Survivor Amount-Weighted Table with generational projection using scale MP-2021. Group D: Pub-2010 Contingent Survivor Amount-Weighted Above Median Table with generational projection using scale MP-2021.

Disabled Post-retirement Mortality: Groups A,F, & D: PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Table with generational projection using scale MP-2021. Groups C & G: PubS-2010 Safety Disabled Retiree Amount-Weighted Table with generational projection using Scale MP-2021.

The long-term expected rate of return on pension plan investments was determined using best-estimate ranges of expected future nominal rates of return (expected returns, net of investment expense and inflation) developed for each major asset class using an econometric model that forecasts a variety of economic environments and then calculates asset class returns based on functional relationships between the economic variables and the asset classes. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2023 measurement date are summarized in the following table:

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

Nominal long-term expected rates of return for these asset classes are equal to the sum of the above expected long-term real rates and the expected long-term inflation rate.

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2023 measurement date was 7.00% for the VSRS. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB Statement No. 68. The discount rate used in the prior year was 7.00%.

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	<u>Town's Share</u>
One-percent decrease	
Discount rate	6.00%
Net pension liability	\$ 1,044,008
Net pension liability, as reported	
Discount rate	7.00%
Net pension liability	\$ 749,556
One-percent increase	
Discount rate	8.00%
Net pension liability (asset)	\$ 506,267

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 self-insures itself for unemployment coverage. The Town must pay the Vermont Department of Employment and Training for any paid claims. Unemployment claims for the year ended June 30, 2024 were \$-0-.

C. Property Taxes

The Town is responsible for assessing and collecting its own property taxes, as well as education property taxes for the State of Vermont. Property taxes are collected four (4) times per year. During the tax year ended June 30, 2024, taxes were due and payable on August 15, 2023, November 15, 2023, February 15, 2024 and May 15, 2024. The Town assesses an 8% penalty on delinquent taxes and interest is assessed at 1% per month. Unpaid taxes become an enforceable lien on the property, and such properties are subject to tax sale. The tax rates for 2024 were as follows:

TOWN OF BETHEL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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	<u>Homestead</u>	<u>Non-Homestead</u>
Town	1.1851	1.1851
Local Agreement	0.0038	0.0038
Education	<u>1.5089</u>	<u>1.5735</u>
Total	<u>2.6978</u>	<u>2.7624</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 BETHEL, 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)
Revenues:			
Local Revenues:			
Dog Tax	\$ 1,300	\$ 1,540	\$ 240
Local Licenses	0	1,010	1,010
Town Clerk Fees	27,600	18,417	(9,183)
Recreation Area Fees	6,270	13,360	7,090
Zoning Application Fees	1,830	1,990	160
Overweight Permit Fees	500	485	(15)
Trustees of Public Funds	0	28	28
Proceeds of BRTS Sale	54,560	54,559	(1)
Town Hall Rental Fees	1,000	785	(215)
Total Local Revenues	<u>93,060</u>	<u>92,174</u>	<u>(886)</u>
Miscellaneous Local Revenues:			
Misc Local Revenue	0	1,698	1,698
Reimb Tax Sales Expenses	3,000	1,822	(1,178)
Insurance Claims	0	3,280	3,280
Misc - Cemetery Admin	0	1,516	1,516
Other	1,100	1,556	456
Total Miscellaneous Local Revenues	<u>4,100</u>	<u>9,872</u>	<u>5,772</u>
State and Federal Revenues:			
Highways - Class I	10,656	10,964	308
Highways - Class II	52,408	53,980	1,572
Highways - Class III	91,668	94,380	2,712
State Owned Lands	1,733	1,182	(551)
Traffic Tickets	2,500	2,576	76
Fish & Game (fish hatch)	355	0	(355)
Pilot Payment	2,000	1,755	(245)
Other	0	320	320
MERP Grant	0	4,000	4,000
Tower Lease	7,200	8,610	1,410
PACIF Grant Income	0	1,775	1,775
Total State and Federal Revenues	<u>168,520</u>	<u>179,542</u>	<u>11,022</u>
Miscellaneous:			
Administration Reimb from Sewer	7,227	7,227	0
Reimb of H/A Premiums	0	55	55
Administration Reimb from Water	9,200	9,200	0
Railroad Revenue Sharing	3,700	0	(3,700)
Total Miscellaneous	<u>20,127</u>	<u>16,482</u>	<u>(3,645)</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF BETHEL, 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)
Interest Earnings:			
Checking Account Interest	\$ 6	\$ 6	\$ 0
Sweep Account Interest	1,000	1,060	60
Proceeds of Debt	0	4,402	4,402
Total Interest Earnings	1,006	5,468	4,462
Taxes - Property:			
Current Property Taxes	2,537,066	2,443,837	(93,229)
Land Use	148,049	149,447	1,398
Delinquent Taxes	25,000	0	(25,000)
Delinquent Tax Penalty	10,000	14,474	4,474
Delinquent Tax Interest	15,000	17,794	2,794
Tax Sale Charges	0	1,378	1,378
Education Billing Fee Retained	5,900	6,232	332
Total Taxes - Property	2,741,015	2,633,162	(107,853)
Total Revenues	3,027,828	2,936,700	(91,128)
Expenditures:			
Public Works:			
Public Works Personnel:			
Wages	232,300	188,505	43,795
Overtime	40,000	32,903	7,097
FICA	16,883	14,658	2,225
Medicare	3,948	3,175	773
Retirement	39,600	31,064	8,536
Health Insurance	56,700	33,179	23,521
Worker's Compensation	23,063	13,300	9,763
Dental Insurance	1,856	936	920
Mileage Reimbursement	1,600	274	1,326
Training	2,500	191	2,309
Total Public Works Personnel	418,450	318,185	100,265
Town Owned Equipment:			
Insurance - Buildings & Equipment	15,320	18,297	(2,977)
Repairs/Parts/Tires	55,000	57,007	(2,007)
Tire Chains Cutting Edge	20,000	19,887	113
Permits	1,700	1,400	300
Garage/Building Maintenance	16,000	9,780	6,220
Electricity	5,000	3,299	1,701
Telephone	7,500	7,643	(143)
Uniforms	5,000	4,564	436
Other	300	256	44
Gas, Oil & Grease	15,000	11,207	3,793
Diesel	70,000	54,204	15,796
Underground Tank	550	0	550
Communications System	2,500	2,816	(316)
Trash Removal	744	1,575	(831)
Total Town Owned Equipment	214,614	191,935	22,679

