

TOWN OF FAIRFIELD, VERMONT

FINANCIAL STATEMENTS

December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Selectmen
Town of Fairfield, Vermont
Fairfield, Vermont 05455

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Fairfield, Vermont, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Fairfield, Vermont's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Fairfield, Vermont, as of December 31, 2023, and the respective change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section our report. We are required to be independent of the Town of Fairfield, 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Fairfield, Vermont's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and

A.M. PEISCH & COMPANY, LLP

therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional 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 of Fairfield, Vermont's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Fairfield, Vermont's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charges 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 budgetary comparison information and note on pages 4–11 and 39–44, the Schedules of the Town's proportionate share of the net pension liability and contributions on page 45, and the Notes to required supplementary information – Pension plan on page 45, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Fairfield, Vermont's basic financial statements. The accompanying combining nonmajor governmental funds financial statements and the combining private purpose trust funds statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related 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 combining nonmajor governmental funds financial statements and the combining private purpose trust funds statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Management, Discussion and Analysis, but does not include the basic financial statements and our auditors report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance there on.

In connection with our audit of the basic financial statements, our responsibility to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2024, on our consideration of the Town of Fairfield, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Fairfield, Vermont's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Fairfield, Vermont's internal control over financial reporting and compliance.

A.M. Peisch & Company, LLP

St. Albans, Vermont

October 2, 2024

VT. Reg. No. 92-0000102

MANAGEMENT'S DISCUSSION AND ANALYSIS

**TOWN OF FAIRFIELD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023**

The discussion and analysis of the Town of Fairfield's financial performance is intended to provide a narrative introduction and overview of the Town's financial activities for the year ended December 31, 2023. Please use this report in conjunction with the Town's financial statements.

Highlights

1. **Paving:** 1.85 miles of road pavement resurfacing was done on Chester A. Arthur Rd., from the beginning at North Rd to about .35 miles west of Wanzer rd. Also, a section of pavement on North Rd., over the new NRTH09 culvert near Ridgeview Farms, was resurfaced. These projects totaled \$353,524 for work completed by Pike Industries: \$200,000 was paid by a VTrans Class 2 Grant and \$101,969 was used from the General Fund. In addition, almost \$60,000 was paid by the general fund to prepare for paving: the Fairfield Highway Department completed ditching and excavation where needed, replaced multiple culverts and built roadway shoulders up with gravel on Chester A. Arthur Rd.. Total Paving Projects expenditures from the General Fund amounted to \$161,720.
2. **New Ford F600 Dump Truck:** In accordance with Fairfield's equipment rotation schedule, a 2023 Ford F-600 Dump Truck was purchased for \$70,322 in December, from Hayes Ford, Inc. \$30,000 was paid from the Town of Fairfield's Small Truck Equipment CD, which gains money from the Fairfield Center School plowing contract with the Town, and \$40,322 from the Town's Equipment CD. An Equipment CD transfer from the General Fund's Equipment budget is approved by voters, annually.
3. **Loans/ Debt Retirement**
 - **2023 Freightliner Truck 114SD:** Purchased from Charlebois, Inc. in 2022, for \$105,650 (after the \$59,000 trade-in of the 2015 Freightliner 114SD). \$50,567 was paid from Fairfield's Equipment Fund CD, with the remaining \$105,650 financed by People's Trust Company (PTC) for a term of 3 years at a rate of 2.25%. **The first payment of this debt was made in 2023 in the amount of \$36,813.**
 - **FEMA Grant Anticipation Loan:** Financed in July, 2022, in the amount of \$600,000, by PTC, at a rate of 1.75%. in anticipation of a Federal Emergency Management (FEMA) grant obligated to the Town for the Juare Road Bridge constructed in 2022. This loan, along with funds from Fairfield's Capital Fund CD covered this project's 2022 expenses. In 2022, monthly payments toward interest on this loan totaled \$4,401, and in 2023, \$4,774 in interest was paid. In April 2023, a portion of the FEMA Grant, \$393,753 was approved by FEMA to be drawn down from the obligated grant during the wait for final close-out by FEMA. This was used to pay down the Anticipation Loan. **The Town retired the debt with a final payment toward principal of \$206,247, in October 2023, when the remaining FEMA grant obligation was paid to the Town.**
 - **2021 Freightliner Truck:** Purchased from Clark's Truck Center in 2021 in the amount of \$165,072 (after trade of 2012 International 7600 for \$33,979): Fairfield paid \$40,000 from the General Fund; \$10,500 from budget surplus; \$24,572 from Fairfield's Equipment fund CD; and the remaining amount of \$90,000 was financed with PTC for 3 years, at a rate of 2.05%. A payment of \$31,238, was made in 2022 and again in 2023. **The final payment on this loan will be made in 2024.**
 - **Library Building:** The Bent Northrop Memorial Library was built in 2010: \$500,000 was financed with PTC for 5 years, with an interest rate of 2.95%. The loan was refinanced in 2013 in the amount of \$406,372 at a term of 15 years and an interest rate of 3.25%. The balance was, again, refinanced in January 2017 for a term of 10 years at an interest rate of 2.75%. In May 2020, the

**TOWN OF FAIRFIELD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023**

- \$204,481 balance was refinanced at an interest rate of 2.60%. A payment of \$26,840 was made in 2021 and \$32,169 in 2022 and 2023. **There are 4 payments left and the next payment, due 02/20/2024 is \$32,169.** This loan is paid annually from BNML's endowment investment account, currently with Charles Schwab.

4. **Grants:**

- **Library Grants:** The Bent Northrop Memorial Library (BNML) received Interlibrary Loan Courier grants for 2022/2023 (\$571.35) and 2023/2024 (\$636.48): \$276.77 was expended from the 22/23 grant in 2022 and \$294.58 in 2023. \$298.34 was expended from the 23/24 grant, and the balance is expected to be spent in 2024. BNML received a 2023 grant of \$300 from the Summer Performer Program grant, from the VT Dept. of Libraries and a grant of \$500 from the Winnie Bell Learned Foundation grant from the VT Public Library Foundation; these grants were expended during the Summer of 2023.
- **Better roads inventory-** A grant of up to \$8,000, with a 20% minimum match requirement, was awarded from VTrans in 2021 to conduct a road erosion inventory required for Fairfield's Municipal Roads General Permit. In 2021 & 2022, Fairfield paid Northwest Regional Planning (NRPC) \$5,491 to work on this project and staff labor amounted to \$2,202. A requisition of total expenses, minus the match, was submitted in 2022 and the Town received \$6,154 in grant funds in 2023.
- **Paving Grant:** A \$200,000 grant was received from VTrans with a 20% match requirement. This grant, along with a \$50,413 match, was used to pave about 8,500 LF of Chester A. Arthur Rd.
- **Grants-In-Aid, Pumpkin Village Rd:** A grant of up to \$45,000, with a 20% minimum match requirement, was awarded by VTrans in 2022, to improve Pumpkin Village Rd. An extension was given to this grant. The Pumpkin Village Rd. improvements were completed in the fall of 2023, including ditching, shoulder improvements, and adding gravel to the road. Total project costs were \$33,135. A requisition for \$26,508 will be submitted in 2024 (80% of actual, total project costs).
- **Grants-In-Aid for Road Segments TBD:** A grant of \$31,000 was awarded by VTrans in 2023, to be used for road improvements in 2024.
- **Better Roads Grant, North Road Culvert:** A grant of \$56,000, with a 20% minimum match requirement, was awarded by VTrans in 2022, to replace and upsize an aluminum culvert on North Rd., and to stabilize the roadside slopes. This work took place in 2022, and total project costs were \$82,054. A requisition was submitted in 2022 and we received \$56,000 in grant funds in 2023.
- **Better Roads Grant, Lapland Road Improvements:** A grant of \$20,000, with a 20% minimum match requirement, was awarded by VTrans in 2022, to improve/establish ditching, install culverts and correct the roadway crown. This work took place in 2022, and total project costs were \$43,459. A requisition was submitted, and we received \$20,000 in grant funds in 2023.

**TOWN OF FAIRFIELD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023**

- **Town Highway Structures Grant, North Rd. Culvert:** A VTrans grant of \$175,000, with a 20% minimum match requirement, awarded in 2021 and was used to upsize and replace a culvert. NRTH15, on North Rd. This large project included removing the steel culvert, about 25 feet below the road, and replacing it with a precast concrete culvert, then backfilling, stabilizing roadside slopes the replacing the road and guardrails. The project was engineered by East Engineering and constructed by Jeff Corey Excavating. The Town matched \$283,203 of ARPA funds, as well as the cost of municipal road crew and equipment, to the expenses of this project. A requisition for the full \$175,000 was submitted, and we received this funding in 2023.
- **VCDP Implementation Grant for a Community Center Pavilion:** A grant of \$77,255 was awarded by Federal Housing and Community Development in 2021, with no match requirement. Award increases were approved in 2022, to \$100,430 and in 2023 to \$105,404. In 2022, the outdoor pavilion structure was built next to the Fairfield Community Center (FCCA) by Guilmette's Handyman Services. FCCA, NRPC and Green Dolphin worked together on Grant and project administration, and the Town of Fairfield served as the grant's Fiscal Agent. Total requisitions reimbursed from the grant prior to 12/31/2022 were \$58,945, requisitions and grant reimbursements in 2023 amounted to \$43,589. Another requisition is planned for 2024, to close out the grant.
- **Juaire Road Bridge replacement:** This Federal Emergency Management Agency (FEMA) project is part of Public Assistance grant #DR-4474, approved to repair road damage caused by a severe Storm and Flooding incident on October 31, 2019. Project costs, excluding grant and project management conducted by Fairfield Town Administrators, were originally obligated by FEMA to be reimbursed to the Town in the amount of \$677,563, This obligation was increased to \$703,491, due to unanticipated expenses. The grant originally had a 25% match requirement, but this was changed to a 10% minimum match requirement. The project was completed in 2022, with total project expenses, excluding grant and project management, in the amount of \$781,657. The Town's match, excluding Grant Anticipation Loan interest, was \$78,166. The total \$703,491 was requisitioned and received in 2023. Additionally, the match requirement of previous projects covered by #DR-4474 disaster FEMA funding was changed from 25% to 10%, resulting in \$12,623 received from FEMA for the balance owed on these previous projects.
- **FEMA Grant/ Projects Administration:** A requisition for total administrative costs of Fairfield's Town Administrators to manage #DR-4474 FEMA grants and projects will be submitted to FEMA in 2024. FEMA'S original obligation to these costs was \$38,086, but we will be requesting an increase to this because these total expenses came to \$51,188.
- **ARPA Funding:** In response to the COVID pandemic, the American Rescue Plan Act (ARPA) awarded local and county payments of funds to be used by 2025. Funding amounts were based on the population count. Fairfield received ARPA Local payments of \$102,227.59 in both 2021 and 2022; and ARPA County First payments of \$189,673.67, in both 2021 and 2022. The sum of this, \$583,802.52, was the total expected, but an additional \$137.64 "reallocation" amount was also received in December 2022. Funds are to be used only within the parameters of the federal government's final rule, announced in January 2022, and as determined by the Fairfield

TOWN OF FAIRFIELD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

- Selectboard. In 2022, \$198,104.95 of the ARPA funds were used for town-wide, water meter replacements; a water generator; engineering efforts to prepare for a new Water Reservoir Roof; a Cascade System for the firefighters to fill their air tanks; Fairfield Community Center signs, playground upgrades, wood-fired oven, and west-end building renovations; Town Garage Doors; and Town technology. In 2023, \$283,203 was used for roads infrastructure to remove and replace a large culvert on North Rd, as detailed above. The balance of this funding is anticipated to be expended in 2024.

