TOWN OF GUILFORD, VERMONT

FINANCIAL STATEMENTS

JUNE 30, 2026
AND
INDEPENDENT AUDITOR'S REPORTS

TOWN OF GUILFORD, VERMONT

JUNE 30, 2026

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Mudgett
Jennett &
Krogh-Wisner, P.C.
Certified Public Accountants #435

INDEPENDENT AUDITOR'S REPORT

The Selectboard
Town of Guilford, Vermont

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Guilford, Vermont (the Town) as of and for the year ended June 30, 2026, 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 accompanying 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, 2026, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*. 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 and *Government Auditing Standards* will always

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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 and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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, budgetary comparison information, and schedules 3 and 4 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 GAAS, 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

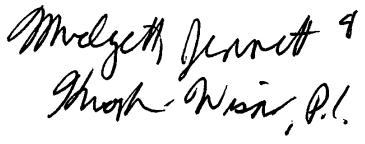
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying schedules 5 and 6 are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 GAAS. In our opinion, the accompanying schedules 5 and 6 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 24, 2026 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 the effectiveness of the Town'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's internal control over financial reporting and compliance.

Montpelier, Vermont
September 24, 2026



TOWN OF GUILFORD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026

As management of the Town of Guilford, Vermont (the Town), we offer the residents and other readers of the Town of Guilford, Vermont's financial statements this management discussion and analysis (MD&A). The MD&A provides a narrative overview and analysis of the financial statements for the Town of Guilford, Vermont for the fiscal year ended June 30, 2026, focusing on why amounts changed from the prior year.

Overview of the Financial Statements

The discussion and analysis provided here is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to private-sector business. The government-wide financial statements include the governmental activities.

The statement of net position presents financial information on all the Town's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities 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 for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish function for the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, highways and streets, culture and recreation, and special appropriations. The Town has no business-type activities.

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 of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than 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. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains twenty-seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Highway Fund, VCDP Grant Fund, Fund Balance Reserve Fund, Capital Projects Fund, and ARPA Grant Fund which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources for which the Town acts as a trustee or custodian. Resources held in fiduciary funds are not available to support the Town's own programs and therefore are not reported in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Town maintains one type of fiduciary fund, private-purpose trust funds which are used to report resources held in trust. The Town's fiduciary funds are the Brainard S. Gale Fund, Mrs. C. A. King Fund, King & Lynde Fund, and Bullock Scholarship Fund.

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the state provided in the financial statements. The Town uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirement for inclusion in the financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. The Town presents budgetary comparison schedules for the General Fund and Highway Fund. The Town also reports the ten years of historical pension information regarding the Town's Proportionate Share of Net Pension Liability of VMERS and Town's Contributions to VMERS. Required supplementary information can be found immediately after the notes to the financial statements.

Financial Summary and Detailed Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $6,313,995, at the close of the most recent fiscal year, an increase of $311,780 from the previous year.

Guilford's Net Position as of June 30,

	2025	2026
Current and Other Assets	$ 4,121,780	$ 4,786,152
Capital Assets, net	2,854,996	2,521,224
Total Assets	6,976,776	7,307,376
Deferred Outflows of Resources	78,013	76,515
Current Liabilities	96,158	76,692
Noncurrent Liabilities	313,854	354,602
Total Liabilities	410,012	431,294
Deferred Inflows of Resources	642,562	638,602
Net Position:		
Net Investment in Capital Assets	2,854,996	2,521,224
Restricted	2,950,754	3,683,042
Unrestricted	196,465	109,729
Total Net Position	$ 6,002,215	$ 6,313,995

By far the largest portion of the Town's net position, $2,521,224, reflects its investment in capital assets, net of accumulated depreciation and less any related outstanding debt that was used to acquire those assets. The Town uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources used 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, $3,683,042 represents resources that are subject to external restriction on how they may be used. As of the end of the current year, the Town's unrestricted net position was $109,729.

Governmental Activities

Current and other assets increased in governmental activities by $664,372 from the prior year primarily due to cash on hand increasing more than the decreases in investments and taxes receivable.

Current liabilities in governmental activities decreased by $19,466 due to decreases in accounts payable and accrued compensated absences.

Noncurrent liabilities, which consist of net pension liability and compensated absences increased by $40,748.

The Town's overall net position increased by $311,780 from the prior fiscal year. The reasons for this overall increase are discussed in the following section for governmental activities.

Guilford's Change in Net Position for the Fiscal Year Ended June 30,

	2025	2026
Revenues:		
Program Revenues:		
Grants and Contributions	$ 311,974	$ 736,306
Charges for Services	42,109	44,129
Other	5,312	15,315
Total Program Revenues	359,395	795,750
General Revenues:		
Property Taxes	2,038,014	1,988,236
Investment Income	110,156	186,038
Sale of Capital Assets	-	4,450
Total General Revenues	2,148,170	2,178,724
Total Revenues	2,507,565	2,974,474
Expenses:		
General Government	699,262	814,602
Highways and Streets	1,400,693	1,435,775
Culture and Recreation	1,056	5,375
Special Appropriations	388,262	406,942
Total Expenses	2,489,273	2,662,694
Change in Net Position	18,292	311,780
Beginning Net Position, July 1	5,983,923	6,002,215
Ending Net Position, June 30	$ 6,002,215	$ 6,313,995

Governmental Activities

During the current fiscal year, net position for governmental activities increased $311,780 from the prior fiscal year for an ending balance of $6,313,995 primarily due to surpluses experienced in the Highway Fund, Capital Projects Fund, and Other Governmental Funds, which were offset by depreciation expense and other reconciling items between the fund financial statements and the government-wide statement of activities.

