

**TOWN OF GUILFORD, VERMONT**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2022**  
**AND**  
**INDEPENDENT AUDITOR'S REPORTS**

**TOWN OF GUILFORD, VERMONT**

**JUNE 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

The Selectboard  
Town of Guilford, Vermont

### **Report on the Audit of the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Guilford, Vermont (the Town) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town'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, each major fund and the aggregate remaining fund information of the Town of Guilford, Vermont as of June 30, 2022, and the respective changes in financial position thereof and the respective budgetary comparisons for the General and Highway Funds 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 (GAAS). 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 Guilford, Vermont, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these 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'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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying schedules 1 and 2 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedules 1 and 2 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2022 on our consideration of the Town's internal control over financial reporting; on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements; and on other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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's internal control over financial reporting and compliance.

Montpelier, Vermont  
September 1, 2022

*Melgett Jennett* 9  
*Shosh N. N. N., P.C.*

**TOWN OF GUILFORD, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

The following is a discussion and analysis of the Town of Guilford's (the Town) financial performance, including an overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022. Readers should consider this information in conjunction with the financial statements, which are located after this analysis. This discussion and analysis provides comparisons between FY 2022 and FY 2021.

**FINANCIAL HIGHLIGHTS**

**Government-wide Highlights**

The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2022, by \$6,325,834 compared to \$5,983,578 at June 30, 2021. This represents an increase of \$342,256 or 5.7%. The change in net position for fiscal year 2022 was \$342,256 compared to \$363,856 for fiscal year 2021, a decrease of \$21,600.

**Fund Highlights**

At the end of the fiscal year, the Town's governmental funds reported a combined ending fund balance of \$3,309,724 an increase of \$249,532 in comparison with \$3,060,192 for the prior year. Of the total fund balance, \$21,432 is nonspendable, \$833,786 is restricted, \$2,323,019 is committed, \$23,525 is assigned, leaving an unassigned balance of \$107,962.

**Long-term Debt**

The Town's total debt decreased during the fiscal year from \$39,000 to \$19,500, a decrease of \$19,500 or 50%.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Town's financial statements consist of three sections; 1) Management's Discussion and Analysis, 2) Basic Financial Statements, and 3) Supplementary Schedules.

- **Management's Discussion and Analysis** - An introduction to the basic financial statements that is intended to be an easily read analysis of the Town's financial activities based on currently known facts, decisions or conditions.
- **Basic Financial Statements** - This section of the report includes government-wide financial statements, fund financial statements, budgetary comparisons for the General Fund and Highway Fund, and notes to the financial statements.
- **Supplementary Schedules** - This section of the report includes schedules 1 and 2, which are not required by accounting principles generally accepted in the United States of America (U.S. GAAP) but are presented as supplementary information. These schedules contain the combining information for individual nonmajor governmental funds. This section also includes schedules 3 and 4, which are required by U.S. GAAP. These schedules contain required historical pension information.

## Government-wide Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances. The statements provide both short-term and long-term information about the Town's financial position, which helps readers determine whether the Town's financial position has improved or deteriorated during the fiscal year. These statements include all non-fiduciary financial activity on the full accrual basis of accounting. This means that all revenues and expenditures are reflected in the financial statements even if the related cash has not been received or paid as of June 30.

- **Statement of Net Position** - This statement presents information on all of the Town's assets, liabilities, and deferred outflows/inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may indicate whether the financial position of the Town is improving or deteriorating.
- **Statement of Activities** - This statement presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

## Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the Town's funds are categorized as either governmental or fiduciary.

- **Governmental Funds** - Most of the basic services provided by the Town are reported in the governmental funds. These statements provide a detailed, short-term view of the functions reported as governmental activities in the government-wide financial statements. The government-wide financial statements are reported using the full accrual basis of accounting, but the governmental fund financial statements are reported using the modified accrual basis of accounting. This allows the reader to focus on assets that can be readily converted to cash and determine whether there are adequate resources to meet the Town's current needs.

Information is presented separately in the governmental fund statements for the General, Highway, VCDP Grant, Fund Balance Reserve, Capital Projects, and ARPA Grant Funds which are each considered major funds. Data from the other twenty (20) governmental funds are aggregated into a single column on the fund financial statements. Individual fund data for these nonmajor governmental funds is provided in the supplementary schedules section.

- **Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of other parties. Fiduciary activity is not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The Town's fiduciary funds are the Brainard S. Gale Fund, Mrs. C.A. King Fund, King & Lynde Fund, and the Bullock Scholarship Fund.

## Reconciliation of Government-wide Financial Statements to Fund Financial Statements

This report includes a reconciliation of the amounts reported on the governmental fund financial statements (modified accrual accounting) with governmental activities on the appropriate government-wide statements (accrual accounting). The following indicates some of the reporting differences between the government-wide financial statements and the fund financial statements.

- Capital assets used in governmental activities are not reported on governmental fund statements.
- Long-term liabilities, except for debt service expenditures during the year, are not included in the fund financial statements. These liabilities are only included in the government-wide statements.
- Deferred inflows of resources, relating to deferred property taxes, are included in the fund financial statements to offset uncollected taxes which are not available financial resources but are excluded from government-wide statements.
- Deferred inflows of resources relating to deferred pension credits, deferred outflows of resources relating to deferred pension expense, and net pension asset or liability are reported on the government-wide statements but are excluded from the fund financial statements.
- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures in the fund financial statements.

Because the focus of governmental funds is different from that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This comparison can help readers better understand the long-term impact of the Town’s near-term financing decisions. The comparisons are:

- Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position.
- Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities.

## FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

Our analysis below focuses on net position and the change in net position of the Town’s activities. The Town’s net position for governmental activities increased from \$5,983,578 to \$6,325,834.

	<b>Net Position as of June 30,</b>	
	<u>2021</u>	<u>2022</u>
Current and Other Assets	\$ 3,789,333	\$ 4,063,537
Capital Assets, net	<u>3,032,836</u>	<u>3,085,765</u>
Total Assets	<u>6,822,169</u>	<u>7,149,302</u>
Deferred Outflows of Resources	<u>145,174</u>	<u>89,894</u>
Current Liabilities	56,616	68,807
Noncurrent Liabilities	<u>355,726</u>	<u>155,874</u>
Total Liabilities	<u>412,342</u>	<u>224,681</u>
Deferred Inflows of Resources	<u>571,423</u>	<u>688,681</u>
Net Position:		
Net Investment in Capital Assets	2,993,836	3,066,265
Restricted	2,829,347	3,174,475
Unrestricted	<u>160,395</u>	<u>85,094</u>
Total Net Position	<u>\$ 5,983,578</u>	<u>\$ 6,325,834</u>

A significant portion of the Town’s net position (48.5%) reflects its investment in capital assets (e.g., land, buildings, equipment, construction in progress, and infrastructure); less any related outstanding debt used to

acquire those assets (net investment in capital assets). These assets are recorded net of depreciation in the financial statements. The Town uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position (50.2%) represents restricted net position. These resources are subject to external restrictions or constitutional provisions specifying how they may be used.

The following condensed financial information was derived from the Government-wide Statement of Activities and provides detail regarding the change in net position.

**Change in Net Position for the Fiscal Year Ended June 30**

	<u>2021</u>	<u>2022</u>
Revenues:		
Program Revenues:		
Grants and Contributions	\$ 442,563	\$ 656,055
Charges for Services	52,118	47,820
Other	4,735	4,835
	499,416	708,710
General Revenues:		
Property Taxes	1,916,723	1,703,620
Investment Income	7,496	17,120
Sale of Capital Assets	-	23,500
	1,924,219	1,744,240
Total Revenues	2,423,635	2,452,950
Expenses:		
General Government	581,327	625,534
Highways and Streets	1,106,840	1,034,734
Culture and Recreation	5,174	82,789
Special Appropriations	376,181	366,771
Interest on Debt	1,407	866
Total Expenses	2,070,929	2,110,694
Increase in Net Position	\$ 352,706	\$ 342,256

Total governmental activities expenses were \$2,070,929 and \$2,110,694 in fiscal years 2021 and 2022, respectively. The largest expenses were incurred for general government and highways and streets. The expenses do not include capital outlays, which are reflected as capital assets in the government-wide financial statements.