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF BETHEL, 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)
Hired Services or Equipment:			
Roadside Mowing	\$ 15,931	\$ 15,931	\$ 0
Ditching	30,000	0	30,000
Tree Cutting	3,000	3,852	(852)
Sweeping	2,000	0	2,000
Rental Equipment	1,500	5,013	(3,513)
Hired Services	24,750	28,637	(3,887)
Engineering Services	500	0	500
	<u>77,681</u>	<u>53,433</u>	<u>24,248</u>
Total Hired Services or Equipment			
Materials:			
Salt	92,400	28,301	64,099
Chloride	20,750	11,416	9,334
Gravel	50,000	176,672	(126,672)
Sand	75,000	55,252	19,748
Culverts	15,000	11,521	3,479
Patching Material	8,000	4,460	3,540
Guardrail	8,000	0	8,000
Tools	5,500	5,093	407
Signs	5,000	9,120	(4,120)
Highway Rehabilitation - Capital Road Fund	175,000	175,000	0
ERAF	44,400	44,400	0
Other	0	14	(14)
	<u>499,050</u>	<u>521,249</u>	<u>(22,199)</u>
Total Materials			
Other Public Works:			
Storm Water Catch Basins	6,700	0	6,700
Cemeteries	40,000	48,838	(8,838)
Church Street Bridge Loan	17,738	17,738	0
Parking - Pedestrian Safety	2,500	2,667	(167)
Other	500	125	375
Highway Equipment Trust Fund	125,000	125,000	0
	<u>192,438</u>	<u>194,368</u>	<u>(1,930)</u>
Total Other Public Works			
Total Public Works	<u>1,402,233</u>	<u>1,279,170</u>	<u>123,063</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF BETHEL, 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)
Fire Department:			
Wages	\$ 26,450	\$ 27,684	\$ (1,234)
FICA	1,640	1,716	(76)
Medicare	384	401	(17)
Worker's Compensation	4,698	4,882	(184)
Insurance on Equipment	7,700	12,678	(4,978)
Apparatus/Repairs/Maintenance	14,500	16,999	(2,499)
Truck Equipment	3,000	714	2,286
Gas, Oil & Lubricants	3,500	1,202	2,298
Electricity	2,333	1,746	587
Telephone	3,024	3,327	(303)
Heat	6,835	5,524	1,311
Communications/Radio/Page	12,000	8,720	3,280
Safety & Equipment Supplies	20,000	25,451	(5,451)
Facility Maintenance	2,500	2,595	(95)
Other	100	30	70
Training	2,400	1,042	1,358
Fire Equipment Fund	38,550	39,490	(940)
2017 Kenworth Tanker	21,381	21,381	0
Fire Protection	5,500	5,500	0
	<u>176,495</u>	<u>181,082</u>	<u>(4,587)</u>
Total Fire Department			
Police Department:			
Labor	29,120	2,968	26,152
FICA	1,805	184	1,621
Medicare	422	43	379
Worker's Compensation	1,080	628	452
Insurance on Equipment	3,090	7,561	(4,471)
Professional Liability	3,363	3,196	167
Cruiser	3,000	2,274	726
Cell Phone	600	696	(96)
Uniforms	800	0	800
Gas	5,000	615	4,385
Contract Services	500	31,310	(30,810)
Equipment	2,000	0	2,000
Training	750	0	750
Animal Control	500	0	500
Cruiser Replacement - Capital Cruiser Fund	5,000	5,000	0
Signage	8,000	6,968	1,032
Other	100	0	100
	<u>65,130</u>	<u>61,443</u>	<u>3,687</u>
Total Police Department			

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TOWN OF BETHEL, 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)
Recreation Department:			
Wages	\$ 55,000	\$ 38,265	\$ 16,735
FICA	3,410	2,362	1,048
Medicare	798	552	246
Retirement	1,410	2,931	(1,521)
Worker's Compensation	2,793	1,474	1,319
Insurance - Building & Equipment	1,937	2,095	(158)
Electricity	2,250	2,538	(288)
Telephone	500	1,061	(561)
Repairs & Maintenance	8,500	7,181	1,319
Recreation Reserve Fund	40,000	40,000	0
Programming & Activities	3,000	1,037	1,963
Supplies	2,500	2,583	(83)
Chlorine	3,500	3,596	(96)
American Red Cross	3,200	2,692	508
Water & Sewer	1,400	1,173	227
Other	250	223	27
	<u>130,448</u>	<u>109,763</u>	<u>20,685</u>
Total Recreation Department			
	<u>130,448</u>	<u>109,763</u>	<u>20,685</u>
Parks & Public Places:			
Wages	19,200	18,840	360
FICA	1,190	289	901
Medicare	278	68	210
Worker's Compensation	1,320	33	1,287
Insurance	100	781	(681)
Mowing	500	0	500
Utility Truck Maintenance	1,200	59	1,141
Street Lights	19,332	19,759	(427)
Electricity - Common	1,594	1,740	(146)
Maintenance	9,500	4,145	5,355
Parks Beautification	5,500	225	5,275
Flags and Poles	480	782	(302)
Trail Maintenance	750	750	0
Other	50	39	11
	<u>60,994</u>	<u>47,510</u>	<u>13,484</u>
Total Parks & Public Places			
	<u>60,994</u>	<u>47,510</u>	<u>13,484</u>