Revenues increased by $466,909 primarily due to an increase in grants and contributions.

Property taxes remain the largest source of revenue at $1,988,236 for the current fiscal year, a decrease of $49,778 from the prior year.

Expenses increased during the current year from $2,489,273 in the prior year to $2,662,694 in the current year. The most significant increases were related to general government and highways and streets.

As shown in the table below, revenues generated by the Town's programs are not sufficient to cover the costs. The Town relies on property taxes, and other general revenues to cover costs associated with the various programs.

	Governmental Activities	
	Total Cost of Services	Net Cost of Services
General government	$ 814,602	$ (431,105)
Highways and streets	1,435,775	(1,024,060)
Culture and recreation	5,375	(4,837)
Special appropriations	406,942	(406,942)
Totals	$ 2,662,694	$ (1,866,944)

Detailed Analysis of Governmental Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town reports six major funds individually in the governmental fund financial statements, the General Fund, Highway Fund, VCDP Grant Fund, Fund Balance Reserve Fund, Capital Projects Fund, and ARPA Grant Fund.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, assigned fund balance of the General Fund was $227,103 related to the funding of the Town's HRA fund. The fund balance of the Town's General Fund decreased $14,522 during the current fiscal year due to HRA expenses exceeding current year contributions to the HRA fund.

Highway Fund

At the end of the current fiscal year, the Highway Fund reported a fund balance of $1,101,442. The fund balance of the Town's Highway Fund increased $275,607 during the current fiscal year primarily due to higher than anticipated revenues and budgetary savings experienced during the year ended June 30, 2026.

VCDP Grant Fund

At the end of the current fiscal year, the VCDP Grant Fund reported no fund balance. This fund reports a long-term note receivable, and offsetting deferred grant revenue, related to a VCDP grant that was subgranted to the Algiers Family Housing Limited Partnership. This fund will have no activity until the note matures in 2042.

Fund Balance Reserve Fund

At the end of the current fiscal year, the Fund Balance Reserve Fund reported a fund balance of $119,345. The fund balance of the Town's Fund Balance Reserve Fund increased $2,389 during the current fiscal year due to the surplus transfer from the General Fund for the year ended June 30, 2026.

Capital Projects Fund

At the end of the current fiscal year, the Capital Projects Fund reported a fund balance of $864,490. The fund balance of the Town's Capital Projects Fund increased $212,284 during the current fiscal year, primarily due to annual funding as budgeted exceeding capital expenditures during the year ending June 30, 2026.

ARPA Grant Fund

At the end of the current fiscal year, the ARPA Grant Fund reported a fund balance of $9,999. The fund balance of the Town's ARPA Grant Fund decreased $14,284 as the Town continues to expend the remaining funds that were obligated under this grant program. These grant funds are required to be fully expended by December 31, 2026.

Significant Capital Asset and Long-term Financing Activity

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2026, amounts to $2,521,224 (net of accumulated depreciation). The investment in capital assets includes buildings and improvements, vehicles and equipment, and infrastructure. The total decrease in capital assets for the current fiscal year was $333,772.

Guilford's Capital Assets as of June 30,

	Governmental Activities	
	2025	2026
Buildings and improvements	$ 1,080,537	$ 1,086,237
Vehicles and equipment	2,454,877	2,416,877
Infrastructure	2,620,087	2,636,841
Accumulated depreciation	(3,300,505)	(3,618,731)
Total net capital assets	$ 2,854,996	$ 2,521,224

Major capital asset events during the current fiscal year included the following:

- Library stair replacement
- Garage well replacement

Additional information on the Town's capital assets can be found in the notes to the financial statements.

Long-term Financing

At the end of the current fiscal year, the Town had no long-term financing liabilities.

Currently Known Facts, Decisions or Conditions

The Town is aware of the following items that will impact future finances and were considered in developing the next fiscal year's budget.

- After the FY25 audit finding, staff adjusted practices to limit errors, and the FY27 budget was developed using the Town's accounting software, and Town Meeting article wording was simplified.
- Tax rates were calculated and reviewed by management, our independent auditors, and finance specialists from the Vermont League of Cities and Towns.
- In progress or imminent capital projects, such as the Slate Rock culvert project, Algiers traffic calming scoping study, Fitch Road bridge, and library maintenance, which should be fully funded by the Capital Projects Fund and potential grants.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Town of Guilford, 236 School Road, Guilford, Vermont 05301-8319.

GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2026

	Governmental Activities
ASSETS:	
Current assets -	
Cash and cash equivalents	$ 4,005,320
Investments	14,258
Taxes receivable, including penalties and interest	248,285
Accounts receivable	5,339
Due from fiduciary funds	2,950
Total current assets	4,276,152
Noncurrent assets -	
Notes receivable	510,000
Capital assets	6,139,955
less - accumulated depreciation	(3,618,731)
Total noncurrent assets	3,031,224
Total assets	7,307,376
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred pension expense	76,515
LIABILITIES:	
Current liabilities -	
Accounts payable	46,692
Accrued compensated absences	30,000
Total current liabilities	76,692
Noncurrent liabilities -	
Accrued compensated absences	45,666
Net pension liability	308,936
Total noncurrent liabilities	354,602
Total liabilities	431,294
DEFERRED INFLOWS OF RESOURCES:	
Deferred tax overpayments	95,631
Deferred note revenue	510,000
Deferred pension credits	32,971
Total deferred inflows of resources	638,602
NET POSITION:	
Net investment in capital assets	2,521,224
Restricted	3,683,042
Unrestricted	109,729
Total net position	$ 6,313,995

