

TOWN OF SPRINGFIELD, VERMONT
FINANCIAL STATEMENTS
JUNE 30, 2023
AND
INDEPENDENT AUDITOR'S REPORTS

TOWN OF SPRINGFIELD, VERMONT

JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

The Selectboard
Town of Springfield, Vermont

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Springfield, Vermont (the Town) as of and for the year ended June 30, 2023, 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, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Springfield, Vermont as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund 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. 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 Springfield, 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 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 and schedules 1 and 2 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 Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Schedule of Expenditures of Federal Awards is 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 January 12, 2024, 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
January 12, 2024

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**TOWN OF SPRINGFIELD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

The following is a discussion and analysis of the Town of Springfield's (the Town) financial performance including an overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2023. Readers should consider this information in conjunction with the financial statements which are located after this analysis. This discussion and analysis provide comparisons between FY 2023 and FY 2022.

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, 2023, by \$37,086,936 compared to \$34,379,620, at June 30, 2022. This represents an increase of \$2,707,316, compared to a decrease of \$947,189 for fiscal year 2022.

Fund Highlights

At the end of the fiscal year, the Town's governmental funds reported a combined ending fund balance of \$13,255,922, an increase of \$1,306,360 in comparison with a decrease of \$42,452 for the prior year. Of the total fund balance, \$8,414,122 represents amounts restricted, committed or assigned to specific purposes, such as reserves and encumbrances approved by management, and \$624,496 is nonspendable, leaving an unassigned balance of \$4,217,304.

Long-term Debt

The Town's long-term debt decreased \$1,353,434 during the fiscal year and had a total ending balance of \$11,195,273, compared to an ending balance of \$12,548,707, at June 30, 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Town's financial statements consist of five sections: 1) Independent Auditor's Report, 2) Management's Discussion and Analysis, 3) Basic Financial Statements, 4) Supplementary Schedules and 5) Compliance Reports.

- **Independent Auditor's Report** - This is a description by the auditors of the scope of their work and their official opinion of the financial statements of the Town for the 2023 fiscal year.
- **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, and notes to the financial statements.
- **Supplementary Schedules** - This section of the report includes schedules 1 and 2, which are required by accounting principles generally accepted in the United States of America (U.S. GAAP). These schedules contain required historical pension information for the Town's portion of VMERS.
- **Compliance Reports** - This section includes the auditor's report on the Town's internal controls over financial reporting and on compliance with a description of their findings. Internal controls deal with the Town's processes and procedures that ensure our financial statements are accurate and that Town assets are being safeguarded in a reasonable fashion.

Government-wide 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 a private-sector business. 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 and deferred outflows of resources and its liabilities and deferred 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 and earned but unused vacation leave).

The government-wide financial statements have separate columns for governmental activities and business-type activities. The Town's activities are classified as follows:

- **Governmental Activities** - Activities reported here include general government, police, fire and ambulance, public works, parks and recreation, senior citizens, library, special appropriations, education, and interest on debt. Property taxes and federal, state and local revenues finance these activities.
- **Business-type Activities** - Activities reported here include the water and sewer, and solid waste 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 the Town's funds are categorized as governmental, proprietary or fiduciary.

- **Governmental Funds** - 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.

The Town reports three individual governmental funds. Information is presented separately in the governmental fund statements for the General and Special Revenue Funds which are considered major funds. Data from the other governmental fund, the Permanent Fund, is also presented, as it is the only nonmajor governmental fund.

- **Proprietary Funds** - Proprietary funds report activities that operate more like those of private-sector business and use the full accrual basis of accounting. Proprietary funds are reported as business-type activities on the government-wide financial statements. Since proprietary funds use accrual basis accounting, there are no differences between amounts reported on the government-wide statements and the proprietary fund statements. The Town uses proprietary funds to account for its Water and Sewer, and Solid Waste Funds.

- **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 fund is the Trustees of Public Funds Fund.

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

The governmental activities of the government-wide financial statements and the governmental funds of the fund financial statements do not use the same accounting basis and measurement focus. Because the focus of governmental funds is more limited 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. This comparison can help readers better understand the long-term impact of the Town’s near-term financing decisions. Both the Balance Sheet - Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The following indicates some of the reporting differences between the government-wide financial statements and the governmental funds financial statements.

- Capital assets used in governmental activities are not reported on governmental fund statements.
- Long-term liabilities, unless due and payable, are not included in the fund financial statements. These liabilities are only included in the government-wide statements. Long-term liabilities include long-term debt and accrued compensated absences. Proceeds from long-term liabilities provide current financial resources on the fund financial statements.
- Property taxes not available to pay current period expenditures are deferred in governmental fund statements, but not deferred on the 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.

FINANCIAL ANALYSIS

Government-wide Financial Statements

The Town’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$37,086,936 at year end. Net position increased by \$2,707,316 from the previous fiscal year.

TABLE 1
Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2022	2023	2022	2023	2022	2023
Assets	\$ 29,398,162	\$ 32,563,416	\$ 23,959,654	\$ 23,237,344	\$ 53,357,816	\$ 55,800,760
Deferred Outflows of Resources	1,503,946	2,050,976	185,881	253,491	1,689,827	2,304,467
Liabilities	(4,989,238)	(7,964,986)	(12,230,869)	(11,279,911)	(17,220,107)	(19,244,897)
Deferred Inflows of Resources	<u>(3,228,011)</u>	<u>(1,734,471)</u>	<u>(219,905)</u>	<u>(38,923)</u>	<u>(3,447,916)</u>	<u>(1,773,394)</u>
Net Position	<u>\$ 22,684,859</u>	<u>\$ 24,914,935</u>	<u>\$ 11,694,761</u>	<u>\$ 12,172,001</u>	<u>\$ 34,379,620</u>	<u>\$ 37,086,936</u>

The larger portion of the Town's net position, \$27,376,028 and \$25,426,227 in 2023 and 2022, respectively, reflects its net investment in capital assets less any related outstanding debt used to acquire those assets. These assets are recorded net of depreciation in the financial statements. The Town uses capital assets to provide services to citizens; therefore, those 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. The remaining portion of the Town's net position, \$9,710,908 and \$8,953,393, in 2023 and 2022, respectively, represents restricted and unrestricted net position.

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

TABLE 2
Change in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2022	2023	2022	2023	2022	2023
REVENUES						
Program Revenues:						
Charges for Services	\$ 1,727,776	\$ 1,895,602	\$ 3,080,886	\$ 3,186,801	\$ 4,808,662	\$ 5,082,403
Grants and Contributions	782,530	2,756,552	-	500,000	782,530	3,256,552
Other	63,269	6,852	9,932	4,954	73,201	11,806
General Revenues:						
Property Taxes	19,850,281	20,008,258	-	-	19,850,281	20,008,258
Investment Earnings	(531,465)	523,923	-	-	(531,465)	523,923
Total Revenues	<u>21,892,391</u>	<u>25,191,187</u>	<u>3,090,818</u>	<u>3,691,755</u>	<u>24,983,209</u>	<u>28,882,942</u>
PROGRAM EXPENSES						
General government	5,044,926	5,668,515	-	-	5,044,926	5,668,515
Police	1,939,675	1,941,200	-	-	1,939,675	1,941,200
Fire and ambulance	1,875,960	1,898,452	-	-	1,875,960	1,898,452
Public Works	3,790,975	3,725,055	-	-	3,790,975	3,725,055
Parks and recreation	405,379	318,404	-	-	405,379	318,404
Senior citizens	62,216	66,960	-	-	62,216	66,960
Library	531,114	561,358	-	-	531,114	561,358
Special appropriations	1,116,287	909,540	-	-	1,116,287	909,540
Education	7,554,858	7,344,265	-	-	7,554,858	7,344,265
Water and Sewer	-	-	3,277,683	3,439,941	3,277,683	3,439,941
Solid Waste	-	-	-	5,000	-	5,000
Interest	29,143	26,322	302,182	270,614	331,325	296,936
Total Program Expenses	<u>22,350,533</u>	<u>22,460,071</u>	<u>3,579,865</u>	<u>3,715,555</u>	<u>25,930,398</u>	<u>26,175,626</u>
Transfers In (Out)	<u>(485,000)</u>	<u>(501,040)</u>	<u>485,000</u>	<u>501,040</u>	<u>-</u>	<u>-</u>
Increase (decrease) in						
Net Position	<u>\$ (943,142)</u>	<u>\$ 2,230,076</u>	<u>\$ (4,047)</u>	<u>\$ 477,240</u>	<u>\$ (947,189)</u>	<u>\$ 2,707,316</u>

Total governmental activities expenses were \$22,350,533 and \$22,460,071 in fiscal years 2022 and 2023, respectively. The expenses do not include capital outlay, which is reflected as capital asset additions 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 \$2,573,575 in 2022 and \$4,659,006 in 2023. Governmental activities program revenues from charges for services include licenses and permits, planning fees, forfeitures, sale of supplies and several other revenues. Program revenues in the grants and contributions category include federal, state and local grants, and local contributions that are restricted for program use.