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TOWN OF BETHEL, 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)
Municipal Offices:			
Wages	\$ 68,044	\$ 72,095	\$ (4,051)
Salary - Town Clerk	37,030	37,536	(506)
Treasurer	5,310	5,310	0
Town Manager	91,789	97,042	(5,253)
Contract Labor	15,000	6,109	8,891
FICA	12,535	13,215	(680)
Medicare	2,932	3,009	(77)
Retirement	42,052	36,605	5,447
Health Insurance	107,746	105,970	1,776
Worker's Compensation	1,137	1,604	(467)
Dental Insurance	3,641	3,534	107
Insurance - Building	5,568	4,975	593
Bond Insurance	3,426	3,583	(157)
Electricity	2,500	2,064	436
Telephone	7,600	7,715	(115)
Heat	5,500	3,216	2,284
Maintenance - Building	2,000	4,199	(2,199)
Trash Removal	150	140	10
Copier	1,900	2,684	(784)
Computer	8,850	6,219	2,631
Office Equipment	500	282	218
Purchase - Office Furniture	200	607	(407)
Lease - Photocopier	1,138	1,313	(175)
Supplies	6,300	2,117	4,183
Postage/Mailing Supplies	2,500	4,617	(2,117)
Water & Sewer	1,360	1,283	77
Bank Fees	23	203	(180)
CompuCount	3,500	3,606	(106)
Other	250	571	(321)
Training	600	135	465
Manager's Expenses	300	100	200
	<u>441,381</u>	<u>431,658</u>	<u>9,723</u>
Total Municipal Offices			
Town Hall:			
Social Security	0	269	(269)
Medicare	0	63	(63)
Insurance	8,040	9,845	(1,805)
Electricity	1,300	1,175	125
Telephone	1,584	1,539	45
Heat	4,766	2,735	2,031
Building Repair	4,000	9,467	(5,467)
Repair - Clock	350	0	350
Supplies	500	494	6
Water & Sewer	1,296	1,283	13
Other	50	0	50
	<u>21,886</u>	<u>26,870</u>	<u>(4,984)</u>
Total Town Hall			

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TOWN OF BETHEL, 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)
Town Officials:			
Selectboard	\$ 3,750	\$ 3,750	\$ 0
Trustees of Public Funds	600	600	0
Health Officer	1,200	0	1,200
Elections	250	0	250
Board of Civil Authority	50	0	50
Fire Warden	3,000	3,000	0
Tree Warden	600	600	0
Cemetery Commissioner	1,500	2,700	(1,200)
FICA/Medicare	570	608	(38)
	<u>11,520</u>	<u>11,258</u>	<u>262</u>
Total Town Officials			
Listers:			
Wages	27,040	20,691	6,349
FICA	1,676	309	1,367
Medicare	392	72	320
Computer	3,000	3,621	(621)
Supplies	900	96	804
Mileage	500	59	441
Mapping Services	3,000	2,800	200
Training	1,000	0	1,000
Memberships	350	50	300
Other	200	0	200
	<u>38,058</u>	<u>27,698</u>	<u>10,360</u>
Total Listers			
Government Operations:			
Town Meeting	400	519	(119)
Town Reports	3,800	3,657	143
Tax Billing	450	404	46
Preservation of Records	1,500	1,500	0
Tax Abatements	6,000	5,330	670
Legal	10,000	12,448	(2,448)
Planning	1,200	83	1,117
Auditing Services	25,000	25,850	(850)
Training	500	679	(179)
Recording Fees	200	210	(10)
Maintain Website	2,000	1,146	854
Insurance - Shooting Range	1,690	3,821	(2,131)
Meeting Minutes	2,775	1,809	966
Conservation Commission	2,500	2,673	(173)
Red Cross Shelter Maintenance	1,500	1,665	(165)
Energy Committee	100	0	100
Voting Equipment & Supplies	1,500	84	1,416
Advertising	5,700	1,521	4,179
Other	500	4,171	(3,671)
Tax Sale Expenses	6,000	4,244	1,756
Reappraisal Fund	7,000	7,000	0
Capital Improvement Fund	55,000	55,000	0
	<u>135,315</u>	<u>133,814</u>	<u>1,501</u>
Total Government Operations			