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, 2026

		Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Grants and Contributions	Charges for Services	Other	
FUNCTIONS/PROGRAMS:					
Governmental activities -					
General government	$ 814,602	$ 324,667	$ 43,549	$ 15,281	$ (431,105)
Highways and streets	1,435,775	411,101	580	34	(1,024,060)
Culture and recreation	5,375	538	-	-	(4,837)
Special appropriations	406,942	-	-	-	(406,942)
Total governmental activities	$ 2,662,694	$ 736,306	$ 44,129	$ 15,315	(1,866,944)
		GENERAL REVENUES - PROPERTY TAXES			1,988,236
		- INVESTMENT INCOME			186,038
		- SALE OF CAPITAL ASSETS			4,450
					2,178,724
		CHANGE IN NET POSITION			311,780
		NET POSITION, July 1, 2025			6,002,215
		NET POSITION, June 30, 2026			$ 6,313,995

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

TOWN OF GUILFORD, VERMONT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2026

	General Fund	Highway Fund	VCDP Grant Fund	Fund Balance Reserve Fund	Capital Projects Fund	ARPA Grant Fund	Other Governmental Funds	Totals Governmental Funds
ASSETS								
Cash and cash equivalents	$ 3,760,199	$ -	$ -	$ -	$ -	$ -	$ 245,121	$ 4,005,320
Investments	-	-	-	-	-	-	14,258	14,258
Taxes receivable	248,285	-	-	-	-	-	-	248,285
Accounts receivable	2,208	-	-	-	-	-	3,131	5,339
Notes receivable	-	-	510,000	-	-	-	-	510,000
Due from other funds	-	1,101,442	-	119,345	864,490	9,999	1,309,853	3,405,129
Total assets	$ 4,010,692	$ 1,101,442	$ 510,000	$ 119,345	$ 864,490	$ 9,999	$ 1,572,363	$ 8,188,331
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY								
LIABILITIES:								
Accounts payable	$ 46,461	$ -	$ -	$ -	$ -	$ -	$ 231	$ 46,692
Due to other funds	3,402,179	-	-	-	-	-	-	3,402,179
Total liabilities	3,448,640	-	-	-	-	-	231	3,448,871
DEFERRED INFLOWS OF RESOURCES:								
Deferred tax overpayments	95,631	-	-	-	-	-	-	95,631
Deferred property taxes	239,318	-	-	-	-	-	-	239,318
Deferred note revenue	-	-	510,000	-	-	-	-	510,000
Total deferred inflows of resources	334,949	-	510,000	-	-	-	-	844,949

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

TOWN OF GUILFORD, VERMONT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2026

	General Fund	Highway Fund	VCDP Grant Fund	Fund Balance Reserve Fund	Capital Projects Fund	ARPA Grant Fund	Other Governmental Funds	Totals Governmental Funds
FUND EQUITY:								
Fund balances -								
Nonspendable	-	-	-	-	-	-	17,670	17,670
Restricted	-	-	-	-	-	9,999	780,353	790,352
Committed	-	1,101,442	-	119,345	864,490	-	789,743	2,875,020
Assigned	227,103	-	-	-	-	-	2,000	229,103
Unassigned	-	-	-	-	-	-	(17,634)	(17,634)
Total fund balances	227,103	1,101,442	-	119,345	864,490	9,999	1,572,132	3,894,511
Total liabilities, deferred inflows of resources and fund equity	$ 4,010,692	$ 1,101,442	$ 510,000	$ 119,345	$ 864,490	$ 9,999	$ 1,572,363	$ 8,188,331

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

TOWN OF GUILFORD, VERMONT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2026

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	$ 3,894,511
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	6,139,955
Accumulated depreciation	(3,618,731)
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	76,515
Deferred pension credits	(32,971)
Net pension liability	(308,936)
Deferred property taxes are reported in the governmental funds to offset uncollected taxes which are not available financial resources.	239,318
Liabilities not due and payable are not reported in governmental funds.	
Accrued compensated absences	(75,666)
Net position of governmental activities - Government-wide Statement of Net Position	$ 6,313,995

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, 2026

	General Fund	Highway Fund	VCDP Grant Fund	Fund Balance Reserve Fund	Capital Projects Fund	ARPA Grant Fund	Other Governmental Funds	Totals Governmental Funds
REVENUES:								
Property taxes	$ 1,025,327	$ 983,457	$ -	$ -	$ -	$ -	$ -	$ 2,008,784
Intergovernmental	96,525	396,133	-	-	-	-	242,935	735,593
Licenses, permits and fines	1,557	581	-	-	-	-	-	2,138
Charges for services	18,780	-	-	-	-	-	14,433	33,213
Investment income	156,323	15,344	-	-	12,034	-	2,337	186,038
Miscellaneous	24,772	34	-	-	-	-	-	24,806
Total revenues	1,323,284	1,395,549	-	-	12,034	-	259,705	2,990,572
EXPENDITURES:								
Current -								
General government	696,375	-	-	-	23,500	14,284	30,069	764,228
Highways and streets	-	897,188	-	-	-	-	196,703	1,093,891
Culture and recreation	-	-	-	-	-	-	5,375	5,375
Special appropriations	406,942	-	-	-	-	-	-	406,942
Capital outlay	-	16,754	-	-	5,700	-	-	22,454
Total expenditures	1,103,317	913,942	-	-	29,200	14,284	232,147	2,292,890

