TOWN OF MIDDLESEX, VERMONT

AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2024

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FOR THE YEAR ENDED JUNE 30, 2024
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Batchelder Associates, PC

INDEPENDENT AUDITOR'S REPORT

To the Board of Selectmen
Town of Middlesex
Middlesex, Vermont

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Middlesex, Vermont as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Middlesex, Vermont's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAP). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Middlesex, 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 (GAAP), 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 Middlesex, Vermont's ability to continue as a going concern for twelve (12) months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted 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 test basis evidence regarding the amounts and disclosures in the financials

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America (GAAP) require that the management's discussion and analysis and budgetary comparison information on pages 3-8 and 36-38, respectively, the Schedule of Proportionate Share of the Net Position Liability on Schedule 1 and the Schedule of Contributions on Schedule 2 and Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual on Schedule 3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), 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 Middlesex's basic financial statements. The combining and individual non-major fund financial statements are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America (GAAP). In our opinion, the combining and individual non-major fund financial 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 introductory and statistical sections but does not include the basic financial statements and our auditor's 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 thereon.

In connection with our audit of the basic financial statements, our responsibility is 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.

Batchelder Associates, PC
License #945
Barre, Vermont
December 12, 2024

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As management of the Town of Middlesex, Vermont ("Town") we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found at the beginning of this report.

Financial Highlights

The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by $798,924 (*net position*). Of this amount, there is a deficit of $243,098 (*unrestricted net position*). The Town's total net position for governmental activities decreased by $1,957,731.

As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $403,616, a decrease of $834,184 from the prior year end. Of the total ending fund balances, no funds available for spending at the government's discretion. Flooding during July of 2023 caused increased spending for flood repairs.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three (3) 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.

1. Government-Wide Financial Statements

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

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, public works, health and social services, conservation, and development.

The government-wide financial statements are designed to include not only the Town itself *(known as the primary government),* but also any legally separate entities for which the Town is financially accountable *(known as component units*). The Town has no such entities that qualify as component units.

The government-wide financial statements can be found on page 9 and page 10 of this report.

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2. Fund Financial Statements

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

a. Governmental Funds

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

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

The Town maintains three (3) individual governmental funds, including the General Fund, eight (8) Special Revenue Funds and four (4) Capital Project Funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Cemetery Fund and Paving, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is presented in a supplementary schedule.

The basic governmental fund financial statements can be found on page 11 through page 14 of this report.

b. Proprietary Funds

The Town has no Proprietary Funds.

c. Fiduciary Funds

The Town has no Fiduciary Funds.

3. Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements in this report.

4. Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information to provide additional financial information not included in the basic financial statements. This supplementary information includes combining statements for various funds, and budgetary comparison statements. The supplementary information can be found immediately following the notes to the financial statements in this report.

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Government-Wide Financial Analysis

	Governmental Activities		Total	
	2024	2023	2024	2023
Current and other assets	$ 1,395,195	$ 1,709,552	$ 1,395,195	$ 1,709,552
Capital assets, non-depreciable	568,300	568,300	568,300	568,300
Capital assets, depreciable	2,124,311	1,892,892	2,124,311	1,892,892
Total Assets	4,087,806	4,170,744	4,087,806	4,170,744
Deferred outflows of resources	87,840	97,220	87,840	97,220
Long-term liabilities outstanding	2,144,265	939,353	2,144,265	939,353
Other liabilities	884,219	224,020	884,219	224,020
Deferred inflows of resources	348,238	347,934	348,238	347,934
			-	-
Total Liabilities	3,376,722	1,511,307	3,376,722	1,511,307
Net Position				
Invested in capital assets, net of related debt	548,346	1,605,242	548,346	1,605,242
Restricted	215,916	33,471	215,916	33,471
Committed	277,759	429,131	277,759	429,131
Unrestricted	(243,098)	688,811	(243,098)	688,811
Total Net Position	$ 798,924	$ 2,756,655	$ 798,924	$ 2,756,655

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by $461,909 at the close of the fiscal year end.