General revenues are all other revenues not categorized as program revenues and include property taxes and investment earnings. Total general revenues from governmental activities were \$19,318,816 in fiscal 2022 and \$20,532,181 in fiscal 2023.

Fund Financial Statements

- **Governmental Funds** - The combined fund balance of the governmental funds was \$11,949,562 at June 30, 2022 and \$13,255,922 and June 30, 2023. \$8,414,122 of the FY 2023 fund balance is restricted, committed or assigned; \$624,496 is nonspendable, leaving a remaining unassigned balance of \$4,217,304. The fund balance of the General Fund increased from \$5,689,056 in FY 2022 to \$6,687,222 in 2023.

Revenues and expenditures in the General Fund vary from their operating budgets, as shown on the Statement of Revenues and Expenditures - Budget and Actual - General Fund. Management has reviewed these variances and finds them to be acceptable. The overall budgetary variance for the fiscal year ended June 30, 2023, was a positive \$998,166. Revenues exceeded budgeted amounts by \$971,143. Expenditures were more than budgeted amounts by \$690,111.

- **Proprietary Funds** - The Town's proprietary funds provide the same information found in the government-wide financial statements. Total net position of the Town's proprietary funds at June 30, 2023, was \$12,172,001, an increase of \$477,240 from the previous fiscal year.

Capital Assets

The following is a schedule of capital assets as of June 30, 2022 and 2023.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	2022	2023	2022	2023
Land	\$ 360,612	\$ 437,144	\$ 281,434	\$ 291,684
Construction in Progress	-	1,669,135	-	-
Infrastructure	19,317,828	19,424,035	26,565,167	26,565,167
Machinery and equipment	10,014,276	10,328,785	1,090,058	1,125,779
Buildings and improvements	<u>4,660,108</u>	<u>4,660,108</u>	<u>18,639,241</u>	<u>18,660,426</u>
Total Capital Assets	34,352,824	36,519,207	46,575,900	46,643,056
Less Accumulated Depreciation	<u>20,006,374</u>	<u>20,858,066</u>	<u>22,927,808</u>	<u>23,732,896</u>
Capital Assets, Net	<u>\$ 14,346,450</u>	<u>\$ 15,661,141</u>	<u>\$ 23,648,092</u>	<u>\$ 22,910,160</u>

The Town has an investment in capital assets, net of accumulated depreciation, of \$37,994,542 and \$38,571,301 on June 30, 2022 and June 30, 2023, respectively. The net increase (including additions and deductions) between the two periods amounted to \$576,759.

Debt

The following is a schedule of long-term debt as of June 30, 2022 and 2023.

TABLE 4
Long-term Debt at June 30,

	2022	2023
Governmental activities -		
EPA loan	\$ 133,007	\$ 121,768
Vermont Municipal Bond Bank		
2015 Series 5	770,000	660,000
Phone system	<u>-</u>	<u>28,157</u>
Total governmental activities	<u>\$ 903,007</u>	<u>\$ 809,925</u>
Business-type activities -		
USDA - Rural Development		
USDA-91-06	\$ 1,494,316	\$ 1,438,441
USDA-92-04	967,762	901,630
USDA-92-10	82,288	77,607
USDA-92-12	283,831	267,684
USDA-92-14	262,349	247,424
USDA-92-15	405,615	387,013
Vermont Municipal Bond Bank		
2014 Series 3	1,820,000	1,680,000
AR1-002	310,285	279,256
AR3-028	330,455	293,738
RF1-019	45,781	-
RF1-055	155,783	103,856
RF1-089	104,401	89,486
RF1-130	26,782	24,104
RF3-172	212,742	206,100
RF1-184	197,948	188,704
RF1-203	1,283,410	746,823
RF3-060	658,325	594,251
RF3-240	2,559,605	2,451,076
RF3-312-1	404,662	388,475
WPL-258	<u>39,360</u>	<u>19,680</u>
Total business-type activities	<u>\$ 11,645,700</u>	<u>\$ 10,385,348</u>

At the end of the fiscal year, the Town had \$809,925 in long-term debt outstanding in governmental activities compared to \$903,007 in the prior year. For the business-type activities, long-term debt outstanding was \$10,385,348 compared to \$11,645,700 in the prior year. Total long-term debt decreased by \$1,353,434.

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 should be addressed to the Town of Springfield, 96 Main Street, Springfield, VT 05156.

TOWN OF SPRINGFIELD, VERMONT
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2023
(Page 1 of 2)

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Totals</u>
ASSETS:			
Current assets -			
Cash and cash equivalents	\$ 9,409,720	\$ 2,943	\$ 9,412,663
Investments	2,386,928	-	2,386,928
Delinquent property taxes	655,389	-	655,389
Accounts receivable, net	1,072,522	1,181,167	2,253,689
Inventory	-	135,497	135,497
Prepaid expenses	78,566	-	78,566
Due (to) from other activities	<u>2,232,773</u>	<u>(992,423)</u>	<u>1,240,350</u>
Total current assets	<u>15,835,898</u>	<u>327,184</u>	<u>16,163,082</u>
Noncurrent assets -			
Notes receivable and accrued interest, net	1,066,377	-	1,066,377
Capital assets	36,519,207	46,643,056	83,162,263
less - accumulated depreciation	<u>(20,858,066)</u>	<u>(23,732,896)</u>	<u>(44,590,962)</u>
Capital assets, net	<u>15,661,141</u>	<u>22,910,160</u>	<u>38,571,301</u>
Total noncurrent assets	<u>16,727,518</u>	<u>22,910,160</u>	<u>39,637,678</u>
Total assets	<u>32,563,416</u>	<u>23,237,344</u>	<u>55,800,760</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred pension expense	<u>2,050,976</u>	<u>253,491</u>	<u>2,304,467</u>
LIABILITIES:			
Current liabilities -			
Accounts payable	1,271,414	36,638	1,308,052
Accrued interest	-	51,695	51,695
Accrued wages	137,688	22,279	159,967
Accrued benefits	440,202	89,825	530,027
Current portion of long-term debt	<u>150,666</u>	<u>725,453</u>	<u>876,119</u>
Total current liabilities	<u>1,999,970</u>	<u>925,890</u>	<u>2,925,860</u>
Noncurrent liabilities -			
Accrued compensated absences	133,075	54,806	187,881
Net pension liability	5,172,682	639,320	5,812,002
Long-term debt	<u>659,259</u>	<u>9,659,895</u>	<u>10,319,154</u>
Total noncurrent liabilities	<u>5,965,016</u>	<u>10,354,021</u>	<u>16,319,037</u>
Total liabilities	<u>7,964,986</u>	<u>11,279,911</u>	<u>19,244,897</u>

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

TOWN OF SPRINGFIELD, VERMONT
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2023
(Page 2 of 2)

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Totals</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred pension credits	314,919	38,923	353,842
Revenues collected in advance	<u>1,419,552</u>	<u>-</u>	<u>1,419,552</u>
Total deferred inflows of resources	<u>1,734,471</u>	<u>38,923</u>	<u>1,773,394</u>
NET POSITION:			
Net investment in capital assets	14,851,216	12,524,812	27,376,028
Restricted	7,398,116	144,049	7,542,165
Unrestricted	<u>2,665,603</u>	<u>(496,860)</u>	<u>2,168,743</u>
Total net position	\$ <u>24,914,935</u>	\$ <u>12,172,001</u>	\$ <u>37,086,936</u>

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

TOWN OF SPRINGFIELD, VERMONT
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

FUNCTIONS/PROGRAMS:	<u>Expenses</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Grants and Contributions	Charges for Services	Other	Governmental Activities	Business-type Activities	Totals
Governmental activities -							
General government	\$ 5,668,515	\$ 1,908,885	\$ 523,825	\$ 6,852	\$ (3,228,953)	\$ -	\$ (3,228,953)
Police	1,941,200	463,835	27,500	-	(1,449,865)	-	(1,449,865)
Fire and ambulance	1,898,452	-	721,180	-	(1,177,272)	-	(1,177,272)
Public works	3,725,055	-	606,921	-	(3,118,134)	-	(3,118,134)
Parks and recreation	318,404	372,053	12,784	-	66,433	-	66,433
Senior citizens	66,960	-	-	-	(66,960)	-	(66,960)
Library	561,358	11,779	3,392	-	(546,187)	-	(546,187)
Special appropriations	909,540	-	-	-	(909,540)	-	(909,540)
Education (payment to School District)	7,344,265	-	-	-	(7,344,265)	-	(7,344,265)
Interest on debt	26,322	-	-	-	(26,322)	-	(26,322)
Total governmental activities	<u>22,460,071</u>	<u>2,756,552</u>	<u>1,895,602</u>	<u>6,852</u>	<u>(17,801,065)</u>	<u>-</u>	<u>(17,801,065)</u>
Business-type activities -							
Water and sewer operations	3,439,941	500,000	3,186,801	-	-	246,860	246,860
Solid waste	5,000	-	-	4,954	-	(46)	(46)
Interest on debt	270,614	-	-	-	-	(270,614)	(270,614)
Total business-type activities	<u>3,715,555</u>	<u>500,000</u>	<u>3,186,801</u>	<u>4,954</u>	<u>-</u>	<u>(23,800)</u>	<u>(23,800)</u>
	<u>\$ 26,175,626</u>	<u>\$ 3,256,552</u>	<u>\$ 5,082,403</u>	<u>\$ 11,806</u>	<u>(17,801,065)</u>	<u>(23,800)</u>	<u>(17,824,865)</u>
GENERAL REVENUES - PROPERTY TAXES					20,008,258	-	20,008,258
- INVESTMENT INCOME					523,923	-	523,923
TRANSFERS IN (OUT)					<u>(501,040)</u>	<u>501,040</u>	<u>-</u>
					<u>20,031,141</u>	<u>501,040</u>	<u>20,532,181</u>
CHANGE IN NET POSITION					2,230,076	477,240	2,707,316
NET POSITION, July 1, 2022					<u>22,684,859</u>	<u>11,694,761</u>	<u>34,379,620</u>
NET POSITION, June 30, 2023					<u>\$ 24,914,935</u>	<u>\$ 12,172,001</u>	<u>\$ 37,086,936</u>