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, 2026

	General Fund	Highway Fund	VCDP Grant Fund	Fund Balance Reserve Fund	Capital Projects Fund	ARPA Grant Fund	Other Governmental Funds	Totals Governmental Funds
EXCESS OF REVENUES OR (EXPENDITURES)	219,967	481,607	-	-	(17,166)	(14,284)	27,558	697,682
OTHER FINANCING SOURCES (USES):								
Sale of capital assets	-	-	-	-	4,450	-	-	4,450
Transfers in (out), net	(234,489)	(206,000)	-	2,389	225,000	-	213,100	-
Total other financing sources (uses)	(234,489)	(206,000)	-	2,389	229,450	-	213,100	4,450
NET CHANGE IN FUND BALANCES	(14,522)	275,607	-	2,389	212,284	(14,284)	240,658	702,132
FUND BALANCES, July 1, 2025	241,625	825,835	-	116,956	652,206	24,283	1,331,474	3,192,379
FUND BALANCES, June 30, 2026	$ 227,103	$ 1,101,442	$ -	$ 119,345	$ 864,490	$ 9,999	$ 1,572,132	$ 3,894,511

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, 2026

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	$ 702,132
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	22,454
Depreciation	(356,226)
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	(259,866)
Current year	239,318
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.	
Net (increase) decrease in compensated absences	(37,258)
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	1,226
Change in net position of governmental activities - Government-wide Statement of Activities	$ 311,780

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

TOWN OF GUILFORD, VERMONT
STATEMENT OF NET POSITION -
FIDUCIARY FUNDS
JUNE 30, 2026

	Brainard S. Gale Fund	Mrs. C. A. King Fund	King & Lynde Fund	Bullock Scholarship Fund	Totals
ASSETS:					
Cash and cash equivalents	$ 341	$ 1,014	$ 1,014	$ 22,036	$ 24,405
Investments	-	-	-	166,289	166,289
Total assets	341	1,014	1,014	188,325	190,694
LIABILITIES:					
Accounts payable	-	14	14	186	214
Due to other funds	-	-	-	2,950	2,950
	-	14	14	3,136	3,164
NET POSITION:					
Restricted	$ 341	$ 1,000	$ 1,000	$ 185,189	$ 187,530

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, 2026

	Brainard S. Gale Fund	Mrs. C. A. King Fund	King & Lynde Fund	Bullock Scholarship Fund	Totals
ADDITIONS:					
Interest and dividends	$ -	$ -	$ -	$ 12,288	$ 12,288
Gain (loss) on market value	-	-	-	8,711	8,711
Total additions	-	-	-	20,999	20,999
DEDUCTIONS	-	-	-	3,000	3,000
CHANGE IN NET POSITION	-	-	-	17,999	17,999
NET POSITION, July 1, 2025	341	1,000	1,000	167,190	169,531
NET POSITION, June 30, 2026	$ 341	$ 1,000	$ 1,000	$ 185,189	$ 187,530

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

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.

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. Any expenditure of the Fund shall require approval of a majority of the Board. 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.

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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 Line Operations Fund.

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 1st. 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, 2026, were due in full on October 15, 2025.

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. 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

1. Summary of significant accounting policies (continued):

J. 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

K. 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.

L. Compensated absences - It is the Town's policy to permit employees to accumulate earned but unused compensated absences such as vacation and sick time, based upon their length of employment (subject to certain carryover limitations and time restrictions). Compensated absences at year end are reported in the government-wide financial statements. Governmental funds report compensated absences as an expenditure when the benefit is paid.

M. 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.

N. 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.

1. Summary of significant accounting policies (continued):

O. New accounting standard - The Town has implemented GASB Statement No. 103, *Financial Reporting Model Improvements.* GASB Statement No. 103 establishes new accounting and financial reporting requirements, or modifies existing requirements related to management's discussion and analysis, unusual or infrequent items, the presentation of the proprietary fund statement of revenues, expenses and changes in net position, information about major component units, budgetary comparison information and financial trends information. The most significant impact on these financial statements is that budgetary reporting previously presented within the basic financial statements is now presented as required supplementary information.

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, 2026, the Town's investments were fully invested in mutual funds and have a fair value of $180,547.

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, 2026, the Town's depository accounts were fully insured or collateralized.

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, 2026, 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, 2026, was as follows:

	Balance July 1, 2025	Increase	Decrease	Balance June 30, 2026
Capital assets, depreciated:				
Buildings and improvements	$ 1,080,537	$ 5,700	$ -	$ 1,086,237
Vehicles and equipment	2,454,877	-	38,000	2,416,877
Infrastructure	2,620,087	16,754	-	2,636,841
Total capital assets, depreciated	6,155,501	22,454	38,000	6,139,955
Less accumulated depreciation for:				
Buildings and improvements	600,706	24,106	-	624,812
Vehicles and equipment	1,418,469	200,278	38,000	1,580,747
Infrastructure	1,281,330	131,842	-	1,413,172
Total accumulated depreciation	3,300,505	356,226	38,000	3,618,731
Total capital assets, depreciated, net	2,854,996	(333,772)	-	2,521,224
Capital assets, net	$ 2,854,996	$ (333,772)	$ -	$ 2,521,224

Depreciation expense of $356,226 in the governmental activities was allocated to expenses of the general government ($14,342) and highways and streets ($341,884) programs based on capital assets assigned to those functions.