Brief Explanation of the Basic Financial Statements

This annual report consists of a series of financial statements on all the various activities of the Town. The Government-Wide Financial Statements include presentations on the Statement of Net Position and a Statement of Activities. These statements provide information about the activities of the Town as a whole and present information on a longer term basis. The Government-Wide Financials are followed by Fund Financial Statements for governmental activities; these statements show how services were financed in the short term as well as the balances remaining for future spending. Fund financial statements report the Town's operations in more detail than the government-wide statements by providing information on the Town's most significant funds. The Other Supplementary Information reports, beginning on page 46, provide financial information about activities for which the Town acts as a trustee for the benefit of others and nonmajor governmental programs which are restricted for specific purposes.

Reporting the Government-Wide Financials

The Statement of Net Position and the Statement of Activities (pages 11 and 12) will provide you with information concerning the financial "health" of the Town. Included in these statements is information regarding Capital Assets. This information is in addition to the cash accounts, payables, and receivables.

These statements include all assets and liabilities using the accrual basis of accounting, which means that all current year revenues and expenses are taken into account regardless of when cash is actually received or paid. These reports encompass the Town's governmental activities - basic services including but not limited to public service, accounting, highway maintenance/repair, and general administration; and Town department activities - the Town includes Library, Recreation, and Pond Funds, as the Town is financially accountable for them.

This discussion and analysis are intended to serve as an introduction to the Town of Fairfield, Vermont basic financial statements. The Town of Fairfield, Vermont basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The following table summarizes the major features of the basic financial statements with further explanations below:

TOWN OF FAIRFIELD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

Major Features of the Town's Government-Wide and Fund Financial Statements			
	Government-wide Financial Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire Town government except fiduciary funds, and any applicable discretely presented component units	The activities of the Town that are not proprietary or fiduciary, such as General Government, Public Safety and Public Works	Instances in which the Town is the trustee or agent for someone else's resources
Required financial statements	Statement of Net Position; Statement of Activities	Balance Sheet; Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Fiduciary Net Position; Statement of Changes in Fiduciary Net Position (if applicable)
Measurement focus and basis of accounting	Economic resources measurement focus and accrual basis of accounting	Current financial resources measurement focus and modified accrual basis of accounting	Economic resources measurement focus and accrual basis of accounting
Type of asset / liability information presented	All assets and liabilities, both financial and capital, and both short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and both short-term and long-term
Type of inflow / outflow information presented	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Reporting the Town's Most Significant Funds

The fund financial statements (pages 13-16) provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by State law and by bond covenants. The Board of Selectpersons/Voters have established other funds to help control and manage money for particular purposes (i.e. the Recreation Fund or the Common School Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants and other money (i.e. Homeland Security Grant).

Governmental Funds - Most of the Town's basic services are reported in the section on Governmental Funds. These funds focus on how money flows in and out, and the balances left at year-end and available to spend. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash, as opposed to capital assets, which are used in operations rather than converted to cash for use in spending.

The Town as Trustee

The Town serves as trustee, or fiduciary for certain cemetery funds. These activities are reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position (pages 17 and 18). These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Condensed Financial Information for our Government-Wide Financial Statements

The Net Position reflects approximately \$887,373 for the use of the Town including, \$1,763,834 for the use of the Library, \$268,504 for nonmajor governmental funds and \$9,275,464 in land, building and equipment. The Library assets are part of bequests left for the benefit of the Bent-Northrop Memorial

TOWN OF FAIRFIELD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

Library, by Consuelo Bailey, Mary Wallis, and Winston & Fredericka Sargent. The unrestricted net position are those funds that can be used to fund the daily operations without constraints established by debt covenants, enabling legislature, or other legal requirements.

General Fund Budgetary Highlights

During the fiscal year ended December 31, 2023, the Town incurred some significant variances between budgeted amounts and actual amounts. The overall expenditures budget was under spent by \$104,936. An unfavorable variance of \$76,739 was reported in expenditures for road maintenance materials. The Town expended \$226,739 with a budgeted amount of only \$150,000. A favorable variance in budget was reported in road maintenance contracted services of \$98,966, the amount budgeted for road materials was \$172,500 and \$73,534 was expended. A favorable variance in budget was reported in road equipment chloride of \$21,127, the amount budgeted for chloride was \$60,000 and \$38,873 was expended.

The Town as a whole

The following is a comparative schedule of our Town Wide Net Position.

	Statement of Net Position			
	2023	2022	Change	% Change
ASSETS				
Current and other assets	\$ 3,373,587	\$ 3,895,780	\$ (522,193)	-13.4%
Capital assets	9,499,013	9,288,228	210,785	2.3%
TOTAL ASSETS	12,872,600	13,184,008	(311,408)	-2.4%
Deferred outflows of resources	71,481	85,388	(13,907)	-16.3%
Total Assets and deferred outflows	\$ 12,944,081	\$ 13,269,396	\$ (325,315)	-2.5%
LIABILITIES				
Current liabilities	\$ 60,446	\$ 58,606	\$ 1,840	3.1%
Current liabilities	-	600,000	(600,000)	-100.0%
Unearned revenue	173,684	385,836	(212,152)	-55.0%
Long-term debt outstanding	496,377	571,751	(75,374)	-13.2%
TOTAL LIABILITIES	730,507	1,616,193	(885,686)	-54.8%
Deferred inflows of resources	18,399	26,936	(8,537)	-31.7%
NET POSITION				
Net investment in capital assets	9,275,464	8,971,866	303,598	3.4%
Restricted for:				
Library	1,763,834	1,838,939	(75,105)	-4.1%
Roads grant	-	69,581	(69,581)	-100.0%
Other purposes	268,504	124,830	143,674	115.1%
Unrestricted	887,373	621,051	266,322	42.9%
TOTAL NET POSITION	12,195,175	11,626,267	568,908	4.9%
Total liabilities, deferred inflows and net position	\$ 12,944,081	\$ 13,269,396	\$ (325,315)	-2.5%

TOWN OF FAIRFIELD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

Governmental Activities

The Changes in Net Position are reflected in the Statement of Activities Report on page 12. Net expense is the cost to the Town after any charges, grants, and contributions have been accounted for (i.e. delinquent penalties, clerk/treasurer fees, state aid to highways and federal funds or grants). The appropriation activities are those taxes raised and expended for non-governmental entities including but not limited to the school, fire department and community based groups and are not part of the working budget.

The following is a comparative schedule of our Town Wide Activities.

	Statement of Activities			
	2023	2022	Change	% Change
Program revenues:				
Charges for services	\$ 57,597	\$ 47,672	\$ 9,925	20.8%
Operating grants and revenues	368,385	175,651	192,734	109.7%
Capital grants and contributions	854,222	1,025,318	(171,096)	-16.7%
General revenues:				
Property taxes	1,429,675	1,336,237	93,438	7.0%
Other taxes	255,401	241,564	13,837	5.7%
Delinquent tax penalty	10,640	11,516	(876)	-7.6%
Interest income	4,197	6,244	(2,047)	-32.8%
Net gain on disposition of fixed assets	-	(5,235)	5,235	100.0%
Miscellaneous	17,489	25,388	(7,899)	-31.1%
Total revenues	<u>2,997,606</u>	<u>2,864,355</u>	<u>133,251</u>	<u>4.7%</u>
Program expenses:				
General Government	506,422	522,066	(15,644)	-3.0%
Highways and streets	852,338	889,758	(37,420)	-4.2%
Cemetery	7,680	7,560	120	1.6%
Parks and recreation	6,292	4,679	1,613	34.5%
Computerization	1,858	491	1,367	278.4%
Library	160,554	147,312	13,242	9.0%
Appropriations	142,796	115,696	27,100	23.4%
Debt service	14,479	15,680	(1,201)	-7.7%
ARPA	-	11,429	(11,429)	-100.0%
Depreciation	735,482	702,701	32,781	4.7%
Miscellaneous	800	-	800	100.0%
Total expenses	<u>2,428,701</u>	<u>2,417,372</u>	<u>11,329</u>	<u>0.5%</u>
Change in net position	568,905	446,983	121,922	27.3%
Net position - Beginning of year	11,626,270	11,179,284	446,986	4.0%
Net position - End of year	<u>\$ 12,195,175</u>	<u>\$ 11,626,267</u>	<u>\$ 568,908</u>	<u>4.9%</u>

Governmental Activities Analysis

There is an increase in net position for governmental activities of \$121,922 compared to 2022. Compared to 2022, revenues increased by \$133,251 primarily because of the increase in operating grants of \$192,734, an increase in property taxes of \$93,438 and an decrease in capital grants of \$171,096. Compared to 2022, expenses increased by \$11,329. The major differences in program expenses from 2022 was an decrease in highway and streets expenses of \$37,420, and an decrease in general government of \$15,644, and an increase in depreciation of \$32,781.

TOWN OF FAIRFIELD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

Capital Assets

As found in audit Note 8, the December 31, 2023 net capital assets are \$9,499,015. This represents a broad range of capital assets, including paving, highway equipment and infrastructure, net of accumulated depreciation. (See Table below) This amount represents a net increase (including additions, deletions and depreciation) of \$210,787 over last year.

Capital Assets at Year-End (Net of Accumulated Depreciation)		
	Governmental Activities	
	2023	2022
Infrastructure	\$ 10,615,797	\$9,786,349
Land	226,056	226,056
Equipment	1,708,649	1,638,327
Office equipment, furniture, etc.	376,766	376,766
Buildings	3,642,678	3,596,179
Less: Accumulated depreciation	(7,070,931)	(6,335,449)
Totals	<u>\$ 9,499,015</u>	<u>\$9,288,228</u>

This year's major additions included:

Chester A Arthur Paving and Culvert	\$ 310,112
2023 Ford F-600	70,322
North Road Box Culvert	457,897
Totals	<u>\$ 838,331</u>

Debt

At December 31, 2023, the Town had \$223,549 in long term notes outstanding versus \$316,362 on December 31, 2022 – a decrease of \$92,813 – as shown below. There were payments on outstanding debt of \$92,813.