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

TOWN OF SPRINGFIELD, VERMONT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023
(Page 1 of 2)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Permanent Fund</u>	<u>Totals Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 7,427,036	\$ 1,982,684	\$ -	\$ 9,409,720
Investments	-	2,386,928	-	2,386,928
Delinquent property taxes	655,389	-	-	655,389
Accounts receivable, net	674,761	397,761	-	1,072,522
Notes receivable, net	-	1,063,542	-	1,063,542
Accrued interest receivable	-	2,835	-	2,835
Due from other funds	322,343	672,732	1,237,698	2,232,773
Prepaid expenditures	<u>78,566</u>	<u>-</u>	<u>-</u>	<u>78,566</u>
Total assets	<u>\$ 9,158,095</u>	<u>\$ 6,506,482</u>	<u>\$ 1,237,698</u>	<u>\$ 16,902,275</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY				
LIABILITIES:				
Accounts payable	\$ 1,271,207	\$ 207	\$ -	\$ 1,271,414
Accrued wages	137,688	-	-	137,688
Accrued benefits	<u>440,202</u>	<u>-</u>	<u>-</u>	<u>440,202</u>
Total liabilities	<u>1,849,097</u>	<u>207</u>	<u>-</u>	<u>1,849,304</u>
DEFERRED INFLOWS OF RESOURCES:				
Revenues collected in advance	244,279	1,175,273	-	1,419,552
Unavailable revenue - taxes and fees	<u>377,497</u>	<u>-</u>	<u>-</u>	<u>377,497</u>
Total deferred inflows of resources	<u>621,776</u>	<u>1,175,273</u>	<u>-</u>	<u>1,797,049</u>
FUND EQUITY:				
Fund balances -				
Nonspendable	78,566	-	545,930	624,496
Restricted	372,037	5,331,002	691,768	6,394,807
Committed	1,003,309	-	-	1,003,309
Assigned	1,016,006	-	-	1,016,006
Unassigned	<u>4,217,304</u>	<u>-</u>	<u>-</u>	<u>4,217,304</u>
Total fund balances	<u>6,687,222</u>	<u>5,331,002</u>	<u>1,237,698</u>	<u>13,255,922</u>
Total liabilities, deferred inflows of resources and fund equity	<u>\$ 9,158,095</u>	<u>\$ 6,506,482</u>	<u>\$ 1,237,698</u>	<u>\$ 16,902,275</u>

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

TOWN OF SPRINGFIELD, VERMONT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023
(Page 2 of 2)

**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	\$ 13,255,922
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	36,519,207
Accumulated depreciation	(20,858,066)
Liabilities not due and payable in the year are not reported in the governmental funds.	
Accrued compensated absences	(133,075)
Long-term debt	(809,925)
Deferred taxes are reported in the governmental funds to offset uncollected taxes which are not available financial resources.	
Unavailable revenue - taxes and fees	377,497
Balances related to net position asset or liability and related deferred outflows/inflows of resources are not reported in the governmental funds.	
Deferred pension expense	2,050,976
Deferred pension credits	(314,919)
Net pension liability	<u>(5,172,682)</u>
Net position of governmental activities - Government-wide Statement of Net Position	\$ <u>24,914,935</u>

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

TOWN OF SPRINGFIELD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

(Page 1 of 3)

	General <u>Fund</u>	Special Revenue <u>Fund</u>	Permanent <u>Fund</u>	Totals Governmental <u>Funds</u>
REVENUES:				
Property taxes	\$ 20,072,999	\$ -	\$ -	\$ 20,072,999
Less payments to School District	(7,344,265)	-	-	(7,344,265)
Intergovernmental revenue	317,540	2,129,433	-	2,446,973
Licenses, fees, and permits	523,825	-	-	523,825
Departmental income	1,671,488	7,169	-	1,678,657
Investment income (loss)	109,441	317,832	96,650	523,923
Miscellaneous	6,536	315	2,700	9,551
Total revenues	<u>15,357,564</u>	<u>2,454,749</u>	<u>99,350</u>	<u>17,911,663</u>
EXPENDITURES:				
Current -				
Finance and administration	1,323,003	-	-	1,323,003
Police	1,791,212	1,810	-	1,793,022
Fire and ambulance	1,755,724	-	-	1,755,724
Public works	2,956,814	-	-	2,956,814
Parks and recreation	261,329	3,383	-	264,712
Economic development	-	24,503	-	24,503
Senior citizens	66,960	-	-	66,960
Library	538,337	-	-	538,337
Fixed costs	2,876,823	-	-	2,876,823
Miscellaneous	-	68,876	22,894	91,770
Special appropriations	909,540	-	-	909,540
Grant expenditures	-	479,539	-	479,539
Reimbursable services	356,879	-	-	356,879
Bad debt expenditures	-	6,036	-	6,036
Capital outlay	818,781	1,679,047	-	2,497,828
Debt service - principal	148,134	-	-	148,134
- interest	25,930	-	-	25,930
- principal lease liability	19,608	-	-	19,608
- interest lease liability	392	-	-	392
Total expenditures	<u>13,849,466</u>	<u>2,263,194</u>	<u>22,894</u>	<u>16,135,554</u>

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

TOWN OF SPRINGFIELD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

(Page 2 of 3)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Permanent Fund</u>	<u>Totals Governmental Funds</u>
EXCESS OF REVENUES OR (EXPENDITURES)	1,508,098	191,555	76,456	1,776,109
OTHER FINANCING SOURCES (USES):				
Loan proceeds	31,291	-	-	31,291
Interfund transfers in (out), net	<u>(541,223)</u>	<u>40,183</u>	<u>-</u>	<u>(501,040)</u>
Total other financing sources (uses)	<u>(509,932)</u>	<u>40,183</u>	<u>-</u>	<u>(469,749)</u>
NET CHANGE IN FUND BALANCES	998,166	231,738	76,456	1,306,360
FUND BALANCES, July 1, 2022	<u>5,689,056</u>	<u>5,099,264</u>	<u>1,161,242</u>	<u>11,949,562</u>
FUND BALANCES, June 30, 2023	\$ <u>6,687,222</u>	\$ <u>5,331,002</u>	\$ <u>1,237,698</u>	\$ <u>13,255,922</u>

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

**TOWN OF SPRINGFIELD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

(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 balances - total governmental funds	\$ 1,306,360
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 of dispositions	2,798,655
Depreciation	(1,483,964)
Lease asset amortization	(19,804)
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.	
(Increase) decrease in compensated absences	21,322
Proceeds from long-term debt	(55,052)
Principal payments on long-term debt	148,134
Principal payments on lease	19,608
Property tax revenue in governmental funds includes deferred revenue of the prior year but excludes deferred revenue of the current year as taxes uncollected within 60 days are unavailable at year end.	
Unavailable revenue - taxes and fees	
Prior year	(442,238)
Current year	377,497
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>(440,442)</u>
Change in net position of governmental activities - Government-wide Statement of Activities	<u>\$ 2,230,076</u>