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TOWN OF BETHEL, 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>	Variance Favorable/ (Unfavorable)
Appropriations:			
Local:			
Bethel Library	\$ 35,000	\$ 35,000	\$ 0
Council on the Arts	2,000	2,000	0
Bethel Historical Society	500	500	0
Vermont League of Cities & Towns	3,658	3,658	0
Two Rivers Regional Planning Commission	3,165	3,164	1
Green Mountain Economic Development	976	976	0
Green Up Day	150	150	0
White River Partnership	500	500	0
Vermont Rural Fire Protection	100	100	0
Bethel Forward Festival	2,000	2,000	0
Total Local	<u>48,049</u>	<u>48,048</u>	<u>1</u>
Human Services:			
South Royalton Senior Center	4,000	4,000	0
Visiting Nurse Alliance	7,000	7,000	0
Clara Martin Center	3,250	3,250	0
Safeline	1,500	1,500	0
Stagecoach	4,000	4,000	0
Windsor County Mentors	500	500	0
Central Vermont Council on Aging	650	650	0
Vermont Association for the Blind	400	400	0
Vermont Center for Independent Living	300	300	0
Orange County Parent Child	1,000	1,000	0
Quin - Town Center	500	500	0
EXCEL Program	2,500	2,500	0
Health Care & Rehabilitation Services	500	500	0
VT Family Network	250	250	0
Playhouse Movie Theatre	1,000	1,000	0
Total Human Services	<u>27,350</u>	<u>27,350</u>	<u>0</u>
White River Valley Ambulance:	<u>153,048</u>	<u>153,048</u>	<u>0</u>
Total Appropriations	<u>228,447</u>	<u>228,446</u>	<u>1</u>
Debt Service:			
2011 Debt Financing	82,946	82,971	(25)
Long-term Debt - Town Hall	56,236	61,992	(5,756)
Interest - Tax Anticipation Notes	2,100	0	2,100
Total Debt Service	<u>141,282</u>	<u>144,963</u>	<u>(3,681)</u>

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TOWN OF BETHEL, 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)
Taxes:			
County Tax	\$ 14,021	\$ 13,797	\$ 224
Total Taxes	14,021	13,797	224
Miscellaneous:			
BRTS Alliance Fee	26,163	26,163	0
Total Miscellaneous	26,163	26,163	0
Total Expenditures	2,893,373	2,723,635	169,738
Excess of Revenues Over Expenditures	\$ 134,455	213,065	\$ 78,610
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Accrual Basis of Accounting:			
Town Clerk Fund Income		58	
Cemeteries Fund Income		2,200	
Cemeteries Fund Expenses		(435)	
Conservation Fund Transfer In		2,500	
Conservation Fund Expenses		(3,500)	
Better Connections Fund Income		6,500	
Better Connections Fund Expenses		(6,500)	
Net Change in Fund Balance		213,888	
Fund Balance - July 1, 2023		1,826,246	
Fund Balance - June 30, 2024		\$ 2,040,134	

The reconciling items are due to combining four (4) funds, the Town Clerk Fund, the Cemeteries Fund, the Conservation Fund and the Better Connections Fund, with the General Fund in order to comply with GASB Statement No. 54.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	\$ 1,156,754,102	\$ 1,123,933,825	\$ 829,827,694	\$ 1,111,186,438	\$ 841,341,260	\$ 767,059,000	\$ 680,336,959	\$ 661,938,236	\$ 545,047,730	\$ 351,642,081
Town's Proportion of the Net Pension Liability	0.0648%	0.0692%	0.0975%	0.1101%	0.1354%	0.1114%	0.1092%	0.1224%	0.1264%	0.0973%
Town's Proportionate Share of the Net Pension Liability	\$ 749,556	\$ 777,552	\$ 808,862	\$ 1,223,648	\$ 1,137,244	\$ 854,223	\$ 742,710	\$ 810,044	\$ 688,677	\$ 342,208
Town's Covered Employee Payroll	\$ 418,982	\$ 700,763	\$ 621,368	\$ 670,865	\$ 778,312	\$ 670,986	\$ 623,178	\$ 634,608	\$ 661,105	\$ 538,370
Town's Proportionate Share of the Net Pension Liability as a Percentage of Town's Covered Employee Payroll	178.8993%	110.9579%	130.1744%	182.3985%	146.1167%	127.3086%	119.1810%	127.6448%	104.1706%	63.5637%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.69%	66.95%	74.51%	63.81%	69.41%	70.59%	71.99%	70.86%	74.88%	82.50%

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 increased based on plan experience.
- COLA assumptions were decreased as follows:
 - Active Group F members first eligible for normal or unreduced early retirement on or after July 1, 2022 decreased from 2.25% to 2.15%.
 - All other Group F members retired on or after July 1, 2008 decreased from 2.40% to 2.35%.
- Mortality assumptions for Group F were updated as follows:
 - Pre-retirement: PubG-2010 General Employee Amount-Weighted Table with no credibility adjustments.
 - Healthy post-retirement - Retirees: PubG-2010 General Healthy Retiree Amount-Weighted Table for males and females with credibility adjustments of 101% and 105%, respectively, of the rates for all ages.
 - The mortality improvement scale was updated to MP-2021 for all assumptions.
- Assumed inactive vested retirement rates for all pre-Normal Retirement Ages were decreased to 15%.
- Assumed disability rates were uniformly decreased by 40% for all ages.