Program revenues are derived directly from the program itself or from parties outside the reporting government's taxpayers or citizenry. They reduce the net cost of the function to be financed from the government's general revenues. Total program revenues from governmental activities were \$499,416 in 2021 and \$708,710 in 2022. Governmental program revenues come from charges for services, which include licenses and permits, planning fees, developer fees, forfeitures, and several other revenues. Program revenues in the grants and contributions category include federal, state and local grants that are restricted for program use.

General revenues are all other revenues not categorized as program revenues and include property taxes and investment income. Total general revenues from governmental activities were \$1,924,219 in fiscal 2021 and \$1,744,240 in fiscal 2022. Approximately 98% of the Town’s total general revenues comes from property taxes.

**Fund Financial Statements**

The fund balance for the General Fund decreased from \$227,039 in FY 2021 to \$221,965 in 2022.

The Statement of Revenues and Expenditures - Budget and Actual - General Fund shows the Town raised \$1,012,079 in revenues, \$26,963 more than budgeted, while expenditures of \$852,139 were \$17,113 more than budgeted.

The fund balance for the Highway Fund increased from \$877,078 in FY 2021 to \$942,148 in 2022.

The Statement of Revenues and Expenditures - Budget and Actual - Highway Fund shows the Town raised \$1,001,530 in revenues, \$28,073 more than budgeted, while expenditures of \$854,860 were \$36,997 less than budgeted.

**Capital Assets**

The following is a schedule of capital assets as of June 30, 2021 and 2022.

	<u>2021</u>	<u>2022</u>
Buildings and improvements	\$ 1,012,847	\$ 1,080,537
Vehicles and equipment	2,095,516	2,139,397
Infrastructure	2,415,087	2,415,087
Accumulated depreciation	<u>(2,490,614)</u>	<u>(2,549,256)</u>
Total net capital assets	<u>\$ 3,032,836</u>	<u>\$ 3,085,765</u>

The Town had \$3,032,836 and \$3,085,765 invested in capital assets, net of depreciation, on June 30, 2021 and June 30, 2022, respectively. The net increase (including additions and deductions) between the two periods amounted to \$52,929.

This year’s major capital events included:

- Garage siding
- 2022 International
- Ford F-600

**Long-term debt**

At the end of the fiscal year, the Town had \$19,500 in long-term debt outstanding compared to \$39,000 in the prior year, an approximate 50% decrease. A list of outstanding long-term debt follows:

	<u>2021</u>	<u>2022</u>
Direct borrowings:		
VMBB 2012 Series 1	<u>\$ 39,000</u>	<u>\$ 19,500</u>

## **Fiscal Year 2023 Budget**

The FY 2023 total operating budget is \$1,170,784 for the General Fund and \$995,923 for the Highway Fund (does not include school taxes). The FY 2022 total operating budget was \$1,117,205 for the General Fund and \$973,457 for the Highway Fund. The total increase is \$76,045 or 4% over the previous year.

The FY 2023 net budget (the amount to be raised by taxes) is \$1,866,347. The FY 2022 net budget (the amount to be raised by taxes) was \$1,655,222. This is an increase of \$211,125 to the net Town budget.

## **Requests for Information**

This financial report is designed to provide a general overview of the Town's finances for all of its citizens, taxpayers, customers, and creditors. Questions concerning any of the information provided in the report or requests for additional information should be addressed to the Town of Guilford, 236 School Road, Guilford, Vermont 05301-8319.

**TOWN OF GUILFORD, VERMONT**  
**GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Current assets -	
Cash and cash equivalents	\$ 3,354,068
Investments	11,199
Taxes receivable, including penalties and interest	182,456
Accounts receivable	2,052
Prepaid expenses	<u>3,762</u>
Total current assets	<u>3,553,537</u>
Noncurrent assets -	
Notes receivable	510,000
Capital assets	5,635,021
less - accumulated depreciation	<u>(2,549,256)</u>
Total noncurrent assets	<u>3,595,765</u>
Total assets	<u>7,149,302</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Deferred pension expense	<u>89,894</u>
<b>LIABILITIES:</b>	
Current liabilities -	
Accounts payable	33,565
Due to other activities	(1,450)
Accrued compensated absences	17,192
Current portion of long-term debt	<u>19,500</u>
Total current liabilities	<u>68,807</u>
Noncurrent liabilities -	
Net pension liability	<u>155,874</u>
Total liabilities	<u>224,681</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Deferred tax overpayments	44,506
Deferred note revenue	510,000
Deferred pension credits	<u>134,175</u>
Total deferred inflows of resources	<u>688,681</u>
<b>NET POSITION:</b>	
Net investment in capital assets	3,066,265
Restricted	3,174,475
Unrestricted	<u>85,094</u>
Total net position	<u>\$ 6,325,834</u>

The notes to financial statements are an integral part of this statement.

**TOWN OF GUILFORD, VERMONT  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Grants and Contributions</u>	<u>Charges for Services</u>	<u>Other</u>	
<b>FUNCTIONS/PROGRAMS:</b>					
Governmental activities -					
General government	\$ 625,534	\$ 486,489	\$ 47,787	\$ 1,054	\$ (90,204)
Highways and streets	1,034,734	169,566	-	3,781	(861,387)
Culture and recreation	82,789	-	33	-	(82,756)
Special appropriations	366,771	-	-	-	(366,771)
Debt service - interest	<u>866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(866)</u>
 Total governmental activities	 \$ <u>2,110,694</u>	 \$ <u>656,055</u>	 \$ <u>47,820</u>	 \$ <u>4,835</u>	 <u>(1,401,984)</u>
 <b>GENERAL REVENUES - PROPERTY TAXES</b>					1,703,620
- INVESTMENT INCOME					17,120
- SALE OF CAPITAL ASSETS					<u>23,500</u>
					<u>1,744,240</u>
 CHANGE IN NET POSITION					 342,256
 NET POSITION, July 1, 2021					 <u>5,983,578</u>
 NET POSITION, June 30, 2022					 \$ <u><u>6,325,834</u></u>

The notes to financial statements are an integral part of this statement.

**TOWN OF GUILFORD, VERMONT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**  
(Page 1 of 3)

	<u>General</u> <u>Fund</u>	<u>Highway</u> <u>Fund</u>	<u>VCDP</u> <u>Grant</u> <u>Fund</u>	<u>Fund</u> <u>Balance</u> <u>Reserve</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>ARPA</u> <u>Grant</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Totals</u> <u>Governmental</u> <u>Funds</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 3,132,982	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 221,086	\$ 3,354,068
Investments	-	-	-	-	-	-	11,199	11,199
Taxes receivable	182,456	-	-	-	-	-	-	182,456
Accounts receivable	-	-	-	-	-	-	2,052	2,052
Notes receivable	-	-	510,000	-	-	-	-	510,000
Due from other funds	-	958,120	-	423,419	443,349	241,512	827,262	2,893,662
Prepaid expenditures	<u>3,762</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,762</u>
Total assets	\$ <u>3,319,200</u>	\$ <u>958,120</u>	\$ <u>510,000</u>	\$ <u>423,419</u>	\$ <u>443,349</u>	\$ <u>241,512</u>	\$ <u>1,061,599</u>	\$ <u>6,957,199</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY</b>								
<b>LIABILITIES:</b>								
Accounts payable	\$ 33,297	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 268	\$ 33,565
Accrued compensated absences	1,220	15,972	-	-	-	-	-	17,192
Due to other funds	<u>2,868,212</u>	<u>-</u>	<u>24,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,892,212</u>
Total liabilities	<u>2,902,729</u>	<u>15,972</u>	<u>24,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>268</u>	<u>2,942,969</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>								
Deferred tax overpayments	44,506	-	-	-	-	-	-	44,506
Deferred property taxes	150,000	-	-	-	-	-	-	150,000
Deferred note revenue	<u>-</u>	<u>-</u>	<u>510,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>510,000</u>
Total deferred inflows of resources	<u>194,506</u>	<u>-</u>	<u>510,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>704,506</u>

The notes to financial statements are an integral part of this statement.