Outstanding Debt at Year-End		
	Governmental Activities	
	2023	2022
General obligation notes	\$ 223,549	\$ 316,362
Totals	<u>\$ 223,549</u>	<u>\$ 316,362</u>
Decrease	\$ (92,813)	

Economic Factors and Calendar Year 2023 Budget

The calendar year 2023 estimated expenditure budget is \$2,012,595. The Selectboard at the time estimated that none of the fund balance carryover will be used to offset taxes.

Contacting the Town's Financial Officer

This financial report is designed to provide our citizens, taxpayers and customers with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Treasurer's Office, (802) 827-3261, P.O. Box 5, Fairfield, VT 05455.

BASIC FINANCIAL STATEMENTS

TOWN OF FAIRFIELD, VERMONT

STATEMENT OF NET POSITION
December 31, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,418,823
Investments	1,849,412
Delinquent taxes receivable	70,628
Delinquent interest receivable	2,566
Delinquent penalty receivable	5,650
Grants receivable	26,508
Total current assets	<u>3,373,587</u>
Capital assets:	
Land	226,056
Infrastructure	10,615,797
Buildings	3,642,678
Road equipment and vehicles	1,708,649
Office equipment, furniture and fixtures	376,766
Less: accumulated depreciation	<u>(7,070,933)</u>
Total capital assets - Net	<u>9,499,013</u>
Total assets	<u>12,872,600</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - Pension	<u>71,481</u>
Total deferred outflows of resources	<u>71,481</u>
LIABILITIES	
Accounts payable	32,263
Accrued payroll and interest	22,383
Refundable advances	173,684
Due to other funds	5,800
Noncurrent liabilities:	
Net pension liability	272,828
Portion due or payable within one year	94,983
Portion due or payable after one year	<u>128,566</u>
Total liabilities	<u>730,507</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - Pension	12,522
Taxes paid in advance	<u>5,877</u>
Total deferred inflows of resources	<u>18,399</u>
NET POSITION	
Net investment in capital assets	9,275,464
Restricted for:	
Library	1,763,834
Road grant fund	-
Other purposes	268,504
Unrestricted	<u>887,373</u>
Total net position	<u>\$ 12,195,175</u>

See accompanying notes.

TOWN OF FAIRFIELD, VERMONT

STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

Funds/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Selectboard	\$ 207,524	\$ -	\$ -	\$ -	\$ (207,524)
Town clerk and treasurer	198,869	38,250	-	-	(160,619)
Town auditors	2,639	-	-	-	(2,639)
Listers	42,479	-	9,078	-	(33,401)
Delinquent tax collector	14,809	-	-	-	(14,809)
Town properties	40,102	3,200	-	-	(36,902)
Cemeteries	7,680	-	-	-	(7,680)
Parks and recreation	6,292	-	-	-	(6,292)
Street lights	5,499	-	-	-	(5,499)
Appropriations - General Town	142,796	-	-	-	(142,796)
Computerization	1,858	-	-	-	(1,858)
Road maintenance	643,959	10,118	226,139	535,278	127,576
Equipment	170,385	6,012	-	-	(164,373)
Grant writer	800	-	-	-	(800)
Town garage	32,495	-	-	-	(32,495)
Library	160,554	17	133,168	-	(27,369)
American Rescue Plan Act	-	-	-	318,944	318,944
Depreciation - Unallocated	735,482	-	-	-	(735,482)
Interest on long-term debt	14,479	-	-	-	(14,479)
Total governmental activities	<u>\$ 2,428,701</u>	<u>\$ 57,597</u>	<u>\$ 368,385</u>	<u>\$ 854,222</u>	<u>(1,148,497)</u>
General revenues:					
Property taxes					1,429,675
Current use tax					255,401
Delinquent tax penalty					10,640
Interest and dividend income					4,197
Miscellaneous					17,489
Total general revenues					<u>1,717,402</u>
Change in net position					568,905
Net position, Governmental activities - Beginning of year					<u>11,626,270</u>
Net position, Governmental activities - End of year					<u>\$ 12,195,175</u>

See accompanying notes.

TOWN OF FAIRFIELD, VERMONT

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023

	General Fund	Library Fund	American Rescue Plan Act Fund	Road Grants Fund	Hazard Mitigation Structure Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:							
Cash and cash equivalents	\$ 775,365	\$ 38,511	\$ -	\$ -	\$ -	\$ 604,947	\$ 1,418,823
Investments	-	1,849,412	-	-	-	-	1,849,412
Delinquent taxes receivable	70,628	-	-	-	-	-	70,628
Delinquent interest receivable	2,566	-	-	-	-	-	2,566
Delinquent penalties receivable	5,650	-	-	-	-	-	5,650
Grants receivable	-	-	-	-	-	26,508	26,508
Due from other funds	31,064	13,472	66,891	-	-	51,229	162,656
Total assets	<u>\$ 885,273</u>	<u>\$ 1,901,395</u>	<u>\$ 66,891</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 682,684</u>	<u>\$ 3,536,243</u>
Liabilities:							
Accounts payable	\$ 32,263	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,263
Accrued payroll and interest	15,991	2,232	-	-	-	-	18,223
Due to other funds	137,394	-	-	-	-	31,064	168,458
Refundable advances	-	-	66,891	-	-	-	66,891
Total liabilities	<u>185,648</u>	<u>2,232</u>	<u>66,891</u>	<u>-</u>	<u>-</u>	<u>31,064</u>	<u>285,835</u>
Deferred inflows of resources:							
Unavailable revenue - Property taxes	166,044	-	-	-	-	-	166,044
Property taxes paid in advance	5,877	-	-	-	-	-	5,877
Total deferred inflows of resources	<u>171,921</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,921</u>
Fund balances:							
Restricted	-	1,763,834	-	-	-	268,504	2,032,338
Committed	-	-	-	-	-	337,570	337,570
Assigned	-	-	-	-	-	38,935	38,935
Unassigned	527,704	135,329	-	-	-	6,611	669,644
Total fund balances	<u>527,704</u>	<u>1,899,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>651,620</u>	<u>3,078,487</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 885,273</u>	<u>\$ 1,901,395</u>	<u>\$ 66,891</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 682,684</u>	<u>\$ 3,536,243</u>

See accompanying notes.

TOWN OF FAIRFIELD, VERMONT

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2023**

Total fund balances - Governmental funds	\$ 3,078,487
Amount reported for governmental activities in the statement of net position are different because:	
Delinquent taxes are recognized as revenue when levied in the government-wide financial statements, but amounts not collected within 60 days are reported as a deferred inflow in the governmental funds	59,251
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$16,569,946, and the accumulated depreciation is \$7,070,931.	9,499,015
Current year pension contributions and other changes in the net pension liability are reported as deferred outflows of resources in the statement of net position, but are not reported as expenses in the governmental funds.	71,481
The net pension liability is reported as a liability in the statement of net position, but is not reported in the governmental funds.	(272,828)
Changes in the Town's proportionate share of pension contributions and other changes in the net pension liability are reported as deferred inflows of resources in the statement of net position, but are not reported in the governmental funds.	(12,522)
Accrued interest on long-term liabilities is an expense for governmental activities but not recorded as an expenditure in governmental funds.	(4,160)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of four notes payable.	<u>(223,549)</u>
Total net position - Governmental activities	<u>\$ 12,195,175</u>

See accompanying notes.

TOWN OF FAIRFIELD, VERMONT

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023**

	General Fund	Library Fund	American Rescue Plan Act Fund	Road Grants Fund	Hazard Mitigation Structure Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Real and personal taxes - Municipal	\$ 1,302,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,302,960
School overpayment credit	36,490	-	-	-	-	-	36,490
Federal aid	-	-	-	84,027	-	43,589	127,616
State aid:							
Highway	226,139	-	-	-	-	-	226,139
Current use	255,401	-	-	-	-	-	255,401
Listers	-	-	-	-	-	9,078	9,078
Taxes	58,061	-	-	-	-	-	58,061
Other	-	-	-	-	-	232,662	232,662
Interest and dividends	2,870	57,418	-	-	-	932	61,220
Licenses and fees	38,150	100	-	-	-	6,012	44,262
Grants	-	2,946	318,944	-	175,000	-	496,890
Delinquent tax penalty	10,640	-	-	-	-	-	10,640
Rent and lease income	16,174	-	-	-	-	-	16,174
Donation	-	6,272	-	-	-	-	6,272
Net decrease in fair value of investments	-	66,928	-	-	-	-	66,928
Miscellaneous income	3,081	383	-	-	-	11,185	14,649
Total revenues	1,949,966	134,047	318,944	84,027	175,000	303,458	2,965,442
EXPENDITURES							
Selectboard	207,524	-	-	-	-	-	207,524
Town clerk and treasurer	191,894	-	-	-	-	-	191,894
Town auditors	2,639	-	-	-	-	-	2,639
Listers	14,243	-	-	-	-	28,236	42,479
Delinquent tax collector	14,809	-	-	-	-	-	14,809
Town properties	36,710	-	-	-	-	3,387	40,097
Cemeteries	7,680	-	-	-	-	-	7,680
Parks and recreation	2,825	-	-	-	-	278	3,103
Street lights	5,499	-	-	-	-	-	5,499
Appropriations	142,796	-	-	-	-	-	142,796
Road maintenance	726,285	-	-	-	-	2,607	728,892
Equipment	154,203	-	-	-	-	76,041	230,244
Materials	-	-	-	-	10,362	10,156	20,518
Town garage	32,495	-	-	-	-	-	32,495
Grant writer	-	-	-	-	-	800	800
Grant expenditures	-	-	-	-	-	46,499	46,499
Library	-	166,632	-	-	-	-	166,632
Library - Capital improvements	-	650	-	-	-	-	650
Contracted services	-	-	-	-	447,535	265,766	713,301
Debt service:							
Principal retirement	64,432	28,214	-	-	-	-	92,646
Interest charges	7,655	3,955	-	4,774	-	-	16,384
Miscellaneous expense	-	-	-	-	307	2,440	2,747
Total expenditures	1,611,689	199,451	-	4,774	458,204	436,210	2,710,328
Excess of revenues over expenditures	338,277	(65,404)	318,944	79,253	(283,204)	(132,752)	255,114
OTHER FINANCING SOURCES (USES)							
Operating transfers in	46,502	129,214	-	-	283,204	338,573	797,493
Operating transfers out	(318,953)	-	(318,944)	(148,834)	-	(10,762)	(797,493)
Total other financing sources (uses)	(272,451)	129,214	(318,944)	(148,834)	283,204	327,811	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	65,826	63,810	-	(69,581)	-	195,059	255,114
Fund balance at beginning of year	461,878	1,835,353	-	69,581	-	456,561	2,823,373
Fund balance at end of year	\$ 527,704	\$ 1,899,163	\$ -	\$ -	\$ -	\$ 651,620	\$ 3,078,487

See accompanying notes.