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, 2026, are as follows:

	Interfund Receivables	Interfund Payables
General Fund	$ -	$ 3,402,179
Highway Fund	1,101,442	-
Fund Balance Reserve Fund	119,345	-
Capital Projects Fund	864,490	-
ARPA Grant Fund	9,999	-
Other Governmental Funds	1,309,853	-
Fiduciary Funds	-	2,950
	$ 3,405,129	$ 3,405,129

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, 2026, were as follows:

	Transfers In	Transfers Out
General Fund	$ 16,000	$ 250,489
Highway Fund	-	206,000
Fund Balance Reserve Fund	2,389	-
Capital Projects Fund	225,000	-
Other Governmental Funds	220,900	7,800
	$ 464,289	$ 464,289

Transfers from the Highway Fund to the General Fund of $16,000, from the General Fund to the Capital Projects Fund of $225,000, and from the General and Highway Fund to the Other Governmental Funds totaling $213,100 were made in accordance with the budget. Transfers to the Fund Balance Reserve Fund of $2,389 from the General Fund were to transfer the current year available surplus. Transfers between Other Governmental Funds of $7,800 were to transfer funds from the Cemetery Trust Fund to the Cemetery Commission Fund as approved by the Cemetery Commission.

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 and capital improvements. In FY 2026, the appropriation was $321,550.

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 and $980 for administrative services during FY 2026 for services provided under this agreement.

8. Long-term obligations:

Long-term obligations activity for the year ended June 30, 2026, was as follows:

	Balance July 1, 2025	Additions	Reductions	Balance June 30, 2026	Due Within One Year
Compensated absences	$ 38,408	$ 37,258	$ -	$ 75,666	$ 30,000
Net pension liability	313,854	-	4,918	308,936	-
	$ 352,262	$ 37,258	$ 4,918	$ 384,602	$ 30,000

The change in compensated absences is presented as a net change.

9. 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	5,370
	$ 17,670

10. 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, and 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.

Contributions: Defined benefit plan members are required to contribute 4.25% (Group A), 6.625% (Group B), 11.75% (Group C) or 13.10% (Group D) of their annual covered salary, and the Town is required to contribute 5.75% (Group A), 7.25% (Group B), 9.00% (Group C) or 11.60% (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, 2026, 2025, and 2024, were $34,476, $34,589, and $31,126, 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 0.0929% proportionate share of the VMERS defined benefit plan.

10. Pension plan (continued):

Vermont Municipal Employees' Retirement System (continued) -

Town's share of VMERS net pension liability	$ 308,936
Deferred outflows of resources - Deferred pension expense	$ 76,515
Deferred inflows of resources - Deferred pension credits	$ 32,971

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 reporting 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.

11. Subsequent events:

The Town has evaluated subsequent events through September 24, 2026, the date on which the financial statements were available to be issued.

TOWN OF GUILFORD, VERMONT Schedule 1
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Original and Final Budget	Actual (Budgetary Basis)	Variance Over (Under)
REVENUES:			
Property taxes	$ 1,226,496	$ 1,025,327	$ (201,169)
Interest and penalties on delinquent taxes	30,000	121,152	91,152
Intergovernmental	102,000	96,525	(5,475)
Licenses and permits	1,100	1,557	457
Town clerk fees	18,830	18,780	(50)
Interest	3,000	35,171	32,171
Miscellaneous	9,730	24,772	15,042
Total revenues	1,391,156	1,323,284	(67,872)
EXPENDITURES:			
General Government -			
Selectboard	360,396	300,707	(59,689)
Treasurer	80,072	77,759	(2,313)
Board of civil authority	2,000	662	(1,338)
Auditors	23,550	28,151	4,601
Delinquent tax collector	8,800	9,174	374
Listers	52,378	50,427	(1,951)
Town clerk	51,640	48,882	(2,758)
Pound keeper	10,680	10,782	102
Floodplain administrator	350	-	(350)
Health officer	500	500	-
Solid waste	15,771	15,771	-
Library	80,827	79,080	(1,747)
Fire warden	1,000	-	(1,000)
County tax	31,000	24,735	(6,265)
HRA deductibles	-	49,745	49,745
Total general government	718,964	696,375	(22,589)
Special appropriations -			
Windham Regional Commission	5,865	5,865	-
Green Up Vermont	150	-	(150)
VLCT	4,102	4,102	-
Rescue, Inc.	52,470	52,470	-
Front Porch Forum	75	75	-
Guilford Gazette	150	150	-
Broad Brook Community Center	5,000	5,000	-
Guilford Volunteer Fire Department	286,550	286,550	-

TOWN OF GUILFORD, VERMONT Schedule 1
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Original and Final Budget	Actual (Budgetary Basis)	Variance Over (Under)
EXPENDITURES (CONTINUED):			
Special appropriations (continued) -			
Guilford Volunteer Fire Department capital plan	35,000	35,000	-
Youth Services	1,605	1,605	-
Women's Freedom Center	1,000	1,000	-
Groundworks Collaborative	1,000	1,000	-
RSVP	485	485	-
HCRS - Mental Health	3,000	3,000	-
Senior Solutions	850	850	-
Brattleboro Area Hospice	300	300	-
The Gathering Place	500	500	-
Brattleboro Senior Meals	350	350	-
AIDS Project of Southern Vermont	350	350	-
Southeast VT Transit	250	250	-
Guilford Cares	6,000	6,000	-
SEVCA, Inc.	2,040	2,040	-
Total special appropriations	407,092	406,942	(150)
Total expenditures	1,126,056	1,103,317	(22,739)
EXCESS OF REVENUES OR (EXPENDITURES)	265,100	219,967	(45,133)
OTHER FINANCING SOURCES (USES):			
Transfers in (out), net	(265,100)	(234,489)	(30,611)
NET CHANGE IN FUND BALANCE	$ -	(14,522)	$ (14,522)
FUND BALANCE, July 1, 2025		241,625	
FUND BALANCE, June 30, 2026		$ 227,103	