**TOWN OF GUILFORD, VERMONT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**  
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	<u>General Fund</u>	<u>Highway Fund</u>	<u>VCDP Grant Fund</u>	<u>Fund Balance Reserve Fund</u>	<u>Capital Projects Fund</u>	<u>ARPA Grant Fund</u>	<u>Other Governmental Funds</u>	<u>Totals Governmental Funds</u>
<b>FUND EQUITY:</b>								
Fund balances -								
Nonspendable	3,762	-	-	-	-	-	17,670	21,432
Restricted	-	-	-	-	-	241,512	592,274	833,786
Committed	-	942,148	-	423,419	443,349	-	514,103	2,323,019
Assigned	-	-	-	-	-	-	23,525	23,525
Unassigned	<u>218,203</u>	-	<u>(24,000)</u>	-	-	-	<u>(86,241)</u>	<u>107,962</u>
Total fund balances (deficit)	<u>221,965</u>	<u>942,148</u>	<u>(24,000)</u>	<u>423,419</u>	<u>443,349</u>	<u>241,512</u>	<u>1,061,331</u>	<u>3,309,724</u>
 Total liabilities, deferred inflows of resources and fund equity	 <u>\$ 3,319,200</u>	 <u>\$ 958,120</u>	 <u>\$ 510,000</u>	 <u>\$ 423,419</u>	 <u>\$ 443,349</u>	 <u>\$ 241,512</u>	 <u>\$ 1,061,599</u>	 <u>\$ 6,957,199</u>

The notes to financial statements are an integral part of this statement.

**TOWN OF GUILFORD, VERMONT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**  
(Page 3 of 3)

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION:**

Amount reported on Balance Sheet - Governmental Funds - total fund balances	\$ 3,309,724
Amounts reported for governmental activities in the Government-wide Statement of Net Position are different because -	
Capital assets used in governmental funds are not financial resources and are therefore not reported in the funds.	
Capital assets	5,635,021
Accumulated depreciation	(2,549,256)
Balances related to net pension asset or liability and related deferred outflows/inflows of resources are not reported in the governmental funds.	
Deferred pension expense	89,894
Deferred pension credits	(134,175)
Net pension liability	(155,874)
Deferred property taxes are reported in the governmental funds to offset uncollected taxes which are not available financial resources.	150,000
Liabilities not due and payable are not reported in governmental funds.	
Long-term debt	<u>(19,500)</u>
Net position of governmental activities - Government-wide Statement of Net Position	\$ <u><u>6,325,834</u></u>

The notes to financial statements are an integral part of this statement.

**TOWN OF GUILFORD, VERMONT**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

(Page 1 of 3)

	General Fund	Highway Fund	VCDP Grant Fund	Fund Balance Reserve Fund	Capital Projects Fund	ARPA Grant Fund	Other Governmental Funds	Totals Governmental Funds
<b>REVENUES:</b>								
Property taxes	\$ 857,499	\$ 827,007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,684,506
Intergovernmental	104,104	169,566	18,484	-	-	319,132	44,769	656,055
Licenses, permits and fines	1,276	-	-	-	-	-	-	1,276
Charges for services	31,432	-	-	-	-	-	15,042	46,474
Investment income	16,644	1,176	-	-	565	-	(1,265)	17,120
Miscellaneous	1,124	3,781	-	-	-	-	-	4,905
Total revenues	<u>1,012,079</u>	<u>1,001,530</u>	<u>18,484</u>	<u>-</u>	<u>565</u>	<u>319,132</u>	<u>58,546</u>	<u>2,410,336</u>
<b>EXPENDITURES:</b>								
Current -								
General government	485,368	-	27,746	-	2,483	77,620	19,536	612,753
Highways and streets	-	731,033	-	-	-	-	-	731,033
Culture and recreation	-	-	-	-	-	-	82,789	82,789
Special appropriations	366,771	-	-	-	-	-	-	366,771
Capital outlay	-	123,827	-	-	246,765	-	-	370,592
Debt service - Principal	-	-	-	-	-	-	19,500	19,500
- Interest	-	-	-	-	-	-	866	866
Total expenditures	<u>852,139</u>	<u>854,860</u>	<u>27,746</u>	<u>-</u>	<u>249,248</u>	<u>77,620</u>	<u>122,691</u>	<u>2,184,304</u>

The notes to financial statements are an integral part of this statement.

**TOWN OF GUILFORD, VERMONT**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

(Page 2 of 3)

	<u>General Fund</u>	<u>Highway Fund</u>	<u>VCDP Grant Fund</u>	<u>Fund Balance Reserve Fund</u>	<u>Capital Projects Fund</u>	<u>ARPA Grant Fund</u>	<u>Other Governmental Funds</u>	<u>Totals Governmental Funds</u>
EXCESS OF REVENUES OR (EXPENDITURES)	<u>159,940</u>	<u>146,670</u>	<u>(9,262)</u>	<u>-</u>	<u>(248,683)</u>	<u>241,512</u>	<u>(64,145)</u>	<u>226,032</u>
<b>OTHER FINANCING SOURCES (USES):</b>								
Sale of capital assets	-	-	-	-	23,500	-	-	23,500
Transfers in (out), net	<u>(165,014)</u>	<u>(81,600)</u>	<u>-</u>	<u>(79,471)</u>	<u>225,000</u>	<u>-</u>	<u>101,085</u>	<u>-</u>
Total other financing sources (uses)	<u>(165,014)</u>	<u>(81,600)</u>	<u>-</u>	<u>(79,471)</u>	<u>248,500</u>	<u>-</u>	<u>101,085</u>	<u>23,500</u>
NET CHANGE IN FUND BALANCES	(5,074)	65,070	(9,262)	(79,471)	(183)	241,512	36,940	249,532
FUND BALANCES (DEFICIT), July 1, 2021	<u>227,039</u>	<u>877,078</u>	<u>(14,738)</u>	<u>502,890</u>	<u>443,532</u>	<u>-</u>	<u>1,024,391</u>	<u>3,060,192</u>
FUND BALANCES (DEFICIT), June 30, 2022	\$ <u>221,965</u>	\$ <u>942,148</u>	\$ <u>(24,000)</u>	\$ <u>423,419</u>	\$ <u>443,349</u>	\$ <u>241,512</u>	\$ <u>1,061,331</u>	\$ <u>3,309,724</u>

The notes to financial statements are an integral part of this statement.

**TOWN OF GUILFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

(Page 3 of 3)

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES:**

Net change in fund balance - total governmental funds	\$ 249,532
Amounts reported for governmental activities in the Government-wide Statement of Activities are different because -	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Additions to capital assets, net	400,592
Depreciation	(347,663)
Property tax revenue in governmental funds includes deferred property taxes of the prior year but excludes deferred property taxes of the current year as taxes uncollected within 60 days are unavailable at year end.	
Prior year	(130,886)
Current year	150,000
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.	
Payments on long-term debt	19,500
Changes in net pension asset or liability and related deferred outflows/inflows of resources will increase or decrease the amounts reported in the government-wide statements, but are only recorded as an expenditure when paid in the governmental funds.	
Net (increase) decrease in net pension obligation	<u>1,181</u>
Change in net position of governmental activities - Government-wide Statement of Activities	<u>\$ 342,256</u>

The notes to financial statements are an integral part of this statement.