TOWN OF FAIRFIELD, VERMONT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023**

Net change in fund balances - Total governmental funds	\$ 255,114
Amounts reported for governmental activities in the Statement of Activities are different because:	
Delinquent taxes not collected within 60 days of year end are recognized as revenue when levied in the government-wide financial statements, but are not reported as income in governmental funds.	32,164
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	\$ 946,267
Depreciation expense	<u>(735,482)</u>
Capital asset additions, net of depreciation	210,785
Interest accrued on long-term liabilities is recorded as an expenditure in the government-wide financial statements, but is not reported as an expenditure in governmental funds.	1,905
Pension expense for the defined benefit plan (VMERS) is recognized in the governmental funds based on current year employer matching contributions. Pension expense in the government-wide statements is based on net change in the net pension liability.	(23,876)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	<u>92,813</u>
Change in net position of governmental activities	<u><u>\$ 568,905</u></u>

See accompanying notes.

TOWN OF FAIRFIELD, VERMONT

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2023

	Private Purpose Trust Funds	Custodial Funds	Total Fiduciary Funds
ASSETS			
Cash and cash equivalents	\$ 21,368	\$ -	\$ 21,368
Due from other funds	5,800	-	5,800
	<hr/>	<hr/>	<hr/>
Total assets	27,168	-	27,168
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Due to other individuals	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	-	-	-
	<hr/>	<hr/>	<hr/>
NET POSITION			
Restricted for Bradley cemetery	15,824	-	15,824
Restricted for specific purposes	11,344	-	11,344
	<hr/>	<hr/>	<hr/>
Total net position	<u>\$ 27,168</u>	<u>\$ -</u>	<u>\$ 27,168</u>

See accompanying notes.

TOWN OF FAIRFIELD, VERMONT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended December 31, 2023

	Private Purpose Trust Funds	Custodial Fund	Total Fiduciary Funds
ADDITIONS			
Interest	\$ 163	\$ -	\$ 163
Taxes collected for other sources	1,000	-	1,000
Taxes collected for other governments	-	2,762,720	2,762,720
	<u>1,163</u>	<u>2,762,720</u>	<u>2,763,883</u>
DEDUCTIONS			
Taxes distributed to other governments	-	2,762,720	2,762,720
	<u>-</u>	<u>2,762,720</u>	<u>2,762,720</u>
Change in net position	1,163	-	1,163
Net position at beginning of year	<u>26,005</u>	<u>-</u>	<u>26,005</u>
Net position at end of year	<u><u>\$ 27,168</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 27,168</u></u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of the Town of Fairfield, Vermont have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Town are described below.

A. Reporting Entity

The Selectboard, comprised of five elected individuals, is the primary governing authority of the Town. As required by GAAP, these financial statements present the accounts of all Town operations. The Town does not have any component units.

B. Basic Financial Statements - Government-Wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's parks and recreation, road maintenance, library, fire station building, and general administrative services are classified as governmental activities. The Town does not have any business-type activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (excluding depreciation) by related program revenues, operating and capital grants, and contributions. Program revenues must be directly associated with the function (Selectboard, road maintenance, parks and recreation, library, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs by function are normally covered by general revenue (property taxes, intergovernmental revenues, interest and investment income, etc.). The Town does not allocate indirect costs.

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

The emphasis in fund financial statements is on the major funds in the governmental activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth the minimum criteria (percentage of the assets, liabilities, revenues, or expenditures of either fund category or the governmental combined) for the determination of major funds. The Town electively added funds, as major funds, which either had debt outstanding or specific community focus.

Note 1. Summary of Significant Accounting Policies (Continued)

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

The Town reports on the following major governmental funds:

General Fund. This is the general operating fund of the Town. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Library Fund. This fund accounts for the revenues and expenditures associated with the library.

ARPA (American Rescue Plan Act) Fund. This fund accounts for the revenues and expenditures associated with grant revenues received from the federal government and expenses for the corresponding grant projects.

Road Grants Fund. This fund accounts for the revenues and expenditures associated with road improvement projects.

Hazard Mitigation Structure Fund. This fund accounts for the revenues and expenditures associated with reducing long term risk to people and property from future disasters.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

2. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support Town programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

The Town reports on the following fiduciary fund types.

Private Purpose Trust Funds. These funds are used to account for assets held in trust for a specific purpose.

Tax Sale Escrow Funds. This fund is used to account for assets held in escrow on behalf of two parties in a transaction before the assets are transferred from one party to another. This fund reports assets and liabilities and has no fund balance.

Custodial Funds. This fund is used to report resources held by the Town in a purely custodial capacity for other governments, private organizations or individuals. This fund reports assets and liabilities and has no fund balance.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

Both governmental activities in the government-wide financial statements and the fiduciary fund financial statements are presented on the economic resources measurement focus and the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period for property taxes and six months for other revenues. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

E. Budgetary Data

Budgets are presented on the modified cash basis of accounting for the General Fund. Budgets are not adopted on a Town level for any other funds. All annual appropriations lapse at fiscal year-end with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- The Selectboard prepares and legally warns a budget for the year beginning January 1. The operating budget includes proposed expenditures and means of financing them.
- Any revisions to the budget must be approved by the Selectboard.
- The legal voters of the Town of Fairfield, Vermont meet on the first Tuesday in March to review, discuss, and vote on the budget.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.

Note 1. Summary of Significant Accounting Policies (Continued)

- The General Fund budgetary comparison schedule presents comparisons of the legally adopted budget with actual data on a budgetary basis which conforms with the modified cash basis of accounting. For the Town, the accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles. As the other funds do not have legally adopted budgets, no schedules are presented for these funds.
-

Negative variances in total revenues and the positive variances in total expenditures are largely a result of federal and state program revenues and related expenditures that do not have a direct impact on the unassigned fund balance. Budgets generally assume the expenditure of all available resources. Therefore, when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year. Program revenue received but not spent is restricted and deferred to the subsequent year. As a result, overall fund revenue variances will be negative and overall fund expenditures variances will be positive.

F. Defined Benefit Pension Plan

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

VMERS investments are reported at fair value. VMERS does not issue stand-alone financial reports, but is instead included as part of the State of Vermont's Comprehensive Annual Financial Report (CAFR).

G. Financial Statement Items

1. Deposits and Investments

The Town's cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair market value. Changes in the fair value of investments are recorded as current year income or expense.

2. Interfund Receivables and Payable

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., current portion of inter-fund loans) or "advances from/to other funds" (i.e., the non-current portion of inter-fund loans).

3. Receivables

The Town utilizes the allowance method for uncollectible accounts. They have determined that all accounts are collectible and the allowance is zero.

Note 1. Summary of Significant Accounting Policies (Continued)

4. Property Taxes

Property taxes are levied in August and are due and payable on or before the first Friday in November and become delinquent on the following day. The Town prepares the bills and collects all taxes.

5. Deferred Outflows/Inflows of Resources

The Town reports deferred outflows of resources on its statement of net position. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred outflows consist of (1) the Town's current year pension contributions subsequent to the measurement date, (2) the change in the Town's proportionate share of pension contributions, (3) the Town's proportionate share of the difference between projected and actual investment earnings, (4) the Town's proportionate share of change in the net pension liability due to changes in assumptions, and (5) the Town's proportionate share of differences between expected and actual experience. The Town reports deferred inflows of resources on its statement of net position. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that future period. Deferred inflows on the statement of net position consist of the change in the Town's proportionate share of differences between expected and actual experience, the change in the Town's proportionate share of pension contributions, and property taxes received in advance. Deferred inflows on the governmental fund balance sheet consist of unavailable revenue - property taxes that were not collected within 60 days of year end and property taxes received in advance.

6. Capital Assets

Capital assets are property owned by the Town and include computers, such as computer equipment, software, and peripherals; equipment, such as vehicles, machinery, copiers, and office equipment; buildings and land; and infrastructure, such as roads, bridges, tunnels, rights of way, and culverts.

General capital assets are capitalized and recorded when all of the following criteria are met:

- 1) The asset is tangible and complete.
- 2) The asset is used in the operation of the Town's activities.
- 3) The asset has a value and useful life at the date of acquisition that meets or exceeds the following:
 - \$5,000 value and two years of life for software, office equipment, maintenance equipment, and other equipment.
 - \$5,000 value and two years of life for all capital improvements.
 - All buildings and land must be reported regardless of value and useful life at date of acquisition.
 - \$5,000 and three years of life for infrastructure and infrastructure improvements.

Note 1. Summary of Significant Accounting Policies (Continued)

6. Capital Assets (Continued)

All general capital assets must be recorded at either historical cost or estimated historical cost. Assets acquired through donation will be recorded at their estimated fair market value on the date of donation. In addition to purchase price or construction cost, costs of capitalization may include incidental costs, such as bond interest during the construction phase and bond issuance cost, insurance during transit, freight, duties, title search, title registration, installation, and breaking-in costs.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years
Other infrastructure	10-50 years

7. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position.

8. Governmental Fund Balances

Fund balances of governmental fund type financial statements are classified as *nonspendable* (not in spendable form or legally required to remain intact); *restricted* (constraints on the use of resources are either externally imposed by creditors, grantors, or donors, or imposed by law through enabling legislation); *committed* (constraints on the use of resources are imposed by formal action of the voters at town meeting); *assigned* (reflecting the Select board's intended use of the resources); and *unassigned* (indicates the portion of fund equity that is available for appropriation and expenditure in future periods).

9. Government-Wide Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in the statement of net position. Net investment in capital assets includes restricted capital assets, less accumulated depreciation, less any debt that remains outstanding that was used to finance those assets, plus deferred outflows of resources, and less deferred inflows of resources related to those assets. Net position is reported as restricted when there are legal limitations imposed on their use by Town legislation or external restrictions by creditors, grantors, laws, or regulations of other governments. All other net position is recorded in the unrestricted category.

10. Use of Restricted Resources

When an expense is incurred that can be paid from either restricted or unrestricted resources (net position), the Town's policy is to first apply the expense toward restricted resources and then to unrestricted resources. In governmental funds, the Town's policy is to first apply the expenditure toward restricted fund balance and then to other less-restrictive classifications – committed then assigned fund balances before using unassigned fund balances.