Schedule 2

TOWN OF GUILFORD, VERMONT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Original and Final Budget	Actual (Budgetary Basis)	Variance Over (Under)
REVENUES:			
Property taxes	$ 983,457	$ 983,457	$ -
State aid to highways	166,000	196,133	30,133
Intergovernmental	-	200,000	200,000
Civil fines	-	581	581
Interest income	-	15,344	15,344
Miscellaneous	100	34	(66)
Total revenues	1,149,557	1,395,549	245,992
EXPENDITURES:			
Highway general	557,357	544,880	(12,477)
Highway winter	218,050	213,215	(4,835)
Bridges	8,500	-	(8,500)
MRGP fees	1,350	1,350	-
Town garage	33,300	30,445	(2,855)
Town equipment	125,000	124,052	(948)
Total expenditures	943,557	913,942	(29,615)
EXCESS OF REVENUES OR (EXPENDITURES)	206,000	481,607	275,607
OTHER FINANCING SOURCES (USES):			
Transfers in (out), net	(206,000)	(206,000)	-
NET CHANGE IN FUND BALANCE	$ -	275,607	$ 275,607
FUND BALANCE, July 1, 2025		825,835	
FUND BALANCE, June 30, 2026		$ 1,101,442	

TOWN OF GUILFORD, VERMONT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISONS
JUNE 30, 2026

1. Budgetary basis of 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.

2. General Fund budgetary highlights:

During the year, there were no amendments to the original voter approved budget.

General Fund revenues for 2026 were less than budgeted by $67,872. The most significant differences between estimated revenues and actual revenues were as follows:

- Property taxes reported $201,169 less than budgeted, due to approved amounts in the articles being less than the proposed budgets, net of the fluctuation from the prior year in deferred property taxes.
- Interest and penalties on delinquent taxes reported $91,152 more than budgeted, due to increased collections on delinquent taxes, primarily due to the tax sale that occurred during the year ended June 30, 2026.

General Fund expenditures for 2026 were less than budgeted by $22,739. The most significant differences between estimated expenditures and actual expenditures were as follows:

- Selectboard reported $59,689 less than budgeted due to several areas coming in under budget; most notably were certain salaries, health insurance and legal services.
- HRA deductibles reported $49,745 more than budgeted due to this expenditure being unbudgeted. Both the General Fund and Highway Fund contribute annual budgeted transfers to fund HRA deductibles paid during each year.

3. Highway Fund budgetary highlights:

During the year, there were no amendments to the original voter approved budget.

Highway Fund revenues for 2026 were more than budgeted by $245,992. The most significant differences between estimated revenues and actual revenues were as follows:

- Intergovernmental revenues and State aid to highways reported $200,000 and $30,133, respectively, more than budgeted, due to reimbursable grants received from the State of Vermont.
- Interest income reported $15,344 more than budgeted, due to this revenue being unbudgeted. Interest income earned by the Town on its pooled cash account is allocated annually at the end of each fiscal year.

3. Highway Fund budgetary highlights (continued):

Highway Fund expenditures for 2026 were less than budgeted by $29,615. The most significant differences between estimated expenditures and actual expenditures were as follows:

- Highway general reported $12,477 less than budgeted, which was a net savings of several areas coming in under budget; most notably were wages, health insurance, tree removal and retaining walls, offset by unbudgeted grant expenditures.
- Bridges reported $8,500 less than budgeted, due to these planned expenditures not occurring during the fiscal year.

TOWN OF GUILFORD, VERMONT
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
VMERS
JUNE 30, 2026

Schedule 3

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Town's proportion of the net pension liability	0.0929%	0.0945%	0.1057%	0.1058%	0.1059%	0.1329%	0.1209%	0.1237%	0.1484%	0.1396%
Town's proportionate share of the net pension liability	$ 308,936	$ 313,854	$ 338,480	$ 320,836	$ 155,874	$ 336,226	$ 209,700	$ 174,080	$ 179,801	$ 179,663
Town's covered payroll	$ 475,521	$ 494,123	$ 461,116	$ 463,416	$ 423,345	$ 392,436	$ 479,053	$ 412,849	$ 394,091	$ 440,650
Town's proportionate share of the net pension liability as a percentage of its covered payroll	64.968%	63.517%	73.405%	69.233%	36.820%	85.677%	43.774%	42.166%	45.624%	40.772%
VMERS net position as a percentage of the total pension liability	77.15%	75.22%	74.01%	73.60%	86.29%	74.52%	80.35%	82.60%	83.64%	80.95%

SCHEDULE OF TOWN'S CONTRIBUTIONS
VMERS
JUNE 30, 2026

Schedule 4

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Contractually required contribution	$ 34,476	$ 34,589	$ 31,126	$ 30,122	$ 26,460	$ 23,546	$ 27,546	$ 23,223	$ 21,675	$ 24,236
Contributions in relation to the contractually required contribution	34,476	34,589	31,126	30,122	26,460	23,546	27,546	23,223	21,675	24,236
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$ 475,521	$ 494,123	$ 461,116	$ 463,416	$ 423,345	$ 392,436	$ 479,053	$ 412,849	$ 394,091	$ 440,650
Contributions as a percentage of covered payroll	7.250%	7.000%	6.750%	6.500%	6.250%	6.000%	5.750%	5.625%	5.500%	5.500%

TOWN OF GUILFORD, VERMONT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
VMERS
JUNE 30, 2026

The information presented was determined as part of the actuarial valuation as of June 30, 2026. Additional information as of the latest actuarial valuation presented is as follows:

Actuarial cost method	Entry age normal
Asset valuation method	Market value
Significant actuarial assumptions:	
Investment rate of return	7.00%
Discount rate	7.00%
Inflation rate	2.30%
Projected individual salary increases	Ranging from 4.07% to 6.21%
Cost-of-living adjustments	Ranging from 1.10% to 3.00% based on group

There have been no changes in plan provisions since the last measurement date.