TOWN OF BETHEL, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 VSERS DEFINED BENEFIT PLAN
 FOR THE YEAR ENDED JUNE 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution (Actuarially Determined)	\$ 88,435	\$ 75,417	\$ 136,649	\$ 86,697	\$ 92,975	\$ 90,206	\$ 71,901	\$ 65,808	\$ 66,507	\$ 70,607
Contributions in Relation to the Actuarially Determined Contributions	<u>88,435</u>	<u>75,417</u>	<u>136,649</u>	<u>86,697</u>	<u>92,975</u>	<u>90,206</u>	<u>71,901</u>	<u>65,808</u>	<u>66,507</u>	<u>70,607</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	\$ 509,420	\$ 418,982	\$ 700,763	\$ 621,368	\$ 670,865	\$ 778,312	\$ 670,986	\$ 623,178	\$ 634,608	\$ 661,105
Contributions as a Percentage of Town's Covered Employee Payroll	17.360%	18.000%	19.500%	13.953%	13.859%	11.590%	10.716%	10.560%	10.480%	10.680%

Notes to Schedule

Valuation Date: June 30, 2023

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

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>				
Cash	\$ 536,219	\$ 128,530	\$ 19,453	\$ 684,202
Investments	37,720	0	347,215	384,935
Receivables	51,825	0	0	51,825
Due from Other Funds	<u>117,955</u>	<u>594,455</u>	<u>0</u>	<u>712,410</u>
Total Assets	<u>\$ 743,719</u>	<u>\$ 722,985</u>	<u>\$ 366,668</u>	<u>\$ 1,833,372</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 3,464	\$ 0	\$ 0	\$ 3,464
Unearned Revenue	12,200	0	0	12,200
Due to Other Funds	<u>63,521</u>	<u>47,508</u>	<u>493</u>	<u>111,522</u>
Total Liabilities	<u>79,185</u>	<u>47,508</u>	<u>493</u>	<u>127,186</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Grants	<u>51,825</u>	<u>0</u>	<u>0</u>	<u>51,825</u>
Total Deferred Inflows of Resources	<u>51,825</u>	<u>0</u>	<u>0</u>	<u>51,825</u>
<u>FUND BALANCES</u>				
Nonspendable	0	0	317,391	317,391
Restricted	488,868	1,970	48,784	539,622
Committed	0	673,507	0	673,507
Assigned	187,980	0	0	187,980
Unassigned/(Deficit)	<u>(64,139)</u>	<u>0</u>	<u>0</u>	<u>(64,139)</u>
Total Fund Balances	<u>612,709</u>	<u>675,477</u>	<u>366,175</u>	<u>1,654,361</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 743,719</u>	<u>\$ 722,985</u>	<u>\$ 366,668</u>	<u>\$ 1,833,372</u>

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

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total
Revenues:				
Intergovernmental	\$ 151,484	\$ 26,400	\$ 0	\$ 177,884
Loan Repayments	14,067	0	0	14,067
Loan Interest Income	567	0	0	567
Investment Income	3,065	2,533	28,537	34,135
Donations	<u>12,245</u>	<u>2,785</u>	<u>0</u>	<u>15,030</u>
Total Revenues	<u>181,428</u>	<u>31,718</u>	<u>28,537</u>	<u>241,683</u>
Expenditures:				
General Government	67,045	0	0	67,045
Public Safety	8,834	0	0	8,834
Culture and Recreation	60,411	48	0	60,459
Capital Outlay:			0	
Public Safety	0	234,000		234,000
Public Works	101,879	38,765	0	140,644
Culture and Recreation	<u>33,875</u>	<u>118,005</u>	<u>0</u>	<u>151,880</u>
Total Expenditures	<u>272,044</u>	<u>390,818</u>	<u>0</u>	<u>662,862</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>(90,616)</u>	<u>(359,100)</u>	<u>28,537</u>	<u>(421,179)</u>
Other Financing Sources:				
Insurance Proceeds	0	290,239	0	290,239
Transfers In	<u>9,000</u>	<u>288,790</u>	<u>0</u>	<u>297,790</u>
Total Other Financing Sources	<u>9,000</u>	<u>579,029</u>	<u>0</u>	<u>588,029</u>
Net Change in Fund Balances	<u>(81,616)</u>	<u>219,929</u>	<u>28,537</u>	<u>166,850</u>
Fund Balances - July 1, 2023, As Previously Presented	694,325	903,013	337,638	1,934,976
Change within Financial Reporting Entity (Non-Major to Major)	<u>0</u>	<u>(447,465)</u>	<u>0</u>	<u>(447,465)</u>
Fund Balances - July 1, 2023, As Adjusted	<u>694,325</u>	<u>455,548</u>	<u>337,638</u>	<u>1,487,511</u>
Fund Balances - June 30, 2024	<u>\$ 612,709</u>	<u>\$ 675,477</u>	<u>\$ 366,175</u>	<u>\$ 1,654,361</u>

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TOWN OF BETHEL, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2024