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

TOWN OF SPRINGFIELD, VERMONT
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original and Final <u>Budget</u>	Actual (Budgetary Basis) <u> </u>	Variance Over <u>(Under)</u>
REVENUES:			
Property taxes	\$ 12,574,891	\$ 12,728,734	\$ 153,843
Intergovernmental	-	317,540	317,540
Licenses, fees, and permits	389,555	523,825	134,270
Public works	634,000	597,621	(36,379)
Police	27,050	27,500	450
Fire and ambulance	726,325	1,031,913	305,588
Parks and recreation	7,100	5,615	(1,485)
Library	9,500	8,839	(661)
Investment income	18,000	109,441	91,441
Miscellaneous	<u>-</u>	<u>6,536</u>	<u>6,536</u>
Total revenues	<u>14,386,421</u>	<u>15,357,564</u>	<u>971,143</u>
EXPENDITURES:			
General government -			
Finance and administration	1,370,401	1,358,604	(11,797)
Police	1,977,549	1,804,201	(173,348)
Fire and ambulance	1,690,582	2,022,044	331,462
Public works	3,401,591	4,107,814	706,223
Parks and recreation	419,545	375,575	(43,970)
Senior services	65,852	66,960	1,108
Library	555,496	538,337	(17,159)
Fixed costs	3,126,100	2,911,823	(214,277)
Reimbursable services	144,000	356,879	212,879
Special appropriations	1,010,550	909,540	(101,010)
Debt service - principal	110,000	110,000	-
- interest	<u>24,755</u>	<u>24,755</u>	<u>-</u>
Total expenditures	<u>13,896,421</u>	<u>14,586,532</u>	<u>690,111</u>
EXCESS OF REVENUES OR (EXPENDITURES)	490,000	771,032	281,032
OTHER FINANCING SOURCES (USES):			
Loan proceeds	-	31,291	31,291
Interfund transfers in (out), net	<u>(490,000)</u>	<u>195,843</u>	<u>685,843</u>
Total other financing sources (uses)	<u>(490,000)</u>	<u>227,134</u>	<u>717,134</u>
NET CHANGE IN FUND BALANCE	\$ <u>-</u>	\$ <u>998,166</u>	\$ <u>998,166</u>

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

TOWN OF SPRINGFIELD, VERMONT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2023
(Page 1 of 2)

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Totals Proprietary Funds</u>
ASSETS:			
Current assets -			
Cash and cash equivalents	\$ -	\$ 2,943	\$ 2,943
Accounts receivable, net	1,181,167	-	1,181,167
Inventory	135,497	-	135,497
Due from other funds	<u>-</u>	<u>141,106</u>	<u>141,106</u>
Total current assets	<u>1,316,664</u>	<u>144,049</u>	<u>1,460,713</u>
Noncurrent assets -			
Capital assets	46,643,056	-	46,643,056
less - accumulated depreciation	<u>(23,732,896)</u>	<u>-</u>	<u>(23,732,896)</u>
Total noncurrent assets	<u>22,910,160</u>	<u>-</u>	<u>22,910,160</u>
Total assets	<u>24,226,824</u>	<u>144,049</u>	<u>24,370,873</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred pension expense	<u>253,491</u>	<u>-</u>	<u>253,491</u>
LIABILITIES:			
Current liabilities -			
Accounts payable	36,638	-	36,638
Accrued interest	51,695	-	51,695
Accrued wages	22,279	-	22,279
Accrued benefits	89,825	-	89,825
Current portion of long-term debt	725,453	-	725,453
Due to other funds	<u>1,133,529</u>	<u>-</u>	<u>1,133,529</u>
Total current liabilities	<u>2,059,419</u>	<u>-</u>	<u>2,059,419</u>
Noncurrent liabilities -			
Accrued compensated absences	54,806	-	54,806
Net pension liability	639,320	-	639,320
Long-term debt	<u>9,659,895</u>	<u>-</u>	<u>9,659,895</u>
Total noncurrent liabilities	<u>10,354,021</u>	<u>-</u>	<u>10,354,021</u>
Total liabilities	<u>12,413,440</u>	<u>-</u>	<u>12,413,440</u>

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

TOWN OF SPRINGFIELD, VERMONT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2023
(Page 2 of 2)

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Totals Proprietary Funds</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred pension credits	38,923	-	38,923
NET POSITION:			
Net investment in capital assets	12,524,812	-	12,524,812
Restricted	-	144,049	144,049
Unrestricted	(496,860)	-	(496,860)
Total net position	\$ 12,027,952	\$ 144,049	\$ 12,172,001

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

TOWN OF SPRINGFIELD, VERMONT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Water and Sewer <u>Fund</u>	Solid Waste <u>Fund</u>	Totals Proprietary <u>Funds</u>
OPERATING REVENUES:			
Charges for services	\$ 3,186,801	\$ -	\$ 3,186,801
OPERATING EXPENSES:			
Wages	1,370,410	-	1,370,410
Administrative	188,151	-	188,151
Maintenance	350,635	-	350,635
Wastewater	625,335	-	625,335
Dewatering and composting	74,878	-	74,878
Depreciation	<u>830,532</u>	<u>-</u>	<u>830,532</u>
Total operating expenses	<u>3,439,941</u>	<u>-</u>	<u>3,439,941</u>
Operating income (loss)	<u>(253,140)</u>	<u>-</u>	<u>(253,140)</u>
NONOPERATING			
REVENUES (EXPENSES):			
Loan forgiveness	500,000	-	500,000
Redemption contribution	-	4,954	4,954
Plant improvements	-	(5,000)	(5,000)
Interest expense	<u>(270,614)</u>	<u>-</u>	<u>(270,614)</u>
Total nonoperating revenues (expenses)	<u>229,386</u>	<u>(46)</u>	<u>229,340</u>
INCOME (LOSS) BEFORE TRANSFERS	(23,754)	(46)	(23,800)
Operating transfers in (out), net	<u>501,040</u>	<u>-</u>	<u>501,040</u>
CHANGE IN NET POSITION	477,286	(46)	477,240
NET POSITION, July 1, 2022	<u>11,550,666</u>	<u>144,095</u>	<u>11,694,761</u>
NET POSITION, June 30, 2023	\$ <u>12,027,952</u>	\$ <u>144,049</u>	\$ <u>12,172,001</u>

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

TOWN OF SPRINGFIELD, VERMONT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

(Page 1 of 2)

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Totals Proprietary Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 3,309,452	\$ -	\$ 3,309,452
Cash paid to suppliers for goods and services	(1,139,174)	-	(1,139,174)
Cash paid to employees for services	<u>(1,321,131)</u>	<u>-</u>	<u>(1,321,131)</u>
Net cash provided (used) by operating activities	<u>849,147</u>	<u>-</u>	<u>849,147</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of capital assets	(92,600)	-	(92,600)
Principal paid on bonds	(760,352)	-	(760,352)
Interest paid on bonds	<u>(270,614)</u>	<u>-</u>	<u>(270,614)</u>
Net cash provided (used) by capital and related financing activities	<u>(1,123,566)</u>	<u>-</u>	<u>(1,123,566)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in (out)	501,040	-	501,040
Change in due to/from other funds	<u>(226,621)</u>	<u>-</u>	<u>(226,621)</u>
Net cash provided (used) by noncapital financing activities	<u>274,419</u>	<u>-</u>	<u>274,419</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-	-
CASH AND CASH EQUIVALENTS, July 1, 2022	<u>-</u>	<u>2,943</u>	<u>2,943</u>
CASH AND CASH EQUIVALENTS, June 30, 2023	\$ <u><u>-</u></u>	\$ <u><u>2,943</u></u>	\$ <u><u>2,943</u></u>

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

TOWN OF SPRINGFIELD, VERMONT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

(Page 2 of 2)

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Totals Proprietary Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (253,140)	\$ -	\$ (253,140)
Adjustments to reconcile operating income (loss to net cash provided (used) by operating activities -			
Depreciation	830,532	-	830,532
(Increase) decrease in -			
Accounts receivable	122,651	-	122,651
Inventory	88,302	-	88,302
Increase (decrease) in -			
Accrued interest	(9,010)	-	(9,010)
Accrued wages	8,360	-	8,360
Accounts payable	20,533	-	20,533
Net pension liability	54,437	-	54,437
Accrued compensated absences	<u>(13,518)</u>	<u>-</u>	<u>(13,518)</u>
Net cash provided (used) by operating activities	\$ <u>849,147</u>	\$ <u>-</u>	\$ <u>849,147</u>

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

TOWN OF SPRINGFIELD, VERMONT
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2023

	Trustees of Public Funds <u>Fund</u>
ASSETS:	
Cash and cash equivalents	\$ 411,907
Investments	<u>1,721,799</u>
Total assets	<u>2,133,706</u>
 LIABILITIES:	
Due to other funds	<u>1,240,350</u>
 NET POSITION:	
Restricted	\$ <u><u>893,356</u></u>

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

**TOWN OF SPRINGFIELD, VERMONT
STATEMENT OF CHANGES IN NET POSITION -
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Trustees of Public Funds <u>Fund</u>
ADDITIONS:	
Investment income	\$ <u>82,195</u>
 DEDUCTIONS:	
Disbursements	<u>26,142</u>
CHANGE IN NET POSITION	56,053
NET POSITION, July 1, 2022	<u>837,303</u>
NET POSITION, June 30, 2023	\$ <u>893,356</u>

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

TOWN OF SPRINGFIELD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. Summary of significant accounting policies:

The Town of Springfield, Vermont (the Town) is an incorporated municipality operating under “The Comprehensive Revision of the Charter of the Town of Springfield, Vermont” approved by voters May 21, 1985. The Town operates under a Selectboard-Manager form of government. The Towns major operations include police and fire protection, ambulance, public works, library, parks and recreation, community development and general administration services. In addition, the Town owns and operates a water and sewer system.

- 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.

In the government-wide Statement of Net Position, the financial position of the Town is consolidated and incorporates capital assets as well as 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, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds 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 SPRINGFIELD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 primary operating fund of the Town. It is used to account for all financial resources, except those required to be accounted for in another fund.