**TOWN OF GUILFORD, VERMONT**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

(Page 1 of 2)

	Original and Final <u>Budget</u>	Actual (Budgetary Basis) <u>Basis)</u>	Variance Over (Under) <u>(Under)</u>
<b>REVENUES:</b>			
Property taxes	\$ 828,216	\$ 857,499	\$ 29,283
Interest and penalties on delinquent taxes	10,000	15,031	5,031
Intergovernmental	103,000	104,104	1,104
Licenses and permits	1,000	1,076	76
Fines	-	200	200
Town clerk fees	19,330	22,932	3,602
Charges for services - AFD #1	8,500	8,500	-
Interest	15,000	1,613	(13,387)
Miscellaneous	70	1,124	1,054
Total revenues	<u>985,116</u>	<u>1,012,079</u>	<u>26,963</u>
<b>EXPENDITURES:</b>			
General Government -			
Selectboard	208,180	205,391	(2,789)
Treasurer	38,833	26,926	(11,907)
Board of civil authority	1,600	3,099	1,499
Auditors	23,850	20,567	(3,283)
Listers	34,298	27,145	(7,153)
Town clerk	64,435	73,422	8,987
Planning commission	1,000	241	(759)
Conservation commission	2,500	1,194	(1,306)
Recreation commission	3,130	-	(3,130)
Constable	-	817	817
Pound keeper	4,105	3,396	(709)
Floodplain administrator	350	-	(350)
Health officer	150	-	(150)
Solid waste	14,928	13,958	(970)
Cemeteries	7,700	4,660	(3,040)
Library	40,600	35,094	(5,506)
County tax	22,000	21,798	(202)
HRA deductibles	-	47,660	47,660
Total general government	<u>467,659</u>	<u>485,368</u>	<u>17,709</u>
Special appropriations -			
Windham Regional Commission	5,121	5,121	-
WRC Commissioner	500	-	(500)
Green Up Vermont	150	150	-

The notes to financial statements are an integral part of this statement.

**TOWN OF GUILFORD, VERMONT**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

(Page 2 of 2)

	Original and Final <u>Budget</u>	Actual (Budgetary Basis) <u>Basis)</u>	Variance Over (Under) <u>(Under)</u>
<b>EXPENDITURES (CONTINUED):</b>			
Special appropriations (continued) -			
VLCT	3,711	3,711	-
Rescue, Inc.	50,947	50,946	(1)
Front Porch Forum	75	50	(25)
Guilford Gazette	150	100	(50)
Broad Brook Community Center	5,000	5,000	-
Guilford Volunteer Fire Department	273,450	273,450	-
Youth Services	1,605	1,605	-
Women's Freedom Center	1,000	1,000	-
Groundworks Collaborative	1,000	1,000	-
Visiting Nurse Alliance	6,300	6,300	-
RSVP	485	485	-
Senior Solutions	850	850	-
Brattleboro Area Hospice	300	300	-
The Gathering Place	500	500	-
Brattleboro Senior Meals	350	350	-
Early Education Services	850	850	-
SEVEDS	6,363	6,363	-
AIDS Project of Southern Vermont	350	350	-
Connecticut River Transit	250	250	-
Guilford Cares	6,000	6,000	-
SEVCA, Inc.	2,040	2,040	-
Total special appropriations	<u>367,347</u>	<u>366,771</u>	<u>(576)</u>
Total expenditures	<u>835,006</u>	<u>852,139</u>	<u>17,133</u>
EXCESS OF REVENUES OR (EXPENDITURES)	150,110	159,940	9,830
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in (out), net	<u>(150,110)</u>	<u>(165,014)</u>	<u>14,904</u>
NET CHANGE IN FUND BALANCE	\$ <u>-</u>	(5,074)	\$ <u>(5,074)</u>
FUND BALANCE, July 1, 2021		<u>227,039</u>	
FUND BALANCE, June 30, 2022		\$ <u>221,965</u>	

The notes to financial statements are an integral part of this statement.

**TOWN OF GUILFORD, VERMONT**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - HIGHWAY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Original and Final Budget	Actual (Budgetary Basis)	Variance Over (Under)
<b>REVENUES:</b>			
Property taxes	\$ 827,007	\$ 827,007	\$ -
State aid to highways	145,000	169,566	24,566
Civil fines	1,200	-	(1,200)
Interest income	250	1,176	926
Miscellaneous	-	3,781	3,781
Total revenues	<u>973,457</u>	<u>1,001,530</u>	<u>28,073</u>
<b>EXPENDITURES:</b>			
Highway general	424,737	369,613	(55,124)
Highway winter	190,020	177,071	(12,949)
Retreatment	130,000	4,484	(125,516)
Bridges	8,500	-	(8,500)
MRGP fees	2,500	1,595	(905)
Town garage	36,100	36,248	148
Town equipment	<u>100,000</u>	<u>265,849</u>	<u>165,849</u>
Total expenditures	<u>891,857</u>	<u>854,860</u>	<u>(36,997)</u>
EXCESS OF REVENUES OR (EXPENDITURES)	81,600	146,670	65,070
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in (out), net	<u>(81,600)</u>	<u>(81,600)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ <u>-</u>	65,070	\$ <u>65,070</u>
FUND BALANCE, July 1, 2021		<u>877,078</u>	
FUND BALANCE, June 30, 2022		\$ <u>942,148</u>	

The notes to financial statements are an integral part of this statement.

**TOWN OF GUILFORD, VERMONT**  
**STATEMENT OF NET POSITION -**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2022**

	<u>Brainard S. Gale Fund</u>	<u>Mrs. C. A. King Fund</u>	<u>King &amp; Lynde Fund</u>	<u>Bullock Scholarship Fund</u>	<u>Totals</u>
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 340	\$ 1,010	\$ 1,010	\$ 9,300	\$ 11,660
Investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,796</u>	<u>130,796</u>
Total assets	<u>340</u>	<u>1,010</u>	<u>1,010</u>	<u>140,096</u>	<u>142,456</u>
<b>LIABILITIES:</b>					
Accounts payable	-	10	10	186	206
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,450</u>	<u>1,450</u>
	<u>-</u>	<u>10</u>	<u>10</u>	<u>1,636</u>	<u>1,656</u>
<b>NET POSITION:</b>					
Restricted	<u>340</u>	<u>1,000</u>	<u>1,000</u>	<u>138,460</u>	<u>140,800</u>
Total net position	\$ <u>340</u>	\$ <u>1,000</u>	\$ <u>1,000</u>	\$ <u>138,460</u>	\$ <u>140,800</u>

The notes to financial statements are an integral part of this statement.

**TOWN OF GUILFORD, VERMONT  
STATEMENT OF CHANGES IN NET POSITION -  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Brainard S. Gale Fund</u>	<u>Mrs. C. A. King Fund</u>	<u>King &amp; Lynde Fund</u>	<u>Bullock Scholarship Fund</u>	<u>Totals</u>
<b>ADDITIONS:</b>					
Interest and dividends	\$ -	\$ -	\$ -	\$ 3,428	\$ 3,428
Gain (loss) on market value	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,873)</u>	<u>(7,873)</u>
Total additions	-	-	-	(4,445)	(4,445)
<b>DEDUCTIONS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>
<b>CHANGE IN NET POSITION</b>	-	-	-	(7,445)	(7,445)
NET POSITION, July 1, 2021	<u>340</u>	<u>1,000</u>	<u>1,000</u>	<u>145,905</u>	<u>148,245</u>
NET POSITION, June 30, 2022	\$ <u>340</u>	\$ <u>1,000</u>	\$ <u>1,000</u>	\$ <u>138,460</u>	\$ <u>140,800</u>

The notes to financial statements are an integral part of this statement.