Note 1. Summary of Significant Accounting Policies (Continued)

11. Use of Estimates

The preparation of financial statement in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the period. Accordingly, actual results could differ from those estimates.

H. Effect of New Governmental Accounting Standards Board (GASB) Pronouncements

Implementation of new accounting principles

The Town is reviewing the following GASB Statements, which are effective in future years, for possible implementation.

- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*
- GASB Statement No. 99, *Omnibus*
- GASB Statement No. 87, *Leases – Determined not applicable to year ended December 31, 2023.*
- GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements – Determined not applicable to year ended December 31, 2023.*
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period – Determined not applicable for 2023.*

Note 2. Cash and Custodial Credit Risk - Deposits in Financial Institutions

Cash belonging to the Town is placed in the custody of the Town Treasurer who is elected. The Town does not have a policy for custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At December 31, 2023, the Town of Fairfield, Vermont's deposits had a carrying amount of \$1,440,191 and a bank balance of \$1,478,125. Of the bank balance, \$940,181 was exposed to custodial credit risk as follows:

Collateral held by pledging institution's	
trust department not in the government's name	\$ 890,910
Uninsured and uncollateralized	49,271
Total	<u><u>\$ 940,181</u></u>

Note 3. Inter-fund Receivables/Payables and Advances

A summary of inter-fund due from/due to accounts is as follows:

Receivable Fund	Payable Fund	Amount
Equipment Fund	General Fund	\$ 20,742
ARPA Fund	General Fund	66,891
Computerization Fund	General Fund	11,284
Grant Writer Fund	General Fund	13,015
Cemetery Fund	General Fund	5,800
Legal Fund	General Fund	2,390
Library Fund	General Fund	13,472
Recreation Fund	General Fund	3,800
Total due from General Fund		137,394
General Fund	Damaged Roads Fund	19,537
General Fund	Capital Projects Fund	5,067
General Fund	Fire Station Fund	360
General Fund	Zoning Fund	1,891
General Fund	Historical Soc/Building Fund	4,209
Total due to General Fund		31,064
Total due to / due from		\$ 168,458

The interfund balances mainly resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Note 4. Investments

Special Revenue Funds – The Fairfield Trustees of Library Funds are charged with maximizing the return on all invested funds 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.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the Town's investments in securities are held by the counterparty's trust department in the Town's name.

Note 4. Investments (Continued)

Library Fund investments at December 31, 2023 consisted of the following:

Investment Type	Unrealized Gain/Loss	Cost	Market Value	Investment maturities in years		
				Less than 1	1-5	6-10
U.S. Corporate Bonds	\$ (15,243)	\$ 492,026	\$ 476,783	\$ 108,994	\$ 244,210	\$ 123,579
U.S. Treasury Securities	2,006	92,164	94,170	74,164	-	20,006
Total fixed income	(13,237)	584,190	570,953	<u>\$ 183,158</u>	<u>\$ 244,210</u>	<u>\$ 143,585</u>
Money funds	-	19,766	19,766			
Exchange traded and closed end funds	7	31,751	31,758			
Common stocks and options	397,874	829,060	1,226,934			
Total at December 31, 2022	<u>\$ 384,644</u>	<u>\$ 1,464,767</u>	<u>\$ 1,849,411</u>			

Activity for the year consisted of:

Beginning balance - January 1, 2023	\$ 1,782,713
Interest and dividends earned	57,022
Realized loss on sales	63,442
Brokerage fees	(17,745)
Unrealized gain on investments	3,486
Foreign tax paid & interest paid	(2,389)
Bond premium	(4,949)
Transfer to operating account to cover costs	(32,169)
Ending balance, December 31, 2023	<u>\$ 1,849,411</u>

Fair Value Measurement

Town of Fairfield, Vermont's investments measured and reported at fair value are classified according to the following hierarchy:

The Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement and Disclosures*, defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Topic 820 also established a framework for measuring fair value, which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of inputs used to measure fair value are as follows:

Level 1: Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.

Level 2: Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data. Level 2 also includes derivative contracts whose value is determined using a pricing model with observable market inputs or can be derived principally from or corroborated by observable market data.

Level 3: Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation; also includes observable inputs for nonbinding single dealer quotes not corroborated by observable market data.

Note 4. Investments (Continued)

	12/31/2023	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by fair value level</u>				
<i>Debt Securities</i>				
Money market mutual funds	\$ 19,766	\$ 19,766	\$ -	\$ -
U.S. Corporate Bonds	476,783	-	476,783	-
U.S. Government Securities	94,170	94,170	-	-
Total debt securities	590,719	113,936	476,783	-
<i>Equity Securities</i>				
Exchange-traded and closed end funds	31,758	31,758	-	-
U.S. common and preferred stock	1,226,934	1,226,934	-	-
Total equity securities	1,258,692	1,258,692	-	-
Total investments by fair value level	\$ 1,849,411	\$ 1,372,628	\$ 476,783	\$ -

Note 5. Grants

The Town receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the Town's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable fund. Based on prior experience, the Town administration believes such disallowance, if any, would be immaterial.

Note 6. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The Town must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving sixty days' notice. Fund underwriting and rate-setting policies have been established after consultations with actuaries. Fund members are subject to supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

The Town is a member of Vermont Leagues of Cities and Towns Unemployment Insurance Trust. The Unemployment Trust is a nonprofit corporation formed to provide unemployment coverage for Vermont municipalities and is owned by the participating members. The agreement does not permit the Unemployment Trust to make additional assessments to its members.

Note 7. Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 226,056	\$ -	\$ -	\$ 226,056
Total capital assets not being depreciated	226,056	-	-	226,056
Capital assets, being depreciated				
Infrastructure	9,786,349	829,448	-	10,615,797
Building	3,596,179	46,499	-	3,642,678
Road equipment and vehicles	1,638,327	70,322	-	1,708,649
Office equipment, furniture and fixtures	376,766	-	-	376,766
Total capital assets being depreciated	15,397,621	946,269	-	16,343,890
Less accumulated depreciation for:				
Infrastructure	(3,830,924)	(478,538)	-	(4,309,462)
Building	(1,335,316)	(90,583)	-	(1,425,899)
Road equipment and vehicles	(926,598)	(151,123)	-	(1,077,721)
Office equipment, furniture and fixtures	(242,611)	(15,240)	-	(257,851)
Total accumulated depreciation	(6,335,449)	(735,484)	-	(7,070,933)
Total capital assets, being depreciated, net	9,062,172	210,785	-	9,272,957
Governmental activities capital assets, net	\$ 9,288,228	\$ 210,785	\$ -	\$ 9,499,013
Governmental activities:				
General government and administration		\$ 256,944		
Road maintenance		478,538		
Total depreciation expense - Governmental activities		\$ 735,482		

Note 8. Municipal Employee' Retirement System

Plan Description

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

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

The general administration and responsibility for formulating administrative policy and procedures of the retirement system for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by

Note 8. Municipal Employee' Retirement System (Continued)

the membership of the system, and two employer representatives—one elected by the governing bodies of participating employers of the system, and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

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

Summary of System Provisions

There are four levels of contributions and benefits available under the system, Group A, Group B, Group C, and Group D. The Town's employees are covered under Group B. The following is a summary of system provisions under Groups B.

Membership	Full time employees of participating municipalities.
Creditable service	Service as a member plus purchased service.
Average Final Compensation (AFC)	Average annual compensation during highest 3 consecutive years.
Service Retirement Allowance	
Eligibility:	The earlier of age 62 with 5 years of service or age 55 with 30 years of service.
Amount:	1.7% of AFC x service as Group B member plus percentage earned as Group A member x AFC.
	Maximum benefit is 60% of AFC. The above amounts include the portion of the allowance provided by member contributions.
Early Retirement Allowance	
Eligibility:	Age 55 with 5 years of service.
Amount:	Normal allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes Normal Retirement Age.
Vested Retirement Allowance	
Eligibility:	5 years of service.
Amount:	Allowance beginning at normal retirement age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on "Post-Retirement Adjustments" described below.
Disability Retirement Allowance	
Eligibility:	5 years of service and disability as determined by Retirement Board.
Amount:	Immediate allowance based on AFC and service to date of disability.
Death Benefit	
Eligibility:	Death after 5 years of service.

Note 8. Municipal Employee' Retirement System (Continued)

Amount:	Reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor's benefit under disability annuity computed as of date of death.
Optional Benefit And Death after Retirement	Lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee.
Refund of Contribution	Upon termination, if the member so elects or if no other benefit is payable, the member's accumulated contributions are refunded.
Post-Retirement Adjustments	Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in Consumer Price Index but not more than 3%.
Member Contributions	6.125% effective 07/01/23, 5.875% for fiscal year ended 06/30/23
Employer Contributions	6.750% effective 07/01/23, 6.500% for fiscal year ended 06/30/23
Retirement Stipend	\$25 per month payable at the option of the Board of retirees.

Contributions

The contribution requirements of VMERS members and the Town are established by the VMERS Board of Trustees. The contribution rates are reviewed annually by the VMERS Board as recommended by the actuary of the retirement system in order to achieve and preserve the financial integrity of the fund. The employees' contributions are deducted from the employee's wages or salary and remitted by the Town to VMERS on a quarterly basis. The Town's contractually required contribution rates for the year ended December 31, 2023 were 6.500% for Group B members prior to July 1 and 6.750% after July 1. These rates were actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Town's contributions to the Plan for the year ended December 31, 2023 were \$25,612.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the Town reported a liability of \$272,828 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2023, the Town's proportion was 0.08518%, which was a increase of .0010% from its proportion of 0.08418% as of June 30, 2022.

Since the State's pension reports for the fiscal year end June 30, 2023 are not available, an eighteen month look back period is used for the calculation. Since the Town has only been a part of the retirement system for four years, the difference in the look back period amounts are not material to the financial statements for the year ended December 31, 2023, the Town recognized pension expense of \$49,488. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

Note 8. Municipal Employee' Retirement System (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 17,110	\$ -
Changes in assumptions	8,893	-
Difference between projected and actual investment earnings	31,040	-
Changes in proportionate share of contributions	1,617	12,522
Town contributions subsequent to the measurement date	<u>12,821</u>	<u>-</u>
Total	<u>\$ 71,481</u>	<u>\$ 12,522</u>

The \$12,821 of deferred outflows of resources resulting from the Town's contribution subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending December 31,	
2024	\$ 26,551
2025	5,481
2026	27,569
2027	(642)
Thereafter	<u>-</u>
Total	<u>\$ 58,959</u>

Significant Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return: 7.00%, net of pension plan investment expenses, including inflation.