There have been no changes in assumptions since the last measurement date.

TOWN OF GUILFORD, VERMONT
COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS
JUNE 30, 2026

	Act 64 Fund	Bridges Fund	Green River Covered Bridge Reserve Fund	Slate Rock Culvert Project Fund	Preservation Fund	Lister Education Fund	Reappraisal Fund
ASSETS							
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	71,465	661,603	125,000	-	66,230	575	176,838
Total assets	$ 71,465	$ 661,603	$ 125,000	$ -	$ 66,230	$ 575	$ 176,838
LIABILITIES AND FUND EQUITY							
LIABILITIES:							
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	17,634	-	-	-
Total liabilities	-	-	-	17,634	-	-	-
FUND EQUITY:							
Fund balances -							
Nonspendable	-	-	-	-	-	-	-
Restricted	71,465	-	-	-	66,230	575	176,838
Committed	-	661,603	125,000	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	(17,634)	-	-	-
Total fund balances	71,465	661,603	125,000	(17,634)	66,230	575	176,838
Total liabilities and fund equity	$ 71,465	$ 661,603	$ 125,000	$ -	$ 66,230	$ 575	$ 176,838

TOWN OF GUILFORD, VERMONT
COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS
JUNE 30, 2026

	Reserved Bond Fund	Water Line Operations Fund	Road Resurfacing Fund	Guilford Conservation Fund	Recreation Commission Fund	Planning Commission Fund	Conservation Commission Fund
ASSETS							
Cash and cash equivalents	$ -	$ -	$ -	$ 8,375	$ -	$ -	$ -
Investments	-	-	-	-	-	-	-
Accounts receivable	-	3,131	-	-	-	-	-
Due from other funds	175,500	20,034	13,936	392	4,367	2,767	1,580
Total assets	$ 175,500	$ 23,165	$ 13,936	$ 8,767	$ 4,367	$ 2,767	$ 1,580
LIABILITIES AND FUND EQUITY							
LIABILITIES:							
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
FUND EQUITY:							
Fund balances -							
Nonspendable	-	-	-	-	-	-	-
Restricted	175,500	23,165	13,936	8,767	4,367	2,767	1,580
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	175,500	23,165	13,936	8,767	4,367	2,767	1,580
Total liabilities and fund equity	$ 175,500	$ 23,165	$ 13,936	$ 8,767	$ 4,367	$ 2,767	$ 1,580

TOWN OF GUILFORD, VERMONT
COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS
JUNE 30, 2026

	Emergency Operations Fuel Fund	Cemetery Commission Fund	Cemetery Trust Fund	Library Trustees Fund	Birdie Cook Fund	Aurelia D. Taft Fund	Charles P. Wood Fund	Totals
ASSETS								
Cash and cash equivalents	$ -	$ -	$ 5,958	$ 211,984	$ 2,403	$ 10,954	$ 5,447	$ 245,121
Investments	-	-	14,258	-	-	-	-	14,258
Accounts receivable	-	-	-	-	-	-	-	3,131
Due from other funds	2,000	3,140	2,060	-	-	-	-	1,327,487
Total assets	$ 2,000	$ 3,140	$ 22,276	$ 211,984	$ 2,403	$ 10,954	$ 5,447	$ 1,589,997
LIABILITIES AND FUND EQUITY								
LIABILITIES:								
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ 154	$ 77	$ 231
Due to other funds	-	-	-	-	-	-	-	17,634
Total liabilities	-	-	-	-	-	154	77	17,865
FUND EQUITY:								
Fund balances -								
Nonspendable	-	-	-	-	1,500	10,800	5,370	17,670
Restricted	-	-	22,276	211,984	903	-	-	780,353
Committed	-	3,140	-	-	-	-	-	789,743
Assigned	2,000	-	-	-	-	-	-	2,000
Unassigned	-	-	-	-	-	-	-	(17,634)
Total fund balances	2,000	3,140	22,276	211,984	2,403	10,800	5,370	1,572,132
Total liabilities and fund equity	$ 2,000	$ 3,140	$ 22,276	$ 211,984	$ 2,403	$ 10,954	$ 5,447	$ 1,589,997