**TOWN OF GUILFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**1. Summary of significant accounting policies:**

The Town of Guilford, Vermont (the Town) was chartered in 1764. The Town is a unit of local government organized under the statutes of the State of Vermont and is governed by a Selectboard (the Board). The Town provides various services as authorized and funded by State government or Town voters.

- A. Reporting entity - The Town is a primary unit of government under reporting criteria established by the Governmental Accounting Standards Board (GASB). Those criteria include a separately elected governing body, separate legal standing, and fiscal independence from other state and local governmental entities. Based on these criteria, there are no other entities which are component units of the Town.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing *Governmental Accounting and Financial Reporting Standards* which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes U.S. GAAP for governmental units.

- B. Government-wide and fund financial statements - The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Town. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Town has no business-type activities.

In the government-wide Statement of Net Position, the financial position of the Town is consolidated and incorporates capital assets as well as all long-term debt and obligations. The government-wide Statement of Activities reflects both the gross and net costs by category. Direct expenses that are clearly identifiable with the category are offset by program revenues of the category. Program revenues include charges for services provided by a particular function or program and grants that are restricted to meeting the operational or capital requirements of the particular segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds, if any, are summarized in a single column.

- C. Basis of presentation - The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows/inflows of resources, fund balances or net position, revenues, and expenditures or expenses, as appropriate.

**TOWN OF GUILFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**1. Summary of significant accounting policies (continued):**

C. Basis of presentation (continued) -

The Town reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources, except those required to be accounted for in another fund.

Highway Fund - The Highway Fund is used to account for the Town's Highway department.

VCDP Grant Fund - The VCDP Grant Fund is used to account for the long-term note receivable related to a VCDP grant that was subgranted to the Algiers Family Housing Limited Partnership.

Fund Balance Reserve Fund - The Fund Balance Reserve Fund was created by the voters at the 2013 Town Meeting for the purpose of funding unanticipated revenue shortfalls and paying non-recurring and unanticipated expenditures. The Fund is maintained using annual budget surplus funds, growing at a level of not less than 5.0% and not more than 20.0% of the total General and Highway operating budgets. Any expenditure of the Fund shall require approval of a majority of the Board after due notice and a public hearing. Expenditures of the Fund for any purpose other than the defined criteria above shall require the authorization of a majority of the voters present at an annual or special town meeting.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the purchase of major facilities and equipment.

ARPA Grant Fund - The ARPA Grant Fund is used to account for the ARPA Grant program.

The Town also reports fiduciary funds which are used to account for assets held in a trustee capacity (trust funds) or as a custodian (custodial funds) for the benefit of parties outside of the Town. The Town's fiduciary funds are the Brainard S. Gale Fund, Mrs. C. A. King Fund, King & Lynde Fund and Bullock Scholarship Fund.

D. Measurement focus and basis of accounting - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become both measurable and available. "Measurable" means the amount of the transaction that can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures generally are recorded when the fund liability is incurred, if measurable, as under accrual accounting. However, debt service expenditures are recorded only when payment is made.

Property taxes are recorded as revenue in the year for which taxes have been levied, provided they are collected within 60 days after year end. Licenses and permits, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received because they are generally not measurable prior to collection. Investment earnings and certain intergovernmental grants are recorded as earned. Unbilled service revenue is accrued in the Water Fund.

**TOWN OF GUILFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**1. Summary of significant accounting policies (continued):**

- E. Budgets and budgetary accounting - The Town approves budgets for the General and Highway Funds at the annual Town Meeting. The tax rate is determined by the Selectboard based on the education and municipal grand lists and the approved budgets. The accounting method used for budget presentation is the same method used for the financial presentation of operations under U.S. GAAP. Formal budgetary integration is employed as a management control during the year for the General and Highway Funds. The Town does not legally adopt budgets for other governmental funds. All budgeted amounts lapse at year end.
- F. Property taxes - Property taxes attach as an enforceable lien on property owned as of April 1<sup>st</sup>. Listers establish a grand list of all property and the Selectboard sets the tax rate required to raise the tax revenue authorized by Town and School District voters and the Vermont Agency of Education. Property taxes for the fiscal year ended June 30, 2022, were due in full on October 15<sup>th</sup>.
- G. Use of estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred outflows/inflows of resources as well as disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.
- H. 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 others; environmental liability; and natural disasters. The Town manages these risks through commercial insurance packages and participation in public entity risk pools covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. There were no settlements in excess of the insurance coverage in any of the past three fiscal years.
- I. Cash, cash equivalents and investments - The Town considers all cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition to be cash and cash equivalents. Investments and unrealized gains and losses are reflected in the individual fund and government-wide financial statements. Investments of the Town are reported at fair value using quoted prices in active markets for identical assets. This is considered a level 1 input valuation technique under the framework established by U.S. GAAP for measuring fair value. The Town does not own investments valued with level 2 or level 3 inputs, which would use quoted prices for similar assets, or in inactive markets, or other methods for estimating fair value.
- J. Prepaid items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.
- K. Capital assets - Capital assets, which include land, buildings, equipment, vehicles and infrastructure, are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The Town does not retroactively report infrastructure assets. The Town began capitalizing newly acquired or constructed general infrastructure assets since the implementation of GASB Statement No. 34. Donated capital assets are recorded at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest costs are capitalized on projects

**TOWN OF GUILFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**1. Summary of significant accounting policies (continued):**

K. Capital assets (continued) -

during the construction period. Normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not capitalized. Capital assets are depreciated using the straight-line method over the useful lives shown below:

Buildings and improvements	7 - 30 years
Vehicles and equipment	10 years
Infrastructure	20 years

L. Deferred outflows/inflows of resources - In addition to assets and liabilities, deferred outflows of resources and deferred inflows of resources are reported as separate sections in the applicable statement of net position or balance sheet. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources in the current period. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources in the current period.

M. Compensated absences - It is the Town's policy to permit employees to accumulate earned but unused vacation benefits based upon their length of employment (subject to certain carryover limitations and time restrictions). Upon retirement, termination or death, employees are compensated for these accrued benefits at their current rates of pay. These compensated absences are reported in the government-wide and fund financial statements.

N. Long-term obligations - Governmental activities report long-term debt and other long-term obligations as liabilities in the statement of net position. Governmental funds report the amount of debt issued as other financing sources and the repayment of debt as debt service expenditures.

O. Fund equity - In the fund financial statements, governmental funds may report five categories of fund balances: nonspendable, restricted, committed, assigned and unassigned.

Nonspendable fund balance includes amounts associated with inventory, prepaid expenditures, long-term loans or notes receivable, and trust fund principal to be held in perpetuity.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed fund balance includes amounts that can be used only for specific purposes determined by the Town's highest level of decision making authority, the voters, as a result of articles passed at Annual or Special Town Meetings.

Assigned fund balance includes amounts that are intended to be used by the Town for specific purposes as authorized by the Selectboard.

Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in another classification. Deficits are also classified as unassigned.

The Town's policy is to apply expenditures against unassigned fund balance unless motions by the Selectboard specify otherwise.

**TOWN OF GUILFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**2. Deposits and investments:**

Fair value and classification - Deposits and investments are stated at fair value as described in note 1.I. As of June 30, 2022, the Town's investments were fully invested in mutual funds and have a fair value of \$141,995.