Special Revenue Fund - This fund accounts for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

The Town also reports the Permanent Fund, a nonmajor governmental fund, to account for the financial resources to be used for the support of the Town's libraries and cemeteries.

The Town reports the following major proprietary funds:

Water Fund and Sewer Fund - The Water and Sewer Fund is used to account for the Town's water and sewer operations.

The Town also reports the Solid Waste Fund, a nonmajor proprietary fund, which consists of residual balances since the fund ceased operations.

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 fund is the Trustees of Public Funds Fund, which is a private purpose trust 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 proprietary fund and 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.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Unbilled service revenue is accrued in the Water and Sewer Fund.

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.

Ambulance service revenue is recognized as billed. Accounts receivable for ambulance services are reviewed and adjusted for collectability on a routine basis. Allowances for doubtful accounts are established as considered necessary. The allowance for doubtful accounts at June 30, 2023, was \$226,245.

TOWN OF SPRINGFIELD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. Summary of significant accounting policies (continued):

- E. Budgets and budgetary accounting - The Town approves a budget for the General Fund at an annual Town Meeting. The tax rate is determined by the Selectboard (the Board) based on the education and municipal grant lists and the approved operating budget. The accounting method used for budget presentation is the same method used for the financial presentation of operations under U.S. GAAP, however differences between the two consist of reclassification entries to properly reflect transfers in the U.S. GAAP financial presentation. The Town does not legally adopt budgets for other governmental funds. All budgeted amounts lapse at year end.

Encumbrances, for which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to set aside that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year end are reported as assignments of fund balances for future expenditures since they do not constitute current expenditures or liabilities. Appropriations lapse at year end. Outstanding encumbrances at June 30, 2023, totaled \$923,645.

- 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 Board 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, 2023, were payable in four installments due August 15, 2022, November 15, 2022, February 15, 2023 and May 15, 2023.
- 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 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, a level 1 input, or quoted prices for similar assets, a level 2 input, which are valuation techniques under the framework established by U.S. GAAP for measuring fair value. The Town does not own investments valued with level 3 inputs in inactive markets, or other methods for estimating fair value.
- J. Inventory - Inventory in the Water and Sewer Fund is valued at weighted average cost. Inventory is recorded as an expense when consumed rather than when purchased.
- K. 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.

**TOWN OF SPRINGFIELD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

1. Summary of significant accounting policies (continued):

L. Capital assets - Capital assets, which include land, buildings, equipment, vehicles and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined by the Town as assets with an estimated useful life in excess of one year and an initial, individual cost of more than \$5,000, or \$25,000 for infrastructure. 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 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:

Governmental Activities:

Buildings	40 - 50 years
Improvements	20 - 40 years
Machinery and equipment	7 - 20 years
Police vehicles and ambulances	3 - 5 years
Infrastructure – Roads & Bridges	10 - 20 years
Land improvements	20 - 50 years

Proprietary Fund:

Wellfields, reservoirs, mains and pipe	67 years
Treatment plants and pump stations	40 years
Meters and hydrants	10 - 67 years
Chlorinating and pumping facilities	50 years
Equipment	5 - 20 years

M. 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.

N. Compensated absences - Vested or accumulated leave is reported as a fund liability of the applicable fund in the governmental and proprietary fund financial statements. At June 30, 2023, the Town reported \$133,075 and \$54,806 in the General and Water and Sewer Funds, respectively. Accumulated sick leave estimated to be paid as terminal leave upon retirement is recorded in the government-wide and proprietary fund financial statements. At June 30, 2023, the Town reported \$440,202 and \$89,825 in the governmental activities and Water and Sewer Fund, respectively.

O. Long-term obligations - Governmental activities, business-type activities, or proprietary funds report long-term debt and other long-term obligations as liabilities in the applicable 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.

**TOWN OF SPRINGFIELD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

1. Summary of significant accounting policies (continued):

P. 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 Meetings.

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

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 to fund balance in the order of restricted, committed, assigned and unassigned unless the Board specifies otherwise.

2. Deposits and investments:

Fair value and classification - Deposits and investments are stated at fair value as described in note 1.I. The classification of investments as of June 30, 2023, is as follows:

<u>Investment</u>	<u>Fair Value</u>
Government bonds	\$ 408,289
Corporate bonds	352,451
Mutual funds	2,505,394
Corporate stock	<u>842,593</u>
	<u>\$ 4,108,727</u>

Special Revenue Fund investment policy - The Town's Investment Committee has oversight responsibility for funds received and held pursuant to an agreement with the State of Vermont concerning the placement of a correctional facility in the Town and has appointed advisors with discretion for the management of the investments in accordance with the Investment Committee's objectives. The investment policy regarding the allocation of the invested funds is 65% in equities, 30% in fixed income, and 5% in liquid assets.

Fiduciary Fund investment policy - The Town's Trustees of Public Funds are charged with maximizing the return on all investment funds held in the Trustees of Public Funds Fund, while maintaining their security. By state statute, the Trustees may invest in any security issued, insured, or guaranteed by the United States; highly rated bonds, repurchase agreements and debt securities of any federally insured financial institution; shares of a registered investment company, or a unit investment trust, if such mutual investment fund has been in operation for at least ten years and has net assets of at least \$500,000,000; or deposits in federally insured financial institutions. The Trustees have set an approximate investment objective of 40% to 60% in stock mutual funds, with a maximum limit of 15% of the portfolio for any one investment.

**TOWN OF SPRINGFIELD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

2. Deposits and investments (continued):

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. As of June 30, 2023, \$95,711 of the Town's bank balance of \$9,336,411 was uninsured and uncollateralized.

Interest rate risk - Interest rate risk is the risk that changes in interest rates will affect the fair value of certain investments. Investments subject to interest rate risk and their maturities as of June 30, 2023, are as follows:

		Investment Maturity			
	Fair Value	Less than One Year	1 to 5 Years	6 to 10 Years	
Government bonds	\$ 408,289	\$ 24,410	\$ 292,556	\$ 91,323	
Corporate bonds	<u>352,451</u>	<u>157,550</u>	<u>194,901</u>	<u>-</u>	
	<u>\$ 760,740</u>	<u>\$ 181,960</u>	<u>\$ 487,457</u>	<u>\$ 91,323</u>	

Concentration of credit risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As of June 30, 2023, the Town does not hold more than 5% of its investments in any one issuer, other than mutual funds.

Credit risk - Credit risk is the risk that an issuer of or counterparty to an investment will not fulfill its obligations. The Town's investments in corporate bonds are subject to credit risk. The credit quality ratings as rated by Standard & Poor's are as follows:

<u>Bond Rating</u>	<u>Fair Value</u>
AAA	\$ 47,534
AA+	437,869
AA	28,898
AA-	59,504
A+	24,683
A	14,588
A-	119,802
BBB+	9,669
BBB-	<u>18,193</u>
	<u>\$ 760,740</u>

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. Notes receivable as of June 30, 2023, are as follows:

**TOWN OF SPRINGFIELD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

3. Notes receivable (continued):

	<u>Current Interest Rate</u>	<u>Maturity Date</u>		
Mountain View Housing	0.00%	December, 2030	\$	593,042
South View Housing	2.00%	November, 2027		34,239
South View Housing	0.00%	October, 2042		145,425
100 River Street, LLC	1.00%	September, 2021		961
Springfield Housing	0.00%	July, 2045		220,000
Rusted Roof LLC	2.00%	June, 2025		24,131
SRDC	3.00%	July, 2028		5,376
Springfield Food Co-op	1.00%	November, 2024		351
Springfield Food Co-op	3.00%	February, 2032		66,250
Flying Crow Coffee Co, LLC.	5.00%	December, 2028		8,860
				<u>1,098,635</u>
Less: Allowance for doubtful accounts				<u>(35,093)</u>
			\$	<u><u>1,063,542</u></u>

4. Capital assets:

Capital asset activity for the year ended June 30, 2023, was as follows:

	<u>Balance July 1, 2022</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2023</u>
Governmental activities -				
Capital assets, not depreciated:				
Construction in progress	\$ -	\$ 1,669,135	\$ -	\$ 1,669,135
Land and improvements	<u>360,612</u>	<u>76,532</u>	<u>-</u>	<u>437,144</u>
Total capital assets, not depreciated	<u>360,612</u>	<u>1,745,667</u>	<u>-</u>	<u>2,106,279</u>
Capital assets, depreciated:				
Infrastructure	19,317,828	106,207	-	19,424,035
Machinery and equipment	10,014,276	946,781	632,272	10,328,785
Buildings and improvements	<u>4,660,108</u>	<u>-</u>	<u>-</u>	<u>4,660,108</u>
Total capital assets, depreciated	<u>33,992,212</u>	<u>1,052,988</u>	<u>632,272</u>	<u>34,412,928</u>
Less accumulated depreciation for:				
Infrastructure	10,991,327	790,792	-	11,782,119
Machinery and equipment	6,800,062	550,056	632,272	6,717,846
Buildings and improvement	<u>2,214,985</u>	<u>143,116</u>	<u>-</u>	<u>2,358,101</u>
Total accumulated depreciation	<u>20,006,374</u>	<u>1,483,964</u>	<u>632,272</u>	<u>20,858,066</u>
Total capital assets, depreciated, net	<u>13,985,838</u>	<u>(430,976)</u>	<u>-</u>	<u>13,554,862</u>
Capital assets, net, governmental activities	<u>14,346,450</u>	<u>1,314,691</u>	<u>-</u>	<u>15,661,141</u>

Depreciation expense of \$1,483,964 in the governmental activities was allocated to expenses of the general government (\$67,081), police (\$148,178), fire and ambulance (\$146,728), public works (\$1,065,068), parks and recreation (\$33,888) and library (\$23,021) programs based on capital assets assigned to those functions.