TOWN OF GUILFORD, VERMONT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	Act 64 Fund	Bridges Fund	Green River Covered Bridge Reserve Fund	Slate Rock Culvert Project Fund	Preservation Fund	Lister Education Fund	Reappraisal Fund
REVENUES:							
Intergovernmental	$ -	$ -	$ -	$ 14,967	$ -	$ -	$ 10,621
Charges for services	-	-	-	-	5,332	-	-
Investment income	-	-	-	-	-	-	-
Total revenues	-	-	-	14,967	5,332	-	10,621
EXPENDITURES:							
General government	-	-	-	-	816	-	-
Highways and streets	48,038	-	-	32,601	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total expenditures	48,038	-	-	32,601	816	-	-
EXCESS OF REVENUES OR (EXPENDITURES)	(48,038)	-	-	(17,634)	4,516	-	10,621
OTHER FINANCING SOURCES (USES):							
Operating transfers in (out)	-	60,000	12,500	-	3,000	-	-
NET CHANGE IN FUND BALANCES	(48,038)	60,000	12,500	(17,634)	7,516	-	10,621
FUND BALANCES, July 1, 2025	119,503	601,603	112,500	-	58,714	575	166,217
FUND BALANCES, June 30, 2026	$ 71,465	$ 661,603	$ 125,000	$ (17,634)	$ 66,230	$ 575	$ 176,838

TOWN OF GUILFORD, VERMONT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	Reserved Bond Fund	Water Line Operations Fund	Road Resurfacing Fund	Guilford Conservation Fund	Recreation Commission Fund	Planning Commission Fund	Conservation Commission Fund
REVENUES:							
Intergovernmental	$ -	$ -	$ -	$ 539	$ -	$ -	$ -
Charges for services	-	8,215	-	-	-	-	886
Investment income	-	22	-	8	-	-	-
Total revenues	-	8,237	-	547	-	-	886
EXPENDITURES:							
General government	-	4,624	-	146	-	7,582	1,525
Highways and streets	-	-	116,064	-	-	-	-
Culture and recreation	-	-	-	-	540	-	-
Total expenditures	-	4,624	116,064	146	540	7,582	1,525
EXCESS OF REVENUES OR (EXPENDITURES)	-	3,613	(116,064)	401	(540)	(7,582)	(639)
OTHER FINANCING SOURCES (USES):							
Operating transfers in (out)	-	-	130,000	-	500	1,000	100
NET CHANGE IN FUND BALANCES	-	3,613	13,936	401	(40)	(6,582)	(539)
FUND BALANCES, July 1, 2025	175,500	19,552	-	8,366	4,407	9,349	2,119
FUND BALANCES, June 30, 2026	$ 175,500	$ 23,165	$ 13,936	$ 8,767	$ 4,367	$ 2,767	$ 1,580

TOWN OF GUILFORD, VERMONT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	Emergency Operations Fuel Fund	Cemetery Commission Fund	Cemetery Trust Fund	Library Trustees Fund	Birdie Cook Fund	Aurelia D. Taft Fund	Charles P. Wood Fund	Totals
REVENUES:								
Intergovernmental	$ -	$ -	$ -	$ 216,808	$ -	$ -	$ -	$ 242,935
Charges for services	-	-	-	-	-	-	-	14,433
Investment income	-	-	2,294	11	2	-	-	2,337
Total revenues	-	-	2,294	216,819	2	-	-	259,705
EXPENDITURES:								
General government	-	15,365	11	-	-	-	-	30,069
Highways and streets	-	-	-	-	-	-	-	196,703
Culture and recreation	-	-	-	4,835	-	-	-	5,375
Total expenditures	-	15,365	11	4,835	-	-	-	232,147
EXCESS OF REVENUES OR (EXPENDITURES)	-	(15,365)	2,283	211,984	2	-	-	27,558
OTHER FINANCING SOURCES (USES):								
Operating transfers in (out)	2,000	11,800	(7,800)	-	-	-	-	213,100
NET CHANGE IN FUND BALANCES	2,000	(3,565)	(5,517)	211,984	2	-	-	240,658
FUND BALANCES, July 1, 2025	-	6,705	27,793	-	2,401	10,800	5,370	1,331,474
FUND BALANCES, June 30, 2026	$ 2,000	$ 3,140	$ 22,276	$ 211,984	$ 2,403	$ 10,800	$ 5,370	$ 1,572,132

Mudgett
Jennett &
Krogh-Wisner, P.C.
Certified Public Accountants #435

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 *(Government Auditing Standards),* 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, 2026, 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 24, 2026.

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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2026-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town'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.*

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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 24, 2026

TOWN OF GUILFORD, VERMONT
SCHEDULE OF FINDINGS
JUNE 30, 2026

2026-001 Town Meeting Articles

The amounts shown in the Town Meeting articles for the General Fund annual budgets which were approved by voters at the 2023, 2024 and 2025 Annual Town Meetings were lower than the proposed budgets presented in the Annual Reports. State statute requires that the Town tax rate be calculated using the voter approved articles.

The effect of approved amounts in the articles being less than the proposed budgets was that insufficient taxes were raised to fund the General Fund budgeted expenditures of $237,500, $140,163 and $246,100 for the years ended June 30, 2024, 2025 and 2026, respectively.

For the year ended June 30, 2024, the General Fund had an actual shortfall of $189,146 which was recovered by a transfer from the Fund Balance Reserve Fund. For the year ended June 30, 2025, the General Fund had an actual surplus of $5,981, despite the tax article error, which was transferred to the Fund Balance Reserve Fund. For the year ended June 30, 2026, the General Fund had an actual surplus of $2,389, despite the tax article error, which was transferred to the Fund Balance Reserve Fund.

We recommend that management implement stronger controls over development of annual budgets and related Town Meeting articles to ensure that inconsistencies do not occur in the future. This could include greater utilization of the Town's general ledger software to create budgets instead of relying on manual spreadsheets, and more extensive review of the annual budgets and the proposed articles prior to publishing them. This could include review by legal counsel or other additional parties.

In response to our recommendation, management has modified its controls and procedures, and we believe this finding will be considered resolved for the year ending June 30, 2027.