Custodial credit risk - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Town 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. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The Town does not have a policy for custodial credit risk. As of June 30, 2022, \$340 of the Town's bank balance of \$3,175,649 was uninsured and uncollateralized.

**3. Notes receivable:**

The Town, through various federal loan programs, has received grants and advanced funds to encourage community development. These loans, generally secured by subordinated collateral positions, are recorded as notes receivable. The note receivable as of June 30, 2022, is as follows:

VCDP Grant Fund -  
 Algiers Family Housing Limited Partnership, no interest, matures  
 November 2042, secured by mortgage on property. \$ 510,000

**4. Capital assets:**

Capital asset activity for the year ended June 30, 2022, was as follows:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2022</u>
Capital assets, depreciated:				
Buildings and improvements	\$ 1,012,847	\$ 67,690	\$ -	\$ 1,080,537
Vehicles and equipment	2,095,516	332,902	289,021	2,139,397
Infrastructure	<u>2,415,087</u>	<u>-</u>	<u>-</u>	<u>2,415,087</u>
Total capital assets, depreciated	<u>5,523,450</u>	<u>400,592</u>	<u>289,021</u>	<u>5,635,021</u>
Less accumulated depreciation for:				
Buildings and improvements	494,749	32,016	-	526,765
Vehicles and equipment	1,228,301	194,893	289,021	1,134,173
Infrastructure	<u>767,564</u>	<u>120,754</u>	<u>-</u>	<u>888,318</u>
Total accumulated depreciation	<u>2,490,614</u>	<u>347,663</u>	<u>289,021</u>	<u>2,549,256</u>
Total capital assets, depreciated, net	<u>3,032,836</u>	<u>52,929</u>	<u>-</u>	<u>3,085,765</u>
Capital assets, net	\$ <u>3,032,836</u>	\$ <u>52,929</u>	\$ <u>-</u>	\$ <u>3,085,765</u>

Depreciation expense of \$347,663 in the governmental activities was allocated to expenses of the general government (\$13,962) and highways and streets (\$333,701) programs based on capital assets assigned to those functions.

**TOWN OF GUILFORD, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**5. Interfund receivable and payable balances:**

Interfund receivable and payable balances, due to the pooling of cash for cash receipts and disbursements, as of June 30, 2022, are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ -	\$ 2,868,212
Highway Fund	958,120	-
VCDP Grant Fund	-	24,000
Fund Balance Reserve Fund	423,419	-
Capital Projects Fund	443,349	-
ARPA Grant Fund	241,512	-
Other Governmental Funds	827,262	-
Fiduciary Funds	<u>-</u>	<u>1,450</u>
	<u>\$ 2,893,662</u>	<u>\$ 2,893,662</u>

**6. Interfund transfers:**

Interfund transfers constitute the transfer of resources from the fund that receives the resources to the fund that utilizes them. Interfund transfers for the year ended June 30, 2022, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 170,800	\$ 335,814
Highway Fund	191,045	272,645
Fund Balance Reserve Fund	45,529	125,000
Capital Projects Fund	225,000	-
Other Governmental Funds	<u>108,085</u>	<u>7,000</u>
	<u>\$ 740,459</u>	<u>\$ 740,459</u>

Transfers from the General Fund and Highway Fund of \$335,814 and \$251,045, respectively, to the Fund Balance Reserve Fund, Capital Projects Fund and Other Governmental Funds were made in accordance with the budget, and as approved by the Board. Transfers from Highway Fund of \$21,600 to the General Fund were to fund HRA deductibles. Transfers from the Fund Balance Reserve Fund of \$125,000 and Other Governmental Funds of \$7,000 to the General Fund were made in accordance with the budget.

**7. Related parties:**

The Guilford Volunteer Fire Department (GVFD) is a not-for-profit 501(c)(3) organization which provides volunteer fire fighting and emergency medical response services to the residents of the Town. Annually, the voters approve an appropriation to help support GVFD's operations. In FY 2022, the appropriation was \$273,450.

**TOWN OF GUILFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**7. Related parties (continued):**

The Town maintains an agreement with the Algiers Fire District #1 (AFD #1) to perform its financial administration. Duties under this agreement include bookkeeping, annual budget preparation, reporting, and warrant preparation. The Town received \$8,500 for financial services during FY 2022 for services provided under this agreement.

**8. Long-term obligations:**

Long-term obligations activity for the year ended June 30, 2022, was as follows:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due Within</u> <u>One Year</u>
Compensated absences	\$ 14,834	\$ 2,358	\$ -	\$ 17,192	\$ -
Net pension liability	336,226	-	180,352	155,874	-
Long-term debt	<u>39,000</u>	<u>-</u>	<u>19,500</u>	<u>19,500</u>	<u>19,500</u>
	<u>\$ 390,060</u>	<u>\$ 2,358</u>	<u>\$ 199,852</u>	<u>\$ 192,566</u>	<u>\$ 19,500</u>

**9. Debt:**

Long-term - Outstanding long-term debt as of June 30, 2022, is as follows:

Notes from direct borrowings:

Vermont Municipal Bond Bank - 2012 Series 1, various interest rates. Annual principal payments of \$19,500. Matures November 2022. \$ 19,500

Long-term debt activity for the year ended June 30, 2022, was as follows:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due Within</u> <u>One Year</u>
Notes from direct borrowings:				
VMBB 2012 Series 1	\$ <u>39,000</u>	\$ <u>19,500</u>	\$ <u>19,500</u>	\$ <u>19,500</u>

Debt service requirements to maturity are as follows:

	<u>Notes from Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>
Year ending June 30, 2023	\$ <u>19,500</u>	\$ <u>293</u>

In the event that the Town is in default on their payment obligations issued from the Vermont Municipal Bond Bank (VMBB), the State Treasurer has the ability to intercept State funding until the default is cured.

**TOWN OF GUILFORD, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**10. Fund balances:**

At year end, the Town reported nonspendable fund balances related to the original bequests that created certain other governmental funds that are to be held in perpetuity:

Birdie Cook Fund	\$ 1,500
Aurelia D. Taft Fund	10,800
Charles P. Wood Fund	<u>5,370</u>
	\$ <u>17,670</u>

**11. Deficit fund balances:**

As of June 30, 2022, the VCDP Grant Fund has a deficit fund balance of \$24,000. Management intends to recover this deficit through future grant revenues and a local match from the General Fund.

As of June 30, 2022, the Emergency Response Fund, a non-major fund, has a deficit fund balance of \$5,700. Management intends to recover this deficit through grant revenues and a future transfer from the Fund Balance Reserve Fund.

As of June 30, 2022, the Bike & Pedestrian Fund, a non-major fund, has a deficit fund balance of \$29,021. Management intends to recover this deficit through future grant revenues.

As of June 30, 2022, the Library Addition Fund, a non-major fund, has a deficit fund balance of \$51,520. Management intends to recover this deficit through future grant revenues and a future transfer from the Capital Projects Fund.

**12. Pension plan:**

Vermont Municipal Employees' Retirement System -

Plan description: The Town contributes to the Vermont Municipal Employees' Retirement System (VMERS or the Plan) a cost-sharing multiple-employer public employee retirement system with defined benefit and defined contribution plans, administered by the State of Vermont. The State statutory provisions, found in Title 24, Chapter 125, of the V.S.A., govern eligibility for benefits, service requirements and benefit provisions. The general administration and responsibility for the proper operation of VMERS is vested in the Board of Trustees consisting of five members. VMERS issues annual financial information which is available and may be reviewed at the VMERS' office, 109 State Street, Montpelier, Vermont, 05609-6200, by calling (802) 828-2305 or online at <http://www.vermonttreasurer.gov>.

Benefits provided: VMERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits do vary between the groups included in the Plan, but are determined for the members of each group as a percentage of average compensation in a certain number of the highest consecutive years of service. Eligibility for benefits requires five years of service.