	Reappraisal Fund	Council on the Arts Fund	Forward Festival Fund	Bandshell Fund	Leasehold Fund	Town Records Preservation Fund	Emergency Shelter Fund	Walking Trail Fund	Bilodeau Land Purchase Fund	Revolving Loan Fund	Fireman's Donation Fund	Grants Fund	Sanders Earmark Fund	Total
ASSETS														
Cash	\$ 135,203	\$ 3,236	\$ 18,744	\$ 2,842	\$ 3,699	\$ 0	\$ 746	\$ 0	\$ 0	\$ 347,019	\$ 24,730	\$ 0	\$ 0	\$ 536,219
Investments	0	0	0	0	0	37,720	0	0	0	0	0	0	0	37,720
Receivables	0	0	0	0	0	0	0	0	0	0	0	19,374	32,451	51,825
Due from Other Funds	52,777	2,090	0	0	7	3,230	7	1,439	347	58,058	0	0	0	117,955
Total Assets	\$ 187,980	\$ 5,326	\$ 18,744	\$ 2,842	\$ 3,706	\$ 40,950	\$ 753	\$ 1,439	\$ 347	\$ 405,077	\$ 24,730	\$ 19,374	\$ 32,451	\$ 743,719
LIABILITIES														
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,464	\$ 0	\$ 3,464
Unearned Revenue	0	0	0	0	0	0	0	0	0	0	0	12,200	0	12,200
Due to Other Funds	0	0	14,516	530	0	0	0	0	0	0	0	16,024	32,451	63,521
Total Liabilities	0	0	14,516	530	0	0	0	0	0	0	0	31,688	32,451	79,185
DEFERRED INFLOWS OF RESOURCES														
Unavailable Grants	0	0	0	0	0	0	0	0	0	0	0	19,374	32,451	51,825
Total Deferred Inflows of Resources	0	0	0	0	0	0	0	0	0	0	0	19,374	32,451	51,825
FUND BALANCES														
Restricted	0	5,326	4,228	2,312	3,706	40,950	753	1,439	347	405,077	24,730	0	0	488,868
Assigned	187,980	0	0	0	0	0	0	0	0	0	0	0	0	187,980
Unassigned/(Deficit)	0	0	0	0	0	0	0	0	0	0	0	(31,688)	(32,451)	(64,139)
Total Fund Balances	187,980	5,326	4,228	2,312	3,706	40,950	753	1,439	347	405,077	24,730	(31,688)	(32,451)	612,709
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 187,980	\$ 5,326	\$ 18,744	\$ 2,842	\$ 3,706	\$ 40,950	\$ 753	\$ 1,439	\$ 347	\$ 405,077	\$ 24,730	\$ 19,374	\$ 32,451	\$ 743,719

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

	Reappraisal Fund	Council on the Arts Fund	Forward Festival Fund	Bandshell Fund	Leasehold Fund	Town Records Preservation Fund	Emergency Shelter Fund	Walking Trail Fund	Bilodeau Land Purchase Fund	Revolving Loan Fund	Fireman's Donation Fund	Grants Fund	Sanders Earmark Fund	Total
Revenues:														
Intergovernmental	\$ 10,047	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 141,437	\$ 0	\$ 151,484
Loan Repayments	0	0	0	0	0	0	0	0	0	14,067	0	0	0	14,067
Loan Interest Income	0	0	0	0	0	0	0	0	0	567	0	0	0	567
Investment Income	2,758	0	0	56	56	38	0	0	0	157	0	0	0	3,065
Donations	0	3,151	0	0	0	0	0	0	0	0	9,094	0	0	12,245
Total Revenues	12,805	3,151	0	56	56	38	0	0	0	14,791	9,094	141,437	0	181,428
Expenditures:														
General Government	60,661	0	0	0	0	166	0	0	0	20	0	6,198	0	67,045
Public Safety	0	0	0	0	0	0	0	0	0	0	8,834	0	0	8,834
Culture and Recreation	0	4,075	4,901	0	0	0	0	0	0	0	0	51,435	0	60,411
Capital Outlay:														
Public Works	0	0	0	0	0	0	0	0	0	0	0	69,428	32,451	101,879
Culture and Recreation	0	0	0	0	0	0	0	0	0	0	0	33,875	0	33,875
Total Expenditures	60,661	4,075	4,901	0	0	166	0	0	0	20	8,834	160,936	32,451	272,044
Excess/(Deficiency) of Revenues	(47,856)	(924)	(4,901)	56	56	(128)	0	0	0	14,771	260	(19,499)	(32,451)	(90,616)
Other Financing Sources:														
Transfers In	7,000	2,000	0	0	0	0	0	0	0	0	0	0	0	9,000
Total Other Financing Sources	7,000	2,000	0	0	0	0	0	0	0	0	0	0	0	9,000
Net Change in Fund Balances	(40,856)	1,076	(4,901)	56	56	(128)	0	0	0	14,771	260	(19,499)	(32,451)	(81,616)
Fund Balances/(Deficit) - July 1, 2023	228,836	4,250	9,129	2,256	3,650	41,078	753	1,439	347	390,306	24,470	(12,189)	0	694,325
Fund Balances/(Deficit) - June 30, 2024	\$ 187,980	\$ 5,326	\$ 4,228	\$ 2,312	\$ 3,706	\$ 40,950	\$ 753	\$ 1,439	\$ 347	\$ 405,077	\$ 24,730	\$ (31,688)	\$ (32,451)	\$ 612,709

TOWN OF BETHEL, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2024

	Town Hall Renovation Fund	Recreation Reserve Fund	Capital Improvement Fund	Fire Equipment Fund	Capital Cruiser Fund	Highway Equipment Trust Fund	Total
<u>ASSETS</u>							
Cash	\$ 15,515	\$ 32,825	\$ 0	\$ 15,174	\$ 11,295	\$ 53,721	\$ 128,530
Due from Other Funds	<u>5,600</u>	<u>29,177</u>	<u>330,723</u>	<u>219,955</u>	<u>9,000</u>	<u>0</u>	<u>594,455</u>
Total Assets	<u>\$ 21,115</u>	<u>\$ 62,002</u>	<u>\$ 330,723</u>	<u>\$ 235,129</u>	<u>\$ 20,295</u>	<u>\$ 53,721</u>	<u>\$ 722,985</u>
<u>LIABILITIES</u>							
Due to Other Funds	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ 47,508	\$ 47,508
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>47,508</u>	<u>47,508</u>
<u>FUND BALANCES</u>							
Restricted	1,970	0	0	0	0	0	1,970
Committed	<u>19,145</u>	<u>62,002</u>	<u>330,723</u>	<u>235,129</u>	<u>20,295</u>	<u>6,213</u>	<u>673,507</u>
Total Fund Balances	<u>21,115</u>	<u>62,002</u>	<u>330,723</u>	<u>235,129</u>	<u>20,295</u>	<u>6,213</u>	<u>675,477</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 21,115</u>	<u>\$ 62,002</u>	<u>\$ 330,723</u>	<u>\$ 235,129</u>	<u>\$ 20,295</u>	<u>\$ 53,721</u>	<u>\$ 722,985</u>

See Disclaimer in Accompanying Independent Auditor's Report.