**TOWN OF SPRINGFIELD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

4. Capital assets (continued):

	<u>Balance</u> <u>July 1, 2022</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2023</u>
Business-type activities -				
Capital assets, not depreciated:				
Land and improvements	281,434	10,250	-	291,684
Capital assets, depreciated:				
Wellfields, reservoirs, mains, and pipes	26,565,167	-	-	26,565,167
Treatment plants and pump stations	15,597,057	-	-	15,597,057
Meters and hydrants	188,173	-	-	188,173
Chlorination and pumping facilities	3,042,184	21,185	-	3,063,369
Equipment	901,885	61,165	25,444	937,606
Total capital assets, depreciated	<u>46,294,466</u>	<u>82,350</u>	<u>25,444</u>	<u>46,351,372</u>
Less accumulated depreciation for:				
Wellfields, reservoirs, mains, and pipes	9,200,423	444,231	-	9,644,654
Treatment plants and pump stations	11,779,021	289,108	-	12,068,129
Meters and hydrants	180,577	2,468	-	183,045
Chlorination and pumping facilities	948,561	65,313	-	1,013,874
Equipment	819,226	29,412	25,444	823,194
Total accumulated depreciation	<u>22,927,808</u>	<u>830,532</u>	<u>25,444</u>	<u>23,732,896</u>
Total capital assets, depreciated, net	<u>23,366,658</u>	<u>(748,182)</u>	<u>-</u>	<u>22,618,476</u>
Capital assets, net, business-type activities	<u>23,648,092</u>	<u>(737,932)</u>	<u>-</u>	<u>22,910,160</u>
Capital assets, net	\$ <u>37,994,542</u>	\$ <u>576,759</u>	\$ <u>-</u>	\$ <u>38,571,301</u>

Depreciation expense of \$830,532 in the business-type activities was fully allocated to the water and sewer program.

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, 2023, are as follows:

	<u>Interfund</u> <u>Receivables</u>	<u>Interfund</u> <u>Payables</u>
Governmental funds -		
General Fund	\$ 322,343	\$ -
Special Revenue Fund	672,732	-
Permanent Fund	1,237,698	-
	<u>2,232,773</u>	<u>-</u>
Proprietary funds -		
Water and Sewer Fund	-	1,133,529
Solid Waste Fund	141,106	-
	<u>141,106</u>	<u>1,133,529</u>
Fiduciary funds -		
Trustees of Public Funds Fund	-	1,240,350
	\$ <u>2,373,879</u>	\$ <u>2,373,879</u>

**TOWN OF SPRINGFIELD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

6. Interfund transfers:

Interfund transfers constitute the transfer of resources from the fund that receives the resources to the fund that utilizes them. Transfers made from the General Fund to the Water and Sewer Fund totaling \$540,000 were comprised of the General Fund's annual contribution to reimburse fire protection and CSO debt service expenditures paid by the Water and Sewer Fund. Transfers made from the Water and Sewer Fund to the General Fund totaling \$50,000 were to reimburse expenditures. Transfers made from the General Fund to the Special Revenue Fund totaling \$51,223 were to transfer grant match contributions for completed projects. Transfers from the Special Revenue Fund to the Water and Sewer Fund totaling \$11,040 were to reimburse expenditures.

7. Long-term obligations:

Long-term obligations activity for the year ended June 30, 2023, was as follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities -					
Accrued compensated absences	\$ 154,397	\$ -	\$ 21,322	\$ 133,075	\$ 20,000
Long-term debt	903,007	55,052	148,134	809,925	150,666
Lease liability	19,608	-	19,608	-	-
Net pension liability	<u>2,720,901</u>	<u>2,451,781</u>	<u>-</u>	<u>5,172,682</u>	<u>-</u>
	<u>\$ 3,797,913</u>	<u>\$ 2,506,833</u>	<u>\$ 189,064</u>	<u>\$ 6,115,682</u>	<u>\$ 170,666</u>
Business-type activities -					
Accrued compensated absences	\$ 66,249	\$ -	\$ 11,443	\$ 54,806	\$ 8,000
Long-term debt	11,645,700	-	1,260,352	10,385,348	725,453
Net pension liability	<u>336,291</u>	<u>303,029</u>	<u>-</u>	<u>639,320</u>	<u>-</u>
	<u>\$ 12,048,240</u>	<u>\$ 303,029</u>	<u>\$ 1,271,795</u>	<u>\$ 11,079,474</u>	<u>\$ 733,453</u>

8. Superfund Site:

On June 6, 1991, the Selectboard authorized the Town Manager to enter into a Partial Consent Decree with the United States Environmental Protection Agency (EPA), Browning-Ferris Industries of Vermont, Inc., Emhart Industries, Inc. and Textron, Inc. The Town voted to approve the decree on July 30, 1991. This Partial Consent Decree serves principally to outline the legal duties and relationships of the settling defendants with regard to the Record of Decision (ROD). The ROD is the EPA decision document which sets forth the action for remediation from the seeps and known areas of groundwater contamination. The Town will operate and maintain the pre-treatment plant(s) for 29 years following one year of operation by Textron and Emhart. The effluent from the pretreatment plant will be treated at the sewage treatment facility. In consideration of the Town's efforts, Emhart and Textron have paid the Town \$200,000. The Town is also responsible for oversight costs incurred by the EPA. A discounted liability of \$839,197, for past and current oversight costs of \$871,019, was originally recorded in the statement of net position. The additional annual oversight costs are added to the Town's EPA loan which is to be repaid at a rate of \$35,000 per year at 0% interest. At June 30, 2023, the remaining balance owed is \$121,768.

**TOWN OF SPRINGFIELD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

9. Debt:

Long-term - Outstanding long-term debt as of June 30, 2023, is as follows:

Governmental activities -

Notes from direct borrowings:

General obligation note, United States Environmental Protection Agency, no interest, annual principal payment of \$35,000.	\$ 121,768
General obligation note, Vermont Municipal Bond Bank - 2015 Series 5, interest at 4.212%, annual principal payment ranging from \$115,000 to \$110,000, due November 2028.	660,000
Financed purchase for phone system, monthly payments of \$616, including interest, due November 2027.	<u>28,157</u>

Total governmental activities	\$ <u><u>809,925</u></u>
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Business-type activities -

General obligation bonds:

General obligation bond, United States Department of Agriculture Rural Development, USDA-91-06, interest at 4.0%, semi-annual payments of \$57,540, due September 2040.	\$ 1,438,441
General obligation bond, United States Department of Agriculture Rural Development, USDA-92-04, interest at 4.5%, semi-annual payments of \$54,489, due December 2033.	901,630
General obligation bond, United States Department of Agriculture Rural Development, USDA-92-10, interest at 4.125%, semi-annual payments of \$4,016, due September 2035.	77,607
General obligation bond, United States Department of Agriculture Rural Development, USDA-92-12, interest at 4.125%, semi-annual payments of \$13,852, due September 2035.	267,684
General obligation bond, United States Department of Agriculture Rural Development, USDA-92-14, interest at 4.125%, semi-annual payments of \$12,804, due September 2035.	247,424
General obligation bond, United States Department of Agriculture Rural Development, USDA-92-15, interest at 4.5%, semi-annual payments of \$18,324, due December 2037.	<u>387,013</u>

Total general obligation bonds	<u><u>3,319,799</u></u>
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Notes from direct borrowings:

General obligation note, Vermont Municipal Bond Bank - 2014 Series 3, interest at 2.923% annual principal payment of \$140,000, due November 2034.	1,680,000
General obligation note, Vermont Municipal Bond Bank - AR1-002, no interest, annual payment of \$31,029, due November 2031.	279,256
General obligation note, Vermont Municipal Bond Bank - AR3-028, no interest, annual payment of \$36,717, due June 2031.	293,738
General obligation note, Vermont Municipal Bond Bank - RF1-055, no interest annual payment of \$51,928, due September 2024.	103,856