By far the largest portion of the Town's net position, reflective of 68.63% of the balance, is the investment in capital assets (e.g., land, buildings, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending.

The unrestricted fund balance is in a deficit position due to the flood during July, 2023. The Town is working closely with FEMA to secure additional grant funds to cover the significant costs to date for flood repairs. Once these grant funds are received, the impact on the unrestricted fund balance will be reversed. Restricted, non-spendable, assigned and committed balances total $1,042,022.

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Governmental Activities

Governmental activities decreased the Town's net position by $1,957,731 during the current fiscal year.

	Governmental Activities		Total	
	2024	2023	2024	2023
REVENUES				
Program revenues				
Charges for services	$ 29,336	$ 35,244	$ 29,336	$ 35,244
Operating grants and contributions	1,025,212	443,001	1,025,212	443,001
Capital grants and contributions	-	175,000	-	175,000
General revenues				
Property taxes	1,491,737	1,421,142	1,491,737	1,421,142
Penalties and interest	16,697	-	16,697	-
Unrestricted investment earnings	16,464	8,682	16,464	8,682
Licenses and fees	10,011	-	10,011	-
Other revenues	5,135	16,938	5,135	16,938
Total Revenues	2,594,592	2,100,007	2,594,592	2,100,007
EXPENSES				
Governmental activities				
General government	639,285	458,334	639,285	458,334
Public safety	229,933	206,023	229,933	206,023
Highway and streets	3,562,078	845,413	3,562,078	845,413
Cemetery	14,665	9,825	14,665	9,825
Culture and recreation	79,937	83,850	79,937	83,850
Interest on long-term debt	26,426	25,296	26,426	25,296
Total Expenses	4,552,323	1,628,741	4,552,324	1,628,741
Change in net assets	(1,957,731)	471,266	(1,957,732)	471,266
Net position-beginning of year, restated	2,756,655	2,285,390	2,756,655	2,285,390
Net position - end of year	$ 798,924	$ 2,756,655	$ 798,923	$ 2,756,656

Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

1. Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $403,616, a decrease of $834,184 in comparison to the prior year.

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Financial Analysis of the Government's Funds (continued)

1. Governmental Funds (continued)

a. General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the General Funds unrestricted balance was a deficit of $141,567. As a measure of the General Fund's liquidity, it would be useful to compare total fund balance to total general fund expenditures and operating transfers.

The General Fund balance decreased by $865,257 during the fiscal year. Key factors in this change are a result of flooding during July of 2023 caused increased spending for flood repairs.

b. Non-Major Special Revenue and Capital Project Funds

Non-Major funds include the following:

Non-Major Funds	
Special Revenue	**Capital Project**
Conservation Fund	Bridge Fund
Conservation Commission	Town Garage Building
Records Restoration	Building Fund
Reappraisal Fund	Resurface Fund
Milford Leonard Fund	Asset and Equipment Fund
Walter Kelley Park Fund	
Town Forest Fund	
Welch Park Fund	
Grant Fund	
ARPA Fund	

The total non-major funds balances as of June 30, 2024, total $359,352.

Capital Asset and Debt Administration

1. Capital Assets

The Town's investment in capital assets for its governmental funds for the year ended, amounted to $2,692,611 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, infrastructure, furniture, vehicles, and equipment.

	Governmental Activities		Total	
	2024	2023	2024	2023
Land	$ 568,300	$ 568,300	$ 568,300	$ 568,300
Capital assets				
Buildings and improvements	420,068	446,322	420,068	446,322
Vehicles and equipment	891,865	583,642	891,865	583,642
Infrastructure	812,378	862,929	812,378	862,929
Total Assets	$ 2,692,611	$ 2,461,193	$ 2,692,611	$ 2,461,193

Additional information on the Town's capital assets can be found in Note 4 of the notes to financial statements.

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Capital Asset and Debt Administration (continued)

2. Long-term Debt

At the end of the current year, the Town had total long-term debt outstanding of $2,144,265. This debt is a result of the major equipment financing and the fire station construction bond.