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

	Town Hall Renovation Fund	Recreation Reserve Fund	Capital Improvement Fund	Fire Equipment Fund	Formerly Non-Major Fund Capital Road Fund	Capital Cruiser Fund	Highway Equipment Trust Fund	Total
Revenues:								
Intergovernmental	\$ 0	\$ 26,400	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 26,400
Investment Income	338	619	0	281	0	225	1,070	2,533
Donations	0	2,785	0	0	0	0	0	2,785
Total Revenues	338	29,804	0	281	0	225	1,070	31,718
Expenditures:								
Culture and Recreation	0	48	0	0	0	0	0	48
Capital Outlay:								
Culture and Recreation	0	118,005	0	0	0	0	0	118,005
Public Safety	0	0	0	234,000	0	0	0	234,000
Public Works	0	0	0	0	0	0	38,765	38,765
Total Expenditures	0	118,053	0	234,000	0	0	38,765	390,818
Excess/(Deficiency) of Revenues Over Expenditures	338	(88,249)	0	(233,719)	0	225	(37,695)	(359,100)
Other Financing Sources:								
Insurance Proceeds	0	0	0	290,239	0	0	0	290,239
Transfers In	0	40,000	55,000	63,790	0	5,000	125,000	288,790
Total Other Financing Sources	0	40,000	55,000	354,029	0	5,000	125,000	579,029
Net Change in Fund Balances	338	(48,249)	55,000	120,310	0	5,225	87,305	219,929
Fund Balances - July 1, 2023, As Previously Presented	20,777	110,251	275,723	114,819	447,465	15,070	(81,092)	903,013
Change within Financial Reporting Entity (Non-Major to Major)	0	0	0	0	(447,465)	0	0	(447,465)
Fund Balances/(Deficit) - July 1, 2023 As Adjusted	20,777	110,251	275,723	114,819	0	15,070	(81,092)	455,548
Fund Balances - June 30, 2024	\$ 21,115	\$ 62,002	\$ 330,723	\$ 235,129	\$ 0	\$ 20,295	\$ 6,213	\$ 675,477

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF BETHEL, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR PERMANENT FUNDS
 JUNE 30, 2024

	Edmund's Memorial Fund	Trustees of Public Funds Fund	Total
<u>ASSETS</u>			
Cash	\$ 1,356	\$ 18,097	\$ 19,453
Investments	0	347,215	347,215
Total Assets	\$ 1,356	\$ 365,312	\$ 366,668
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Due to Other Funds	\$ 493	\$ 0	\$ 493
Total Liabilities	493	0	493
Fund Balances:			
Nonspendable	200	317,191	317,391
Restricted	663	48,121	48,784
Total Fund Balances	863	365,312	366,175
Total Liabilities and Fund Balances	\$ 1,356	\$ 365,312	\$ 366,668

See Disclaimer in Accompanying Independent Auditor's Report.

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

	<u>Edmund's Memorial Fund</u>	<u>Trustees of Public Funds Fund</u>	<u>Total</u>
Revenues:			
Investment Income	\$ <u>0</u>	\$ <u>28,537</u>	\$ <u>28,537</u>
Total Revenues	<u>0</u>	<u>28,537</u>	<u>28,537</u>
Expenditures:	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	<u>0</u>	<u>28,537</u>	<u>28,537</u>
Net Change in Fund Balances	0	28,537	28,537
Fund Balances - July 1, 2023	<u>863</u>	<u>336,775</u>	<u>337,638</u>
Fund Balances - June 30, 2024	\$ <u><u>863</u></u>	\$ <u><u>365,312</u></u>	\$ <u><u>366,175</u></u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF BETHEL, VERMONT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Pass through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Homeland Security</u>				
Passed through State of Vermont				
Department of Public Safety				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	02140-84720-015	\$ 0	\$ 673,489
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	02140-84445-004	<u>0</u>	<u>60,892</u>
Total Disaster Grants (Presidentially Declared Disasters)			<u>0</u>	<u>734,381</u>
BRIC: Building Resilient Infrastructure and Communities	97.047	02140-31237-006	0	9,404
BRIC: Building Resilient Infrastructure and Communities	97.047	02140-31237MC-006	<u>0</u>	<u>815</u>
Total BRIC: Building Resilient Infrastructure and Communities			<u>0</u>	<u>10,219</u>
Total U.S. Department of Homeland Security			<u>0</u>	<u>744,600</u>
<u>U.S. Department of Health and Human Services</u>				
Passed through the State of Vermont				
Department of Health				
Preventive Health and Health Services Block Grant	93.991	03420-09738	<u>0</u>	<u>6,500</u>
Total U.S. Department of Health and Human Services			<u>0</u>	<u>6,500</u>
<u>U.S. Department of the Interior</u>				
Passed through the State of Vermont				
Department of Forest, Parks and Recreation				
Outdoor Recreation Acquisition, Development and Planning	15.916	06130-LWCF-50-00671	<u>0</u>	<u>26,400</u>
Total U.S. Department of the Interior			<u>0</u>	<u>26,400</u>
<u>U.S. Department of Transportation</u>				
Passed through State of Vermont				
Agency of Transportation				
Highway Planning and Construction	20.205	08100-CA0720	0	47,367
Highway Planning and Construction	20.205	08100-ER0153	0	472,813
Highway Planning and Construction	20.205	08100-ER0156	<u>0</u>	<u>281,019</u>
Total U.S. Department of Transportation			<u>0</u>	<u>801,199</u>

See Accompanying Independent Auditor's Report.