**TOWN OF GUILFORD, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**12. Pension plan (continued):**

Vermont Municipal Employees' Retirement System (continued) -

Contributions: Defined benefit plan members are required to contribute 3.25% (Group A), 5.625% (Group B), 10.75% (Group C) or 12.1% (Group D) of their annual covered salary, and the Town is required to contribute 4.75% (Group A), 6.25% (Group B), 8.0% (Group C) or 10.6% (Group D) of the employees' compensation. Defined contribution plan members are required to contribute 5.0% of their annual covered salary and the Town is required to contribute an equal dollar amount. The contribution requirements of plan members and the Town are established and may be amended by the Board of Trustees. The Town's contributions to VMERS for the years ended June 30, 2022, 2021, and 2020, were \$26,460, \$23,546, and \$27,546, respectively. The amounts contributed were equal to the required contributions for each year.

Pension liabilities, deferred outflows of resources, deferred inflows of resources: These financial statements include the Town's proportionate share of the VMERS net pension liability, deferred outflows of resources for pension expense, deferred inflows of resources from investment earnings and contributions, and the related effects on government-wide net position and activities. The State of Vermont has provided the following information to all employers participating in VMERS, which is based on its calculation of the Town's 0.1059% proportionate share of the VMERS defined benefit plan.

Town's share of VMERS net pension liability	\$ 155,874
Deferred outflows of resources - Deferred pension expense	\$ 89,894
Deferred inflows of resources - Deferred pension credits	\$ 134,175

Additional information: VMERS obtains an annual actuarial valuation for the pension plan. Detailed information is provided in that report for actuarial assumptions of inflation rates, salary increases, investment rates of return, mortality rates, discount rates, and the calculations used to develop annual contributions and the VMERS net position.

The Town adopted GASB Statement No 68 in FY 2015 and is developing the ten years of required supplementary information in schedules 3 and 4. This historical pension information includes the Town's Proportionate Share of Net Pension Liability of VMERS and Town's Contributions to VMERS.

**13. Subsequent events:**

The Town has evaluated subsequent events through September 1, 2022, the date on which the financial statements were available to be issued.

**TOWN OF GUILFORD, VERMONT**  
**COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

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	<u>Emergency Response Fund</u>	<u>Act 64 Fund</u>	<u>Preservation Fund</u>	<u>Lister Education Fund</u>	<u>Reappraisal Fund</u>	<u>Algiers Water Line Fund</u>	<u>Water Fund</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195,000	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	2,052
Due from other funds	<u>-</u>	<u>153,099</u>	<u>42,594</u>	<u>575</u>	<u>145,357</u>	<u>11,404</u>	<u>12,553</u>
Total assets	<u>\$ -</u>	<u>\$ 153,099</u>	<u>\$ 42,594</u>	<u>\$ 575</u>	<u>\$ 145,357</u>	<u>\$ 206,404</u>	<u>\$ 14,605</u>
<b>LIABILITIES AND FUND EQUITY</b>							
<b>LIABILITIES:</b>							
Accounts payable	\$ 43	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59
Due to other funds	<u>5,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>5,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59</u>
<b>FUND EQUITY:</b>							
Fund balances -							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	153,099	42,594	575	145,357	206,404	14,546
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	<u>(5,700)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>(5,700)</u>	<u>153,099</u>	<u>42,594</u>	<u>575</u>	<u>145,357</u>	<u>206,404</u>	<u>14,546</u>
Total liabilities and fund equity	<u>\$ -</u>	<u>\$ 153,099</u>	<u>\$ 42,594</u>	<u>\$ 575</u>	<u>\$ 145,357</u>	<u>\$ 206,404</u>	<u>\$ 14,605</u>

**TOWN OF GUILFORD, VERMONT**  
**COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

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		<u>Sweet Pond Fund</u>	<u>Recreation Fund</u>	<u>Bike &amp; Pedestrian Fund</u>	<u>Planning Commission Reserve Fund</u>	<u>Conservation Commission Reserve Fund</u>	<u>Bridges Fund</u>	<u>Green River Covered Bridge Reserve Fund</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-
Accounts receivable		-	-	-	-	-	-	-
Due from other funds		<u>6,761</u>	<u>689</u>	<u>-</u>	<u>5,229</u>	<u>6,594</u>	<u>439,103</u>	<u>75,000</u>
Total assets	\$	<u><u>6,761</u></u>	<u><u>689</u></u>	<u><u>-</u></u>	<u><u>5,229</u></u>	<u><u>6,594</u></u>	<u><u>439,103</u></u>	<u><u>75,000</u></u>
<b>LIABILITIES AND FUND EQUITY</b>								
<b>LIABILITIES:</b>								
Accounts payable	\$	-	-	-	-	-	-	-
Due to other funds		<u>-</u>	<u>-</u>	<u>29,021</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities		<u><u>-</u></u>	<u><u>-</u></u>	<u><u>29,021</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>FUND EQUITY:</b>								
Fund balances -								
Nonspendable		-	-	-	-	-	-	-
Restricted		6,761	689	-	-	-	-	-
Committed		-	-	-	-	439,103	-	75,000
Assigned		-	-	-	5,229	6,594	-	-
Unassigned		<u>-</u>	<u>-</u>	<u>(29,021)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)		<u><u>6,761</u></u>	<u><u>689</u></u>	<u><u>(29,021)</u></u>	<u><u>5,229</u></u>	<u><u>6,594</u></u>	<u><u>439,103</u></u>	<u><u>75,000</u></u>
Total liabilities and fund equity	\$	<u><u>6,761</u></u>	<u><u>689</u></u>	<u><u>-</u></u>	<u><u>5,229</u></u>	<u><u>6,594</u></u>	<u><u>439,103</u></u>	<u><u>75,000</u></u>

**TOWN OF GUILFORD, VERMONT**  
**COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

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		<u>Library Addition Fund</u>	<u>Cemetery Dedicated Fund</u>	<u>Cemetery Trust Fund</u>	<u>Birdie Cook Fund</u>	<u>Aurelia D. Taft Fund</u>	<u>Charles P. Wood Fund</u>	<u>Totals</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$	-	-	7,356	2,394	10,911	5,425	221,086
Investments		-	-	11,199	-	-	-	11,199
Accounts receivable		-	-	-	-	-	-	2,052
Due from other funds		-	<u>11,702</u>	<u>2,800</u>	-	-	-	<u>913,460</u>
Total assets	\$	<u>-</u>	<u>11,702</u>	<u>21,355</u>	<u>2,394</u>	<u>10,911</u>	<u>5,425</u>	<u>1,147,797</u>
<b>LIABILITIES AND FUND EQUITY</b>								
<b>LIABILITIES:</b>								
Accounts payable	\$	-	-	-	-	111	55	268
Due to other funds		<u>51,520</u>	-	-	-	-	-	<u>86,198</u>
Total liabilities		<u>51,520</u>	-	-	-	<u>111</u>	<u>55</u>	<u>86,466</u>
<b>FUND EQUITY:</b>								
Fund balances -								
Nonspendable		-	-	-	1,500	10,800	5,370	17,670
Restricted		-	-	21,355	894	-	-	592,274
Committed		-	-	-	-	-	-	514,103
Assigned		-	11,702	-	-	-	-	23,525
Unassigned		<u>(51,520)</u>	-	-	-	-	-	<u>(86,241)</u>
Total fund balances (deficit)		<u>(51,520)</u>	<u>11,702</u>	<u>21,355</u>	<u>2,394</u>	<u>10,800</u>	<u>5,370</u>	<u>1,061,331</u>
Total liabilities and fund equity	\$	<u>-</u>	<u>11,702</u>	<u>21,355</u>	<u>2,394</u>	<u>10,911</u>	<u>5,425</u>	<u>1,147,797</u>