**TOWN OF SPRINGFIELD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

9. Debt (continued):

Long-term (continued) -

Business-type activities (continued) -

General obligation note, Vermont Municipal Bond Bank - RF1-089, no interest annual payment of \$14,915, due May 2029.	89,486
General obligation note, Vermont Municipal Bond Bank - RF1-130, no interest, annual payment of \$2,678, due November 2031.	24,104
General obligation note, Vermont Municipal Bond Bank - RF1-172, no interest, admin fee at 2%, annual payment of \$10,897, due December 2046.	206,100
General obligation note, Vermont Municipal Bond Bank - RF1-184, no interest, admin fee at 2%, annual payment of \$13,203, due December 2039.	188,704
General obligation note, Vermont Municipal Bond Bank - RF1-203, no interest, admin fee at 2%, annual payment of \$85,606, due December 2039.	746,823
General obligation note, Vermont Municipal Bond Bank - RF3-060, no interest, admin fee at .6%, annual payment of \$68,024, due November 2031.	594,251
General obligation note, Vermont Municipal Bond Bank - RF3-240-2, no interest, admin fee at 1.7%, annual payment of \$152,042, due June 2042.	2,451,076
General obligation note, Vermont Municipal Bond Bank - RF3-312, no interest, annual payment of \$16,187, due November 2046.	388,475
General obligation note, Vermont Municipal Bond Bank - WPL-258, no interest annual payment of \$19,680, due October 2023.	<u>19,680</u>
Total notes from direct borrowings	<u>7,065,549</u>
Total business-type activities	\$ <u>10,385,348</u>

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

	Balance July 1, <u>2022</u>	<u>Additions</u>	<u>Retirements</u>	Balance June 30, <u>2023</u>	Due Within <u>One Year</u>
Governmental activities -					
Notes from direct borrowings:					
EPA loan	\$ 133,007	\$ 23,761	\$ 35,000	\$ 121,768	\$ 35,000
2015 Series 5	770,000	-	110,000	660,000	110,000
Phone system	<u>-</u>	<u>31,291</u>	<u>3,134</u>	<u>28,157</u>	<u>5,666</u>
Total governmental activities	<u>903,007</u>	<u>55,052</u>	<u>148,134</u>	<u>809,925</u>	<u>150,666</u>

TOWN OF SPRINGFIELD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

9. Debt (continued):

Long-term (continued) -

	Balance July 1, <u>2022</u>	<u>Additions</u>	<u>Retirements</u>	Balance June 30, <u>2023</u>	Due Within <u>One Year</u>
Business-type activities -					
General obligation bonds:					
USDA-91-06	1,494,316	-	55,875	1,438,441	58,132
USDA-92-04	967,762	-	66,132	901,630	69,141
USDA-92-10	82,288	-	4,681	77,607	4,877
USDA-92-12	283,831	-	16,147	267,684	16,820
USDA-92-14	262,349	-	14,925	247,424	15,547
USDA-92-15	405,615	-	18,602	387,013	19,448
Total general obligation bonds	<u>3,496,161</u>	<u>-</u>	<u>176,362</u>	<u>3,319,799</u>	<u>183,965</u>
Notes from direct borrowings:					
2014 Series 3	1,820,000	-	140,000	1,680,000	140,000
AR1-002	310,285	-	31,029	279,256	31,029
AR3-028	330,455	-	36,717	293,738	36,717
RF1-019	45,781	-	45,781	-	-
RF1-055	155,783	-	51,927	103,856	51,927
RF1-089	104,401	-	14,915	89,486	14,915
RF1-130	26,782	-	2,678	24,104	2,678
RF3-172	212,742	-	6,642	206,100	6,774
RF1-184	197,948	-	9,244	188,704	9,429
RF1-203	1,283,410	-	536,587	746,823	37,319
RF3-060	658,325	-	64,074	594,251	64,459
RF3-240	2,559,605	-	108,529	2,451,076	110,374
RF3-312	404,662	-	16,187	388,475	16,187
WPL-258	39,360	-	19,680	19,680	19,680
Total notes from direct borrowings	<u>8,149,539</u>	<u>-</u>	<u>1,083,990</u>	<u>7,065,549</u>	<u>541,488</u>
Total business-type activities	<u>11,645,700</u>	<u>-</u>	<u>1,260,352</u>	<u>10,385,348</u>	<u>725,453</u>
Total long-term debt	\$ <u>12,548,707</u>	\$ <u>55,052</u>	\$ <u>1,408,486</u>	\$ <u>11,195,273</u>	\$ <u>876,119</u>

TOWN OF SPRINGFIELD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

9. Debt (continued):

Long-term (continued) - Debt service requirements to maturity are as follows:

Year ending June 30,	<u>Governmental Activities</u>	
	<u>Notes from Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 150,666	\$ 21,801
2025	151,059	16,078
2026	151,479	11,272
2027	133,696	6,824
2028	113,025	2,684
2029-2030	<u>110,000</u>	<u>-</u>
	<u>\$ 809,925</u>	<u>\$ 58,659</u>

Year ending June 30,	<u>Business-type Activities</u>		<u>Business-type Activities</u>	
	<u>General Obligation Bonds</u>		<u>Notes from Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 183,965	\$ 138,085	\$ 541,488	\$ 126,439
2025	191,897	130,153	525,141	118,677
2026	200,172	121,878	476,603	110,705
2027	208,805	113,245	480,049	102,530
2028	217,811	104,239	483,552	94,165
2029-2033	1,238,397	371,854	2,237,578	339,408
2034-2038	807,793	127,550	1,376,252	137,812
2039-2043	270,959	16,424	838,648	35,853
2044-2047	<u>-</u>	<u>-</u>	<u>106,238</u>	<u>2,095</u>
	<u>\$ 3,319,799</u>	<u>\$ 1,123,428</u>	<u>\$ 7,065,549</u>	<u>\$ 1,067,684</u>

In prior years, the Vermont Municipal Bond Bank (VMBB) has refunded the 2008 Series 1 direct borrowing with the 2015 Series 5 direct borrowing, resulting in interest savings to the Town of \$72,705. This savings allocation, to be received between FY17 and FY29, has been reflected as a reduction of interest in the debt service requirements table.

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 SPRINGFIELD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

10. Lease:

The Town has entered into an agreement that meets the reporting criteria of a lease in accordance with GASB Statement No. 87, *Leases*. Lease asset and lease liability activity for the year ended June 30, 2023, was as follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2023</u>
Governmental activities -				
Lease asset				
Park Street Gym	\$ <u>39,608</u>	\$ <u>-</u>	\$ <u>39,608</u>	\$ <u>-</u>
Total lease assets	<u>39,608</u>	<u>-</u>	<u>39,608</u>	<u>-</u>
Less accumulated amortization for:				
Park Street Gym	<u>19,804</u>	<u>19,804</u>	<u>39,608</u>	<u>-</u>
Total accumulated depreciation	<u>19,804</u>	<u>19,804</u>	<u>39,608</u>	<u>-</u>
Lease asset, net	\$ <u><u>19,804</u></u>	\$ <u><u>(19,804)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
 Lease liabilities				
Park Street Gym	\$ <u><u>19,608</u></u>	\$ <u><u>-</u></u>	\$ <u><u>19,608</u></u>	\$ <u><u>-</u></u>

The Park Street gym lease expired in June 2023. Amortization expense of \$19,804 in the governmental activities was allocated to expenses of parks and recreation.

11. Fund balances:

Fund balances of the governmental funds are as follows:

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Permanent</u> <u>Fund</u>
Fund Balances:			
Nonspendable:			
Prepaid items	\$ 78,566	\$ -	\$ -
Cemetery principal	<u>-</u>	<u>-</u>	<u>545,930</u>
Total nonspendable	<u>78,566</u>	<u>-</u>	<u>545,930</u>
Restricted:			
Weathersfield Dam	93,876	-	-
Unsafe buildings	32,923	-	-
Reappraisal	150,802	-	-
Records restoration	94,436	-	-
Revolving loan funds	-	1,727,311	-
Civic improvement	-	2,671,345	-
Grants and other purposes	-	932,346	-
Library	-	-	421,315
Cemetery	<u>-</u>	<u>-</u>	<u>270,453</u>
Total restricted	<u>372,037</u>	<u>5,331,002</u>	<u>691,768</u>

**TOWN OF SPRINGFIELD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

11. Fund balances (continued):

	General	Special	Permanent
Fund Balances (continued):	<u>Fund</u>	<u>Revenue</u>	<u>Fund</u>
Committed:			
Ambulance equipment	187,416	-	-
Fire equipment	437,141	-	-
Highway equipment	320,408	-	-
Parks and recreation equipment	58,344	-	-
Total committed	<u>1,003,309</u>	<u>-</u>	<u>-</u>
Assigned:			
Weathersfield Dam - earnings	34,277	-	-
Airport	9,644	-	-
Renovation	48,440	-	-
Future expenditures	923,645	-	-
Total assigned	<u>1,016,006</u>	<u>-</u>	<u>-</u>
Unassigned	<u>4,217,304</u>	<u>-</u>	<u>-</u>
	\$ <u>6,687,222</u>	\$ <u>5,331,002</u>	\$ <u>1,237,698</u>

12. Pension plans:

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.

Contributions: Defined benefit plan members are required to contribute 3.5% (Group A), 5.875% (Group B), 11.00% (Group C) or 12.35% (Group D) of their annual covered salary, and the Town is required to contribute 5.00% (Group A), 6.50% (Group B), 8.25% (Group C) or 10.85% (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, 2023, 2022, and 2021, were \$509,175, \$479,330, and \$461,814, respectively. The amount contributed was equal to the required contributions for the year.