**TOWN OF BETHEL, VERMONT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Pass through to Subrecipients	Total Federal Expenditures
<u>U.S. Environmental Protection Agency</u>				
Direct Program				
Congressionally Mandated Projects	66.202	N/A	\$ <u>0</u>	\$ <u>32,451</u>
Passed through the State of Vermont Department of Environmental Conservation				
Drinking Water State Revolving Funds	66.468	06140-RF3-423-1.0	<u>0</u>	<u>1,269,034</u>
Total U.S. Environmental Protection Agency			<u>0</u>	<u>1,301,485</u>
Total Federal Awards Expended			<u>\$ 0</u>	<u>\$ 2,880,184</u>

Note A - Basis of Presentation

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

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Town of Bethel, Vermont has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Sullivan, Powers & Co., P.C.

Certified Public Accountants

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

Board of Selectmen
Town of Bethel, Vermont
134 South Main Street
Bethel, Vermont 05032

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bethel, 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 Bethel, Vermont's basic financial statements and have issued our report thereon dated March 25, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Bethel, 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 Bethel, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Bethel, 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 Bethel, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Item 2024-01, 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 Bethel, 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”.

Town of Bethel, Vermont’s Response to Finding

“Government Auditing Standards” requires the auditor to perform limited procedures on the Town of Bethel, Vermont’s response to the finding identified in our audit and included with the accompanying Schedule of Findings and Questioned Costs. The Town of Bethel, Vermont’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Bethel, 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 Bethel, Vermont’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sullivan, Powers & Co.

March 25, 2025
Montpelier, Vermont
VT Lic. #92-000180

Sullivan, Powers & Co., P.C.

Certified Public Accountants

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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Selectmen
Town of Bethel, Vermont
134 South Main Street
Bethel, Vermont 05032

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Bethel, Vermont's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) "Compliance Supplement" that could have a direct and material effect on each of the Town of Bethel, Vermont's major federal programs for the year ended June 30, 2024. The Town of Bethel, Vermont's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Town of Bethel, Vermont and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Bethel, Vermont's compliance with the compliance requirements referred to previously.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town of Bethel, Vermont's compliance with the compliance requirements referred to previously and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Bethel, Vermont's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Bethel, Vermont's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Sullivan, Powers & Co.

March 25, 2025
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF BETHEL, VERMONT
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

There was no single audit required in the prior year.

TOWN OF BETHEL, VERMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued:
Unmodified.

Internal Control over Financial Reporting:
Material Weaknesses identified:
Yes.
Significant Deficiencies identified not considered to be material weaknesses:
None noted.

Noncompliance material to financial statements:
None noted.

Federal Awards

Internal Control over Major Programs:
Material Weaknesses identified:
None noted.
Significant Deficiencies identified not considered to be material weaknesses:
None noted.

Type of auditor's report issued on compliance for major programs:
Unmodified.

There are no audit findings that are required to be reported in accordance with 2 CFR 200.516(a).

Major Programs:

<u>CFDA #</u>	<u>Program</u>	<u>Federal Agency</u>
66.468	Drinking Water State Revolving Funds	U.S. Environmental Protection Agency
20.205	Highway Planning and Construction	U.S. Department of Transportation

The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.

The auditee did not qualify as a low risk auditee.

TOWN OF BETHEL, VERMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Deficiencies in Internal Control:

Material Weaknesses:

2024-01 Reconciliation of Balance Sheet Accounts

Criteria:

Internal controls should be in place to provide for the reconciliation of all balance sheet accounts to supporting documentation on an annual basis in order to detect and correct errors in account balances.

Condition:

A number of balance sheet accounts such as receivables, property, plant and equipment, accumulated depreciation, payroll withholdings payable, unearned revenue, bonds payable and deferred inflows of resources were not reconciled prior to the audit to the actual balances at year end which resulted in various adjustments to revenue and expenses.

Cause:

Unknown.

Effect:

The Town's account balances were not completely reconciled which resulted in various adjustments to revenue and expenses.

Recommendation:

We recommend that all balance sheet accounts be reconciled to supporting documentation at least annually in order to detect and correct errors.



Town of Bethel, Vermont

Incorporated
1779

134 South Main St.
Bethel, Vermont 05032
Phone: 802-234-9340

March 25, 2025

Sullivan & Powers
Rick Brigham
Sullivan, Powers & Company
77 Barre Street / PO Box 947
Montpelier VT 05602

Dear Rick,

For the Town of Bethel, I would appreciate the following comments being added as the Management Responses:

2024-01 Reconciliation of Balance Sheet Accounts

"The Town of Bethel is working on the recommendation and continuing to implement procedures to correct."

Please contact me if you have any questions.

Sincerely,


Therese Kirby
Town Manager