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

Mortality:

Pre-Retirement: 40% PubG-2010 General Employee below median and 60% of PubG-2010 General Employee, with generational projection using scale MP-2019.

Healthy Post-Retirement - Retirees: 104% of 40% PubG-2010 Health Retiree below-median and 60% of PubG-2010 General Healthy Retiree, with general projection using scale MP-2019.

Health Post-Retirement – Beneficiaries: 70% Pub-2010 Contingent Survivor below-median and 30% of PubG-2010 Contingent Survivor, with generational projection using scale MP-2019.

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

Note 8. Municipal Employee' Retirement System (Continued)

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

Cost-of-Living Adjustments: 1.20% for Group B. The January 1, 2024 COLA is assumed to be 1.10% and January 1, 2023 COLAs are 2.00% for Group B.

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

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

Inflation: 2.30% per year.

Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equities	44.00%	5.35%
Private Equity	10.00%	7.50%
Emerging Markets Debt	2.00%	5.00%
Private & Alternate Credit	10.00%	5.50%
Non-Core Real Estate	4.00%	5.50%
Core Fixed Income	19.00%	1.50%
Core Real Estate	4.00%	3.25%
U.S. TIPS	2.00%	1.50%
Infrastrucutre/Farmland	5.00%	4.25%
	<u>100%</u>	

Note 8. Municipal Employee' Retirement System (Continued)

Discount Rate

The long-term expected rate of return on pension plan assets is 7.00%. The high quality tax-exempt general obligation municipal bond rate (20-bond GO Index) as of the closest date prior to the valuation date of June 30, 2023 is 3.65%, as published by the Bond Buyer.

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates set by the Board (employers) and statute (members). The Board voted to authorize employer contribution rate increase of 0.50% each year for a period of four years beginning July 1, 2023 to be offset by any increases in the employee contribution rates as negotiated with employee groups and approved by the legislature. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members, are not included. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Change in the Discount Rate

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

1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
\$410,649	\$272,828	\$159,545

Pension Expense

As discussed above, most changes in the net pension liability are included in pension expense in the year of change, including changes resulting from current-period service cost, interest on the total pension liability, changes in benefit terms, and projected earnings on the pension plan's investments. Other changes in net pension liability are recorded as deferred pension outflows of resources and deferred pension inflows of resources, and included in pension expense on a systematic and rational manner over current and future periods.

Detailed information about the plan's fiduciary net position is available in the separately issued State of Vermont Comprehensive Annual Financial Report. This report may be obtained by writing the State Auditor of Accounts, 132 State Street, Montpelier, VT 05602.

Note 9. Deferred Compensation Plan

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Town employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the participants. The Town has no liability for losses under the plan.

Investments are managed by the plan's administrator under several different investment options, or combinations thereof. The choice of the investment option(s) is made by the participants. The Town has no management control over the assets of the plan. Accordingly, the assets of the plan are not included in these financial statements per GASB Statement No. 32.

Note 10. Operating Transfers

The Town made the following transfers during the year ended December 31, 2023:

			Transfer From			
			General Fund	ARPA Fund	Roads Grant Fund	Better Back Roads Fund
Transfer to	Equipment Fund	\$ 100,000	\$ (100,000)	\$ -	\$ -	\$ -
	Capital Projects Fund	178,160	(18,564)	-	(148,834)	(10,762)
	Library Fund	129,214	(129,214)	-	-	-
	Recreation Fund	10,000	(10,000)	-	-	-
	Sidewalk Fund	283,204	-	(283,204)	-	-
	General Fund	46,502	-	(46,502)	-	-
	Paving Fund	50,413	(50,413)	-	-	-
	Total	<u>\$ 797,493</u>	<u>\$ (308,191)</u>	<u>\$ (329,706)</u>	<u>\$ (148,834)</u>	<u>\$ (10,762)</u>

The transfers from the general fund were made to record budgeted property tax contributions to these other funds, as well as matching grant expenditures.

Note 11. Short-Term Debt

Below is a summary of changes in short-term debt for the year ended December 31, 2023:

	Beginning Balance	Additions	Principal Payments	Ending Balance	Interest Paid
Tax anticipation note taken out on 5/17/23 and paid off 10/24/2023 at a rate of 1.850%	\$ -	\$ 450,000	\$ 450,000	\$ -	\$ 3,649
Tax anticipation note taken out on 9/6/23 and paid off 10/24/2023 at a rate of 1.950%	-	300,000	300,000	-	228
Grant anticipation note taken out on 7/26/22 at a rate of 1.750%.	600,000	-	600,000	-	4,774
Totals	<u>\$ 600,000</u>	<u>\$ 750,000</u>	<u>\$ 1,350,000</u>	<u>\$ -</u>	<u>\$ 8,651</u>

Interest paid on short-term debt for the year ended December 31, 2023 was \$8,651.

Note 12. Long-Term Debt

Below is a summary of changes in long-term debt for the year ended December 31, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Notes Payable					
Peoples Trust Company, commercial promissory note taken out on 02/01/2021 due 02/01/2024 at a rate of 2.05% secured by a 2021 International truck with a net book value of \$160,900.	\$ 60,607	\$ -	\$ 29,996	\$ 30,611	\$ 30,611
Peoples Trust Company, annual payments of \$33,592 including interest at 3.25% was refinanced in May 2020 at an interest rate of 2.60% due May 2027 secured by the Library with a net book value of \$537,647.	150,105	-	28,381	121,724	29,161
Peoples Trust Company, commercial promissory note taken out on 08/08/2022 due 08/08/2025 at a rate of 2.25% secured by a 2023 International truck with a net book value of \$204,456.	<u>105,650</u>	<u>-</u>	<u>34,436</u>	<u>71,214</u>	<u>35,211</u>
Total notes payable	316,362	-	92,813	223,549	94,983
Other long term liabilities:					
Net pension liability	<u>255,389</u>	<u>133,258</u>	<u>115,819</u>	<u>272,828</u>	<u>-</u>
Total long-term liabilities	<u>\$ 571,751</u>	<u>\$ 133,258</u>	<u>\$ 208,632</u>	<u>\$ 496,377</u>	<u>\$ 94,983</u>

Interest paid on long-term debt for the year ended December 31, 2023 was \$5,837.

Principal and interest payments on the note payable indebtedness to maturity will be as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 94,983	\$ 5,576	\$ 100,559
2025	65,966	3,349	69,315
2026	30,787	1,714	32,501
2027	31,813	688	32,501
2028	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 223,549</u>	<u>\$ 11,327</u>	<u>\$ 234,876</u>

Note 13. Fund Balances

Net position in the governmental activities is restricted as follows:

Governmental Activities

Library fund - restricted by statute	\$ 1,763,834
Capital projects fund - restricted by agreement	195,904
Lister/reappraisal fund - restricted by agreement	60,517
Historical Soc/building fund - restricted by agreement	<u>12,083</u>
Total Governmental Activities	<u>\$ 2,032,338</u>

Note 13. Fund Balances (continued)

The analysis of the fund balances at December 31, 2023 are as follows:

	Balance 12/31/2022	Increase	Decrease	Other financing sources (uses)	Balance 12/31/2023
Restricted fund balances					
Major Governmental Funds					
Library Fund	\$ 1,838,939	\$ 124,346	\$ 199,451	\$ -	\$ 1,763,834
ARPA Fund	-	318,944	-	(318,944)	-
Roads Grant Fund	69,581	84,027	4,774	(148,834)	-
Hazard Mitigation Structure Fund	-	175,000	458,204	283,204	-
Total major governmental funds	1,908,520	702,317	662,429	(184,574)	1,763,834
Nonmajor Governmental Funds					
Capital Projects Fund	20,539	43,704	46,499	178,160	195,904
Federal Grant Fund	-	-	-	-	-
Lister/Reappraisal Fund	78,266	10,487	28,236	-	60,517
Historical Soc/Building Fund	15,446	24	3,387	-	12,083
Better Backroads Grant Fund	4,608	6,154	-	(10,762)	-
Total nonmajor governmental funds	118,859	60,369	78,122	167,398	268,504
Total restricted fund balances	\$ 2,027,379	\$ 762,686	\$ 740,551	\$ (17,176)	\$ 2,032,338
Committed fund balances					
Nonmajor Governmental Funds					
Equipment Fund	\$ 210,740	\$ 10,393	\$ 70,322	\$ 100,000	\$ 250,811
Grant Writer Fund	13,815	-	800	-	13,015
Legal Fund	2,390	-	-	-	2,390
Paving Fund	26,676	200,067	250,413	50,413	26,743
Recreation Fund	13,094	9	3,537	10,000	19,566
Common School Fund	25,008	37	-	-	25,045
Total nonmajor governmental funds	291,723	210,506	325,072	160,413	337,570
Total committed fund balances	\$ 291,723	\$ 210,506	\$ 325,072	\$ 160,413	\$ 337,570
Assigned fund balances					
Nonmajor Governmental Funds					
Zoning Fund	\$ 5,144	\$ 18	\$ -	\$ -	\$ 5,162
Computerization Fund	35,223	6,057	7,507	-	33,773
Total nonmajor governmental funds	40,367	6,075	7,507	-	38,935
Total assigned fund balances	\$ 40,367	\$ 6,075	\$ 7,507	\$ -	\$ 38,935
Unassigned fund balances					
Major Governmental Funds					
General Fund	\$ 461,878	\$ 1,949,966	\$ 1,611,689	\$ (272,451)	\$ 527,704
Recreation Grant Fund	-	-	-	-	-
Library Fund	(3,586)	9,701	-	129,214	135,329
Total major governmental funds	458,292	1,959,667	1,611,689	(143,237)	663,033
Nonmajor Governmental Funds					
Fire Station Fund	(360)	-	-	-	(360)
Better Backroads Fund	5,972	26,508	25,509	-	6,971
Total unassigned fund balances	\$ 463,904	\$ 3,945,842	\$ 3,248,887	\$ (143,237)	\$ 669,644
Total fund balances	\$ 2,823,373	\$ 4,925,109	\$ 4,322,017	\$ -	\$ 3,078,487

Note 14. Commitments and Contingencies

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) into law which includes the guaranteed direct relief to cities, towns and villages in the United States. The funds can be used to support public health expenditures, address the negative economic impacts cause by the public health emergency, replace lost public sector revenue, provide premium pay for essential works, and invest in water, sewer, and broadband infrastructure. As of the report date the Town has received \$583,941. Of those funds, \$517,050 has been expended leaving a refundable advance balance of \$66,891.