**TOWN OF GUILFORD, VERMONT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Schedule 2  
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	<u>Emergency Response Fund</u>	<u>Act 64 Fund</u>	<u>Preservation Fund</u>	<u>Lister Education Fund</u>	<u>Reappraisal Fund</u>	<u>Algiers Water Line Fund</u>	<u>Water Fund</u>
<b>REVENUES:</b>							
Intergovernmental	\$ -	\$ 33,200	\$ -	\$ -	\$ 10,469	\$ -	\$ -
Charges for services	-	-	6,808	-	-	-	7,401
Investment income	-	-	49	-	180	-	5
Total revenues	<u>-</u>	<u>33,200</u>	<u>6,857</u>	<u>-</u>	<u>10,649</u>	<u>-</u>	<u>7,406</u>
<b>EXPENDITURES:</b>							
General government	-	11,340	1,120	-	1,860	-	5,216
Culture and recreation	-	-	-	-	-	-	-
Debt service - Principal	-	-	-	-	-	19,500	-
- Interest	-	-	-	-	-	866	-
Total expenditures	<u>-</u>	<u>11,340</u>	<u>1,120</u>	<u>-</u>	<u>1,860</u>	<u>20,366</u>	<u>5,216</u>
EXCESS OF REVENUES OR (EXPENDITURES)	-	21,860	5,737	-	8,789	(20,366)	2,190
<b>OTHER FINANCING SOURCES (USES):</b>							
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>24,500</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	21,860	8,737	-	8,789	4,134	2,190
FUND BALANCES (DEFICIT), July 1, 2021	<u>(5,700)</u>	<u>131,239</u>	<u>33,857</u>	<u>575</u>	<u>136,568</u>	<u>202,270</u>	<u>12,356</u>
FUND BALANCES (DEFICIT), June 30, 2022	\$ <u>(5,700)</u>	\$ <u>153,099</u>	\$ <u>42,594</u>	\$ <u>575</u>	\$ <u>145,357</u>	\$ <u>206,404</u>	\$ <u>14,546</u>

**TOWN OF GUILFORD, VERMONT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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	<u>Sweet Pond Fund</u>	<u>Recreation Fund</u>	<u>Bike &amp; Pedestrian Fund</u>	<u>Planning Commission Reserve Fund</u>	<u>Conservation Commission Reserve Fund</u>	<u>Bridges Fund</u>	<u>Green River Covered Bridge Reserve Fund</u>
<b>REVENUES:</b>							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 1,100	\$ -	\$ -
Charges for services	-	33	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>33</u>	<u>-</u>	<u>-</u>	<u>1,100</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>							
General government	-	-	-	-	-	-	-
Culture and recreation	-	358	29,021	-	1,890	-	-
Debt service - Principal	-	-	-	-	-	-	-
- Interest	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>358</u>	<u>29,021</u>	<u>-</u>	<u>1,890</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OR (EXPENDITURES)	-	(325)	(29,021)	-	(790)	-	-
<b>OTHER FINANCING SOURCES (USES):</b>							
Operating transfers in (out)	<u>-</u>	<u>1,580</u>	<u>-</u>	<u>259</u>	<u>56</u>	<u>60,000</u>	<u>12,500</u>
NET CHANGE IN FUND BALANCES	-	1,255	(29,021)	259	(734)	60,000	12,500
FUND BALANCES (DEFICIT), July 1, 2021	<u>6,761</u>	<u>(566)</u>	<u>-</u>	<u>4,970</u>	<u>7,328</u>	<u>379,103</u>	<u>62,500</u>
FUND BALANCES (DEFICIT), June 30, 2022	\$ <u>6,761</u>	\$ <u>689</u>	\$ <u>(29,021)</u>	\$ <u>5,229</u>	\$ <u>6,594</u>	\$ <u>439,103</u>	\$ <u>75,000</u>

**TOWN OF GUILFORD, VERMONT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Schedule 2  
Page 3 of 3

	<u>Library Addition Fund</u>	<u>Cemetery Dedicated Fund</u>	<u>Cemetery Trust Fund</u>	<u>Birdie Cook Fund</u>	<u>Aurelia D. Taft Fund</u>	<u>Charles P. Wood Fund</u>	<u>Totals</u>
<b>REVENUES:</b>							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,769
Charges for services	-	-	800	-	-	-	15,042
Investment income	-	-	(1,500)	1	-	-	(1,265)
Total revenues	<u>-</u>	<u>-</u>	<u>(700)</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>58,546</u>
<b>EXPENDITURES:</b>							
General government	-	-	-	-	-	-	19,536
Culture and recreation	51,520	-	-	-	-	-	82,789
Debt service - Principal	-	-	-	-	-	-	19,500
- Interest	-	-	-	-	-	-	866
Total expenditures	<u>51,520</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,691</u>
EXCESS OF REVENUES OR (EXPENDITURES)	(51,520)	-	(700)	1	-	-	(64,145)
<b>OTHER FINANCING SOURCES (USES):</b>							
Operating transfers in (out)	<u>-</u>	<u>(810)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,085</u>
NET CHANGE IN FUND BALANCES	(51,520)	(810)	(700)	1	-	-	36,940
FUND BALANCES (DEFICIT), July 1, 2021	<u>-</u>	<u>12,512</u>	<u>22,055</u>	<u>2,393</u>	<u>10,800</u>	<u>5,370</u>	<u>1,024,391</u>
FUND BALANCES (DEFICIT), June 30, 2022	\$ <u>(51,520)</u>	\$ <u>11,702</u>	\$ <u>21,355</u>	\$ <u>2,394</u>	\$ <u>10,800</u>	\$ <u>5,370</u>	\$ <u>1,061,331</u>

**TOWN OF GUILFORD, VERMONT**  
**SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF  
NET PENSION LIABILITY  
VMERS  
JUNE 30, 2022**

Schedule 3

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
The Town's proportion of the net pension liability	0.1059%	0.1329%	0.1209%	0.1237%	0.1484%	0.1396%	0.1382%	0.1398%
Town's proportionate share of the net pension liability	\$ 155,874	\$ 336,226	\$ 209,700	\$ 174,080	\$ 179,801	\$ 179,663	\$ 106,508	\$ 11,496
Town's covered payroll	\$ 423,345	\$ 392,436	\$ 479,053	\$ 412,849	\$ 394,091	\$ 440,650	\$ 385,760	\$ 359,278
Town's proportionate share of the net pension liability as a percentage of its covered payroll	36.820%	85.677%	43.774%	42.166%	45.624%	40.772%	27.610%	3.200%
VMERS net position as a percentage of the net total pension liability	86.29%	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%

**SCHEDULE OF TOWN'S CONTRIBUTIONS  
VMERS  
JUNE 30, 2022**

Schedule 4

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 26,460	\$ 23,546	\$ 27,546	\$ 23,223	\$ 21,675	\$ 24,236	\$ 21,217	\$ 19,311
Contributions in relation to the contractually required contribution	<u>26,460</u>	<u>23,546</u>	<u>27,546</u>	<u>23,223</u>	<u>21,675</u>	<u>24,236</u>	<u>21,217</u>	<u>19,311</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 423,345	\$ 392,436	\$ 479,053	\$ 412,849	\$ 394,091	\$ 440,650	\$ 385,760	\$ 359,278
Contributions as a percentage of covered payroll	6.250%	6.000%	5.750%	5.625%	5.500%	5.500%	5.500%	5.375%

**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***

The Selectboard  
Town of Guilford, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Guilford, Vermont (the Town) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated September 1, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Report on Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town'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's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Montpelier, Vermont  
September 1, 2022

*Melgett Jennett* 9  
*Shah-Nisa, P.L.*