	Governmental Activities		Total	
	2024	2023	2024	2023
Notes payable, bank	$ 2,144,265	$ 849,322	$ 2,144,265	$ 849,322
Totals	$ 2,144,265	$ 849,322	$ 2,144,265	$ 849,322

State statutes limit the amount of bonded debt any governmental entity may issue to 10 times its total assessed valuation. The current debt limit for the Town is significantly in excess of the Town's outstanding bonded debt.

Economic Factors and Next Year's Budgets and Rates

Recent data on Vermont economic conditions indicate that the performance of the Vermont economy has generally outperformed the developments in the U.S. economy overall during the past 12 to 18 months.

All these factors were considered in preparing the Town's budget for the year ended June 30, 2024.

The Town approved a general fund budget for the year ended June 30, 2025 in the amount of $1,845,508 and for the fiscal year 2024 in the amount of $1,657,285. This represents an annualized increase of $188,223 from the approved budget for the prior fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Treasurer, 5 Church Steet, Middlesex, Vermont, 05602, (802) 223-5915.

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

	Governmental Activities
ASSETS	
Cash	$ 786,252
Investments	123,514
Accounts receivable, net	8,885
Delinquent taxes receivable, net	80,044
Grant receivable, net	337,015
Interest and penalties receivable, net	7,980
Prepaid expenses	51,505
Capital assets:	
Land	568,300
Buildings and building improvements	982,752
Equipment and vehicles	2,268,036
Infrastructure	1,131,428
Accumulated depreciation	(2,257,905)
Total Assets	4,087,806
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to the Town's participation in VMERS	87,840
Total Deferred Outflows of Resources	87,840
LIABILITIES	
Accounts payable	607,305
Accrued wages	32,628
Bonds, notes & leases payable due within one year	26,426
Bonds, notes & leases payable due after one year	2,117,839
Net pension liability	244,285
Total Liabilities	3,028,484
DEFERRED INFLOWS OF RESOURCES	
Prepaid property taxes	2,147
Grant advances	344,907
Deferred inflows of resources related to the Town's participation in VMERS	1,184
Total Deferred Inflows of Resources	348,238
NET POSITION	
Net investment in capital assets	548,346
Restricted	215,916
Committed	277,759
Unrestricted (deficit)	(243,098)
Total Net Position	$ 798,924

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

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

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position: Governmental Activities	Net (Expenses) Revenue and Changes in Net Position: Total
Governmental activities:						
General government	$ 639,285	$ 15,648	$ 869,787	$ -	$ 246,150	$ 246,150
Public safety	229,933	-	-	-	(229,933)	(229,933)
Highway and streets	3,562,078	-	155,425	-	(3,406,653)	(3,406,653)
Cemetery	14,665	-	-	-	(14,665)	(14,665)
Culture and recreation	79,937	13,689		-	(66,249)	(66,249)
Interest on debt	26,426	-	-	-	(26,426)	(26,426)
Total Governmental Activities	4,552,323	29,336	1,025,212	-	(3,497,776)	(3,497,776)
General Revenues:						
Property taxes					1,491,737	1,491,737
Penalties and interest					16,697	16,697
Earnings on investments					16,464	16,464
Licenses and fees					10,011	10,011
Other					5,135	5,135
Total General Revenues and Transfers					1,540,045	1,540,045
Change in Net Position					(1,957,731)	(1,957,731)
Net Position - July 1, 2023					2,756,655	2,756,655
Net Position - June 30, 2024					$ 798,924	$ 798,924