Note 14. Commitments and Contingencies (continued)

On January 29, 2014 the Town entered into an agreement with AmCare Medical Systems, Inc. to provide exclusive emergency and non-emergency ambulance services for its community. AmCare agrees to provide emergency ambulance coverage to the Town twenty-four (24) hours per day, seven (7) days per week. The agreement terms are from 2014 to 2024. The 2023 annual payment is \$40,493.

On November 11, 2022 the Town entered into an agreement with the City of St. Albans for one year to provide emergency communications and dispatch services through June 30, 2024. The Town shall pay to the City an annual fee of \$24,155.

Note 15. Tax Abatements

The Town enters into property tax abatement agreements with local charitable and fraternal organizations pursuant to Vermont Statutes Annotated, Title 32, Chapter 125 §3840, as approved by the voters during town meeting. This statutes states that fraternal organizations, volunteer fire, and ambulance or rescue companies who own real estate exclusively for such purposes, may be exempted from real estate taxation, either in whole or in part, for a period not exceeding 10 years, if the Town so votes. Upon the expiration of the exemption, the Town may vote additional periods of exemption not exceeding five years each.

During the 2020 Town meeting, the voters approved an additional five year exemption of real estate taxes for the Fairfield Volunteer Fire Department. The real property value exempted from taxes was \$285,200, which amounted to \$4,403 in taxes during the year ended December 31, 2023.

During the 2015 Town meeting, the voters approved an initial ten year exemption of real estate taxes for the Fairfield Meeting House. The real property value exempted from taxes was \$40,410, which amounted to \$624 in taxes during the year ended December 31, 2023.

During the 2015 Town meeting, the voters approved an initial ten year exemption of real estate taxes for the Fairfield Community Center. The real property value exempted from taxes was \$438,495, which amounted to \$6,856 in taxes during the year ended December 31, 2023.

Note 16. Risk and Uncertainties

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively impact net position. However, the related financial impact and duration cannot be reasonably estimated at this time.

Note 17. Subsequent Events

The Town has evaluated all subsequent events through October 2, 2024, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF FAIRFIELD, VERMONT

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For the Year Ended December 31, 2023

	Original & Final Budgeted Amounts	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES			
Real and personal taxes - Municipal	\$ 1,425,320	\$ 1,298,077	\$ (127,243)
School overpayment credit	-	36,490	36,490
State aid:			
Highway	220,000	226,139	6,139
Current use	230,000	255,401	25,401
Taxes	3,600	58,061	54,461
Interest and dividends	3,500	3,714	214
Licenses and fees	30,225	38,150	7,925
Grants	10,000	-	(10,000)
Delinquent tax penalty	10,000	10,765	765
Rent and forest lease	17,800	16,174	(1,626)
Miscellaneous	11,760	3,081	(8,679)
Total revenues	1,962,205	1,946,052	(16,153)
EXPENDITURES			
Selectboard:			
Salary secretary	1,165	656	509
Stipends	7,500	7,500	-
Payroll taxes	700	757	(57)
Dues / Subscriptions	5,000	5,305	(305)
Advertising / Publishing	1,000	717	283
Legal	9,420	7,292	2,128
Insurance - General	65,000	62,175	2,825
Insurance - Unemployment	2,600	4,211	(1,611)
Supplies	600	518	82
Flags	1,000	1,370	(370)
Dog expense	1,000	78	922
Audit	15,000	19,650	(4,650)
Ambulance / Dispatch	64,155	64,698	(543)
Professional services	5,000	5,199	(199)
Equipment	500	270	230
Security	750	911	(161)
Landfill	2,500	2,553	(53)
County tax	17,500	20,493	(2,993)
MRPG	2,000	1,765	235
Drug and alcohol testing	1,000	775	225
Miscellaneous	500	631	(131)
Total Selectboard	203,890	207,524	(3,634)

Continued

TOWN OF FAIRFIELD, VERMONT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2023

	Original & Final Budgeted Amounts	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
EXPENDITURES (Continued)			
Town clerk and treasurer:			
Town administrator	58,300	58,245	55
Salary - Clerk	46,300	46,507	(207)
File clerk	14,630	12,010	2,620
Treasurer	5,825	5,764	61
Payroll taxes	8,500	9,373	(873)
Health insurance	30,000	28,145	1,855
Life insurance and accidental death	300	252	48
Disability insurance	700	901	(201)
Retirement	7,000	7,350	(350)
Supplies	2,000	1,863	137
Telephone	4,500	4,159	341
Banking	-	81	(81)
Postage and shipping	4,000	3,551	449
Computer expense	15,000	10,316	4,684
Mileage	200	165	35
Education and training	1,000	308	692
Equipment	2,000	2,653	(653)
Tax bill expense	250	131	119
Miscellaneous	250	120	130
Total town clerk and treasurer	<u>200,755</u>	<u>191,894</u>	<u>8,861</u>
Town auditors:			
Salary or stipend	750	750	-
Payroll taxes	60	38	22
Publications	2,250	1,836	414
Postage and shipping	200	15	185
Total town auditors	<u>3,260</u>	<u>2,639</u>	<u>621</u>
Listers:			
Salary or stipend	6,730	6,715	15
Town assessor	18,645	228	18,417
Payroll taxes	520	514	6
Postage and shipping	500	164	336
Computer expense	1,000	947	53
Parcel mapping	5,000	5,675	(675)
Total listers	<u>32,395</u>	<u>14,243</u>	<u>18,152</u>

Continued

TOWN OF FAIRFIELD, VERMONT

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For the Year Ended December 31, 2023

	Original & Final Budgeted Amounts	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
EXPENDITURES (Continued)			
Delinquent tax collector:			
Salary	11,230	8,295	2,935
Stipends	2,500	2,500	-
Payroll taxes	1,050	802	248
Legal	-	60	(60)
Advertising and publishing	250	1,013	(763)
Postage and shipping	500	1,042	(542)
Mileage	200	104	96
Equipment	100	843	(743)
Miscellaneous	-	150	(150)
Total delinquent tax collector	<u>15,830</u>	<u>14,809</u>	<u>1,021</u>
Town properties:			
Salary	1,500	930	570
Supplies	500	211	289
Electricity	6,000	6,040	(40)
Heat	14,000	12,449	1,551
Repairs and maintenance	4,000	4,256	(256)
Security	850	963	(113)
Security - Fire Department	800	838	(38)
Maintenance - Community Center	3,500	3,500	-
Maintenance - North Road	2,000	5,900	(3,900)
Water	600	758	(158)
Professional services	500	100	400
Equipment	500	170	330
Capital improvements	10,000	9,326	674
Miscellaneous	-	600	(600)
Total town properties	<u>44,750</u>	<u>46,041</u>	<u>(1,291)</u>
Cemeteries:			
Contracted services	<u>10,000</u>	<u>7,680</u>	<u>2,320</u>
Total cemeteries	<u>10,000</u>	<u>7,680</u>	<u>2,320</u>
Parks and recreation:			
Electricity	550	591	(41)
Contracted services	1,250	750	500
Portolet rental	800	675	125
Miscellaneous	<u>1,000</u>	<u>809</u>	<u>191</u>
Total parks and recreation	<u>3,600</u>	<u>2,825</u>	<u>775</u>
Street lights:			
Electricity	<u>5,500</u>	<u>5,499</u>	<u>1</u>
Total street lights	<u>5,500</u>	<u>5,499</u>	<u>1</u>
Continued			

TOWN OF FAIRFIELD, VERMONT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2023

	Original & Final Budgeted Amounts	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
EXPENDITURES (Continued)			
Appropriations:			
Warning	25,571	25,571	-
Fire Department	117,225	117,225	-
Total appropriations	<u>142,796</u>	<u>142,796</u>	<u>-</u>
Road maintenance:			
Salaries	219,705	205,381	14,324
Payroll taxes	20,450	18,308	2,142
Retirement	26,200	15,621	10,579
Health insurance	28,850	38,357	(9,507)
Life insurance and accidental death	450	504	(54)
Disability insurance	1,000	1,274	(274)
Equipment	2,000	1,271	729
Contracted services	172,500	73,534	98,966
Materials	150,000	226,739	(76,739)
Winter sand	50,000	61,404	(11,404)
Chloride	60,000	38,873	21,127
Gravel	30,000	37,456	(7,456)
Road signs	5,000	3,162	1,838
Miscellaneous	15,500	4,401	11,099
Total road maintenance	<u>781,655</u>	<u>726,285</u>	<u>55,370</u>
Equipment:			
Labor	31,770	23,457	8,313
Supplies	40,000	48,443	(8,443)
Repairs and maintenance	15,000	14,749	251
Fuel and oil	85,000	67,554	17,446
Debt retirement - Interest and principal	68,055	68,052	3
Total equipment	<u>239,825</u>	<u>222,255</u>	<u>17,570</u>
Town garage:			
Salaries	15,900	12,443	3,457
Supplies	3,000	4,286	(1,286)
Telephone	300	295	5
Tools	2,000	1,644	356
Electricity	2,500	2,940	(440)
Heat	2,500	2,459	41
Repairs and maintenance	10,000	6,717	3,283
Water	200	202	(2)
Computer	200	24	176
Equipment	1,800	260	1,540
Security	800	833	(33)
Miscellaneous	500	392	108
Total town garage	<u>39,700</u>	<u>32,495</u>	<u>7,205</u>

Continued

TOWN OF FAIRFIELD, VERMONT

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For the Year Ended December 31, 2023

	<u>Original & Final Budgeted Amounts</u>	<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXPENDITURES (Continued)			
Debt service:			
Interest - General	2,000	4,035	(2,035)
Total debt service	<u>2,000</u>	<u>4,035</u>	<u>(2,035)</u>
 Total expenditures	 <u>1,725,956</u>	 <u>1,621,020</u>	 <u>104,936</u>
 Excess of revenues over expenditures	 <u>236,249</u>	 <u>325,032</u>	 <u>88,783</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in			
Equipment fund	35,740	46,502	10,762
Capital projects fund	(20,000)	(20,000)	-
Salt Shed Grant fund	-	(50,413)	(50,413)
Equipment fund	(100,000)	(100,000)	-
Recreation fund	(10,000)	(10,000)	-
Library fund	<u>(129,214)</u>	<u>(129,214)</u>	<u>-</u>
Total other financing sources (uses)	<u>(223,474)</u>	<u>(263,125)</u>	<u>(39,651)</u>
 Excess (deficiency) of revenues over expenditures and other financing sources (uses)	 <u>\$ 12,775</u>	 <u>\$ 61,907</u>	 <u>\$ 49,132</u>

TOWN OF FAIRFIELD, VERMONT

NOTE TO BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended December 31, 2023

Note A. Budget to Actual Reconciliation

An explanation of the differences between budgetary revenues and expenditures and revenues and expenditures determined in accordance with generally accepted accounting principles follows:

Revenues:

Actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 1,946,052
Miscellaneous revenues are not budgetary revenue but is a revenue for financial reporting purposes	-
Grant revenue to be collected from the state are not a budgetary revenue but is a revenue for financial reporting purposes	-
Tax revenue to be collected within 60 days of year-end is a revenue for financial reporting purposes but is not a revenue for budgetary purposes	<u>3,914</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental funds	<u><u>\$ 1,949,966</u></u>

Expenditures:

Actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 1,621,020
Accounts payable is included in expenditures for financial reporting purposes but is not an expenditure for budgetary purposes	(8,624)
Accrued payroll is included in expenditures for financial reporting purposes but is not an expenditure for budgetary purposes	<u>(707)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental funds	<u><u>\$ 1,611,689</u></u>

TOWN OF FAIRFIELD, VERMONT

**SCHEDULE OF THE TOWN'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Vermont Municipal Employees Retirement System
Last 7 Fiscal years**

	2023	2022	2021	2020	2019	2018	2017	2016
Town's proportion of the net pension liability	0.085181%	0.084180%	0.088180%	0.094315%	0.108710%	0.10770%	0.10765%	0.0571%
Town's proportionate share of the net pension liability	\$ 272,828	\$ 255,389	\$ 129,790	\$ 238,592	\$ 188,604	\$ 151,505	\$ 130,423	\$ 73,460
Town's covered-employee payroll	\$ 386,721	\$ 336,999	\$ 326,768	\$ 329,805	\$ 306,522	\$ 349,027	\$ 318,357	\$ 306,723
Town's portion of the net pension liability as a percentage of the covered-employee payroll	70.55%	75.78%	39.72%	72.34%	61.53%	43.41%	40.97%	23.95%
Plan fiduciary net position as a percentage of the total pension liability	74.01%	73.60%	86.29%	74.52%	80.35%	82.60%	83.64%	80.95%

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
Vermont Municipal Employees Retirement System
Last 7 Fiscal years**

	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 24,280	\$ 21,063	\$ 19,606	\$ 19,547	\$ 20,887	\$ 18,864	\$ 17,580	\$ 8,675
Contributions in relation to the statutorily required contribution	24,280	21,063	19,606	19,547	20,887	18,864	17,580	8,675
Annual contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 386,721	\$ 336,999	\$ 326,768	\$ 329,805	\$ 306,522	\$ 349,027	\$ 318,357	\$ 306,723
Contributions in relation to the statutory required contribution as a percentage of the covered-employee payroll	6.278%	6.250%	6.000%	5.927%	6.814%	5.405%	5.522%	2.828%

Notes to the Required Supplementary Information - Pension

Changes in actuarial assumptions and methods:

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

Changes in Plan Provisions:

At the November 17, 2020, Board Meeting, the Board voted unanimously to authorize employer contribution rates increases of .50% each year for a period of four years, beginning July 1, 2022. In 2022, The Legislature passed H.740, which effectively split the Board-authorized increases evenly between members and employers by including an increase in the employee rate of 0.25% for each group for four years, beginning July 1, 2022.

Note: These schedules will eventually present 10 years of information; however, they currently only provide information on fiscal years for which it is available.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF FAIRFIELD, VERMONT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2023

	Zoning Fund	Equipment Fund	Lister/ Reappraisal Fund	Historical Soc/Building Fund	Grant Writer Fund	Capital Projects Fund	Paving Fund	Fire Station Fund	Legal Fund	Computerization Fund	Recreation Fund	Common School Fund	Better Back Roads Fund	Better Backroads Grant Fund	Total Nonmajor Governmental Funds
ASSETS															
Cash	\$ 7,053	\$ 230,072	\$ 60,517	\$ 16,292	\$ -	\$ 200,971	\$ 26,743	\$ -	\$ -	\$ 22,489	\$ 15,765	\$ 25,045	\$ -	\$ -	\$ 604,947
Grants receivable	-	-	-	-	-	-	-	-	-	-	-	-	26,508	-	26,508
Due from other funds	-	20,740	-	-	13,015	-	-	-	2,390	11,284	3,800	-	-	-	51,229
Total assets	\$ 7,053	\$ 250,812	\$ 60,517	\$ 16,292	\$ 13,015	\$ 200,971	\$ 26,743	\$ -	\$ 2,390	\$ 33,773	\$ 19,565	\$ 25,045	\$ 26,508	\$ -	\$ 682,684
LIABILITIES AND FUND BALANCE															
LIABILITIES															
Due to other funds	\$ 1,891	-	\$ -	\$ 4,209	\$ -	\$ 5,067	\$ -	\$ 360	\$ -	\$ -	\$ -	\$ -	\$ 19,537	\$ -	\$ 31,064
Total liabilities	1,891	-	-	4,209	-	5,067	-	360	-	-	-	-	19,537	-	31,064
FUND BALANCES															
Fund balances:															
Restricted	-	-	60,517	12,083	-	195,904	-	-	-	-	-	-	-	-	268,504
Committed	-	250,812	-	-	13,015	-	26,743	-	2,390	-	19,565	25,045	-	-	337,570
Assigned	5,162	-	-	-	-	-	-	-	-	33,773	-	-	-	-	38,935
Unassigned	-	-	-	-	-	-	-	(360)	-	-	-	-	6,971	-	6,611
Total fund balances	5,162	250,812	60,517	12,083	13,015	195,904	26,743	(360)	2,390	33,773	19,565	25,045	6,971	-	651,620
Total liabilities and fund balances	\$ 7,053	\$ 250,812	\$ 60,517	\$ 16,292	\$ 13,015	\$ 200,971	\$ 26,743	\$ -	\$ 2,390	\$ 33,773	\$ 19,565	\$ 25,045	\$ 26,508	\$ -	\$ 682,684

TOWN OF FAIRFIELD, VERMONT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

	Zoning Fund	Equipment Fund	Library/ Reappraisal Fund	Historical Soc/Building Fund	Grant Writer Fund	Capital Projects Fund	Fire Station Fund	Paving Fund	Legal Fund	Computerization Fund	Recreation Fund	Common School Fund	Better Back Roads Fund	Better Backroads Grant Fund	Total Nonmajor Governmental Funds
REVENUES															
State aid - Listers	\$ -	\$ -	\$ 9,078	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,078
Interest	18	275	342	24	-	115	-	67	-	45	9	37	-	-	932
Licenses and fees	-	-	-	-	-	-	-	-	-	6,012	-	-	-	-	6,012
Grants - Federal	-	-	-	-	-	43,589	-	-	-	-	-	-	-	-	43,589
Grants - State	-	-	-	-	-	-	-	200,000	-	-	-	-	26,508	6,154	232,662
Miscellaneous	-	10,118	1,067	-	-	-	-	-	-	-	-	-	-	-	11,185
Total revenues	18	10,393	10,487	24	-	43,704	-	200,067	-	6,057	9	37	26,508	6,154	303,458
EXPENDITURES															
Salary and stipend	-	-	-	-	-	800	-	-	-	-	-	-	-	-	800
Repairs and maintenance	-	-	-	-	-	-	-	-	-	-	2,607	-	-	-	2,607
Grant expenditures	-	-	-	-	-	46,499	-	-	-	-	-	-	-	-	46,499
Equipment	-	70,322	-	-	-	-	-	-	-	5,649	70	-	-	-	76,041
Contracted/Professional services	-	-	-	-	-	-	-	250,413	-	-	-	-	15,353	-	265,766
Materials	-	-	-	-	-	-	-	-	-	-	-	-	10,156	-	10,156
Miscellaneous	-	-	28,236	3,387	-	-	-	-	-	1,858	860	-	-	-	34,341
Total expenditures	-	70,322	28,236	3,387	-	46,499	-	250,413	-	7,507	3,537	-	25,509	-	436,210
Excess (deficiency) of revenues over expenditures	18	(59,929)	(17,749)	(3,363)	(800)	(2,795)	-	(50,346)	-	(1,450)	(3,528)	37	999	6,154	(132,752)
OTHER FINANCING SOURCES (USES)															
Operating transfers in	-	100,000	-	-	-	178,160	-	50,413	-	-	10,000	-	-	-	338,573
Operating transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,762)	(10,762)
Total other financing sources (uses)	-	100,000	-	-	-	178,160	-	50,413	-	-	10,000	-	-	(10,762)	327,811
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	18	40,071	(17,749)	(3,363)	(800)	175,365	-	67	-	(1,450)	6,472	37	999	(4,608)	195,059
Fund balance at beginning of year	5,144	210,741	78,266	15,446	13,815	20,539	(360)	26,676	2,390	35,223	13,093	25,008	5,972	4,608	456,561
Fund balance at end of year	\$ 5,162	\$ 250,812	\$ 60,517	\$ 12,083	\$ 13,015	\$ 195,904	\$ (360)	\$ 26,743	\$ 2,390	\$ 33,773	\$ 19,565	\$ 25,045	\$ 6,971	\$ -	\$ 651,620

TOWN OF FAIRFIELD, VERMONT

COMBINING STATEMENT OF PRIVATE PURPOSE TRUST FUNDS

December 31, 2023

	Cemetery Fund	Morey Fund	Total Private Purpose Trust Funds
ASSETS			
Cash	\$ 18,592	\$ 2,776	\$ 21,368
Due from other funds	5,800	-	5,800
	<hr/>	<hr/>	<hr/>
Total assets	24,392	2,776	27,168
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Total liabilities	-	-	-
	<hr/>	<hr/>	<hr/>
NET POSITION			
Restricted for Bradley Cemetery	15,824	-	15,824
Restricted for specific purposes	8,568	2,776	11,344
	<hr/>	<hr/>	<hr/>
Total net position	\$ 24,392	\$ 2,776	\$ 27,168
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

TOWN OF FAIRFIELD, VERMONT

**COMBINING STATEMENT OF CHANGES
IN PRIVATE PURPOSE TRUST FUNDS
For the Year Ended December 31, 2023**

	Cemetery Fund	Morey Fund	Total Private Purpose Trust Funds
ADDITIONS			
Miscellaneous	\$ 1,000	\$ -	\$ 1,000
Interest	141	22	163
	<hr/>	<hr/>	<hr/>
Total additions	1,141	22	1,163
	<hr/>	<hr/>	<hr/>
DEDUCTIONS			
Miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
Total deductions	-	-	-
	<hr/>	<hr/>	<hr/>
Change in net position	1,141	22	1,163
	<hr/>	<hr/>	<hr/>
Net position at beginning of year	23,251	2,754	26,005
	<hr/>	<hr/>	<hr/>
Net position at end of year	<u>\$ 24,392</u>	<u>\$ 2,776</u>	<u>\$ 27,168</u>