**TOWN OF SPRINGFIELD, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

12. Pension plans (continued):

Vermont Municipal Employees' Retirement System (continued) -

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 1.91580% proportionate share of VMERS defined benefit plan.

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Town's share of VMERS net pension liability	\$ 5,172,682	\$ 639,320	\$ 5,812,002
Deferred outflows of resources -			
Deferred pension expense	\$ 2,050,976	\$ 253,491	\$ 2,304,467
Deferred inflows of resources -			
Deferred pension credits	\$ 314,919	\$ 38,923	\$ 353,842

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 2014 and is developing the ten years of required supplementary information in schedules 1 and 2. This historical pension information includes the Town's Proportionate Share of Net Pension Liability of VMERS and Town's Contributions to VMERS.

13. Long-Term Solar Contracts:

The Town has entered into separate long-term power purchase agreements for the acquisition of solar power with Springfield Solar Alliance II and with WE 490 Fairbanks Road, LLC. The 20 year contracts call for the Town to purchase all or a portion of the electrical power generated by the other party. The Town receives net metering credits on its bills from Green Mountain Power related to the individual power meters specified in each contract. For the contract with Springfield Solar Alliance II, the Town pays a set service price to the generator which is fixed for the first ten years and after that time the price is tied to 87.5% of the net metering credits received by the Town for the next ten years. For the contract with WE 490 Fairbanks Road, LLC, the Town pays the generator a monthly amount based on an estimated 87.5% of the net metering credits for the related meters. The total payment on this contract is true-up and a new monthly amount is set annually.

14. Subsequent events:

The Town has evaluated subsequent events through January 12, 2024, the date on which the financial statements were available to be issued.

**TOWN OF SPRINGFIELD, VERMONT
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF
NET PENSION LIABILITY
VMERS
JUNE 30, 2023**

Schedule 1

	June 30, <u>2023</u>	June 30, <u>2022</u>	June 30, <u>2021</u>	June 30, <u>2020</u>	June 30, <u>2019</u>	June 30, <u>2018</u>	June 30, <u>2017</u>	June 30, <u>2016</u>	June 30, <u>2015</u>	June 30, <u>2014</u>
Town's proportion of the net pension liability	1.9158%	2.0771%	1.9632%	2.1429%	2.2459%	2.3134%	2.3734%	2.4083%	2.5294%	2.6631%
Town's proportionate share of the net pension liability	\$ 5,812,002	\$ 3,057,192	\$ 4,966,482	\$ 3,717,833	\$ 3,159,442	\$ 2,802,773	\$ 3,054,530	\$ 1,856,657	\$ 230,849	\$ 969,590
Town's covered payroll	\$ 6,292,410	\$ 5,977,526	\$ 6,046,718	\$ 5,592,199	\$ 5,742,412	\$ 5,566,465	\$ 5,352,509	\$ 4,960,528	\$ 4,928,946	\$ 4,967,335
Town's proportionate share of the net pension liability as a percentage of its covered payroll	92.365%	51.145%	82.135%	66.482%	55.019%	50.351%	57.067%	37.429%	4.684%	19.519%
VMERS net position as a percentage of the total pension liability	73.60%	86.29%	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%	92.71%

**SCHEDULE OF TOWN'S CONTRIBUTIONS
VMERS
JUNE 30, 2023**

Schedule 2

	June 30, <u>2023</u>	June 30, <u>2022</u>	June 30, <u>2021</u>	June 30, <u>2020</u>	June 30, <u>2019</u>	June 30, <u>2018</u>	June 30, <u>2017</u>	June 30, <u>2016</u>	June 30, <u>2015</u>	June 30, <u>2014</u>
Contractually required contribution	\$ 509,175	\$ 479,330	\$ 461,814	\$ 406,889	\$ 411,734	\$ 393,386	\$ 377,793	\$ 360,727	\$ 336,636	\$ 326,277
Contributions in relation to the contractually required contribution	<u>509,175</u>	<u>479,330</u>	<u>461,814</u>	<u>406,889</u>	<u>411,734</u>	<u>393,386</u>	<u>377,793</u>	<u>360,727</u>	<u>336,636</u>	<u>326,277</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 6,292,410	\$ 5,977,526	\$ 6,046,718	\$ 5,592,199	\$ 5,742,412	\$ 5,566,465	\$ 5,352,509	\$ 4,960,528	\$ 4,928,946	\$ 4,967,335
Contributions as a percentage of covered payroll	8.092%	8.019%	7.637%	7.276%	7.170%	7.067%	7.058%	7.272%	6.830%	6.568%

**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 Springfield, 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, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Springfield, Vermont (the Town) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated January 12, 2024.

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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town'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 were not 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
January 12, 2024

Melzyth Jennett 9
Shosh-Nisa, P.L.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY UNIFORM GUIDANCE**

The Selectboard
Town of Springfield, Vermont

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Springfield, Vermont's (the Town) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2023. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Town of Springfield, Vermont complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance we

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

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

Report on Internal Control Over Compliance

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

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

over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Town of Springfield, Vermont as of and for the year ended June 30, 2023, and have issued our report thereon dated January 12, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Montpelier, Vermont
January 12, 2024

Melgett Jenett
Shosh-Nisa, P.C.

TOWN OF SPRINGFIELD, VERMONT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023
(Page 1 of 2)

Federal Grantor/Pass-through Grantor <u>Program Title</u>	Federal CFDA <u>Number</u>	Pass-Through Entity Identifying <u>Number</u>	Passed Through to <u>Subrecipients</u>	<u>Expenditures</u>
U.S. Department of Agriculture:				
Community Facilities Loans and Grants	10.766		\$ -	\$ 50,000
Total U.S. Department of Agriculture			<u>-</u>	<u>50,000</u>
U.S. Department of Housing and Urban Development:				
Passed through the Vermont Agency of Commerce and Community Development - Community Development Block				
Grants/State's Program	14.228	07110-IG-2021-Springfield-53	362,478	362,478
Community Development Block Grants/State's Program	14.228	07110-IG-2021-Springfield-13	<u>2,208</u>	<u>4,169</u>
Total U.S. Department of Housing and Urban Development:			<u>364,686</u>	<u>366,647</u>
U.S. Department of Justice:				
Bulletproof Vest Partnership Program	16.607		-	1,398
Equitable Sharing Program	16.922		-	1,600
Total U.S. Department of Justice			<u>-</u>	<u>2,998</u>
U.S. Department of Transportation:				
Passed through the Vermont Agency of Transportation -				
Highway Planning and Construction	20.205	CA0483	-	16,122
Highway Planning and Construction	20.205	CA0693	-	10,896
Highway Planning and Construction	20.205	CA0701	<u>-</u>	<u>628</u>
Total Highway Planning and Construction			<u>-</u>	<u>27,646</u>
Passed through the Vermont Department of Public Safety -				
National Priority Safety Programs	20.616	02140-NH23405C-702Q	-	6,760
Total U.S. Department of Transportation			<u>-</u>	<u>34,406</u>

TOWN OF SPRINGFIELD, VERMONT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023
(Page 2 of 2)

Federal Grantor/Pass-through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
U.S. Department of the Treasury:				
Passed through the Vermont Department of Public Safety - Coronavirus State and Local Fiscal Recovery Funds	21.027	02140-33500-025	-	77,282
Passed through the Vermont Administration Agency - Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRFVT0208	-	1,324,510
Total U.S. Department of the Treasury			-	1,401,792
U.S. Institute of Museum and Library Services:				
Passed through the Vermont Department of Libraries - Grants to States	45.310	01130.LSTA.COURIER.FY23.083	-	571
Total U.S. Institute of Museum and Library Services			-	571
Total expenditures of federal awards			\$ 364,686	\$ 1,856,414

TOWN OF SPRINGFIELD, VERMONT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

1. Basis of presentation:

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Town under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the Town.

2. Summary of significant accounting policies:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Town has elected not to use the 10 percent de minimis indirect cost rate as allowed in the Uniform Guidance.

3. Subrecipients:

The Town provided federal awards totaling \$364,686 under CFDA No. 14.228 Community Development Block Grants/State's Program.

**TOWN OF SPRINGFIELD, VERMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF JUNE 30, 2023**

A. Summary of Auditor's Results:

Financial Statements -

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified? *None reported*

Noncompliance material to financial statements noted? *No*

Federal Awards -

Internal control over major programs:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified? *None reported*

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)? *No*

Identification of major program:

- *U.S. Department of the Treasury
CFDA 21.027 - Coronavirus State and Local Fiscal Recovery Funds*

Dollar threshold used to distinguish between type A and type B programs: *\$750,000*

Auditee qualified as low-risk auditee? *No*

B. Audit Findings - Financial Statements:

There were no audit findings identified for the year ended June 30, 2023.

C. Audit Findings - Federal Awards:

There were no audit findings identified for the year ended June 30, 2023.

**STATUS OF PRIOR AUDIT FINDINGS
AS OF JUNE 30, 2023**

There are no prior audit findings applicable to this auditee.