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

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

	General Fund	Cemetery Fund	Paving Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	$ 431,324	$ 2,815	$ 12,243	$ 339,870	$ 786,253
Investments	-	123,515	-	-	123,515
Accounts receivable, net	1,092	-	-	344,808	345,900
Delinquent taxes receivable, net	80,043	-	-	-	80,043
Interest and penalties receivable, net	7,981	-	-	-	7,981
Prepaid expenses	51,508	-	-	-	51,508
Due from other funds	-	-	-	349,236	349,236
Total Assets	$ 571,948	$ 126,330	$ 12,243	$ 1,033,915	$ 1,744,436
LIABILITIES					
Accounts payable	$ 607,305	$ -	$ -	$ -	$ 607,305
Accrued wages	18,841	-	-	-	18,841
Accrued liabilities	135	-	-	-	135
Due to other funds	15,331	4,250	-	329,655	349,236
Total Liabilities	641,612	4,250	-	329,655	975,518
DEFERRED INFLOWS OF RESOURCES					
Prepaid property taxes	2,147	-	-	-	2,147
Grant advances	-	-	-	344,907	344,907
Unavailable property taxes, penalties and interest	18,249	-	-	-	18,249
Total Deferred Inflows of Resources	20,396	-	-	344,907	365,303
FUND BALANCES					
Nonspendable	51,508	-	-	-	51,508
Restricted	-	122,080	-	93,836	215,916
Assigned	-	-	12,243	265,516	277,759
Unassigned	(141,567)	-	-	-	(141,567)
Total Fund Balances	(90,060)	122,080	12,243	359,352	403,616
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 571,948	$ 126,330	$ 12,243	$ 1,033,915	$ 1,744,436

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

TOWN OF MIDDLESEX, VERMONT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

Amounts reported for governmental activities in the statement of net position are different because:		
Fund balance - total governmental funds	$	403,616
Capital assets used in governmental activities are not financial resources and, financial resources and, therefore, are not reported as assets in governmental funds.		
Cost of assets		4,950,516
Accumulated depreciation		(2,257,905)
Deferred outflows/inflows of resources are recognized on the accrual basis in the statement of net position, not the modified accrual basis. Deferred outflows, Inflows of resources not available to pay current period expenditures consisted of the following:		
Unavailable property taxes, penalties and interest		18,249
Deferred outflow - pension		87,840
Deferred inflow - pension		(1,184)
Long-term liabilities, including bonds and leases payable 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 the following:		
Bonds, notes & leases payable		(2,144,265)
Uncompensated balances		(13,652)
Net pension liability		(244,285)
Net position - governmental activities	$	798,924

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

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

	General Fund	Cemetery Fund	Paving Fund	Other Governmental Funds	Total Government Funds
REVENUES:					
Property taxes	$ 1,521,941	$ -	$ -	$ -	$ 1,521,941
Property taxes - interest and penalties	16,697	-	-	-	16,697
Intergovernmental	264,267	-	-	-	264,267
Grants	-	-	200,000	560,944	760,944
Charges for services	15,648	-	-	13,689	29,336
Licenses and fees	10,011		-	-	10,011
Investment income	3,410	9,879	687	2,487	16,464
Miscellaneous	185	4,950	-	-	5,135
	1,832,160	14,829	200,687	577,119	2,624,796
EXPENDITURES:					
General government	382,056	-	-	201,154	583,211
Public safety	179,383	-	-	-	179,383
Highway and streets	3,066,892	-	-	337,015	3,403,907
Cemetery	4,665	10,000	-	-	14,665
Culture, recreation, development & transportation	79,937	-	-	-	79,937
Capital outlay:					
Highway and streets	142,000	-	324,394	-	466,394
Debt service:					
Principal	1,143,057	-	-	-	1,143,057
Interest	26,426	-	-	-	26,426
Total expenditures	5,024,416	10,000	324,394	538,169	5,896,980
Excess (Deficiency) of Revenues Over Expenditures	(3,192,257)	4,829	(123,707)	38,950	(3,272,185)
OTHER FINANCING SOURCES (USES)					
Loan proceeds	2,438,000	-	-	-	2,438,000
Transfers in	-	-	30,000	81,000	111,000
Transfers out	(111,000)	-	-	-	(111,000)
Total other financing sources (uses)	2,327,000	-	30,000	81,000	2,438,000
Net Change in Fund Balances	(865,257)	4,829	(93,707)	119,951	(834,184)
Fund Balances - July 1, 2023	775,197	117,251	105,950	239,401	1,237,799
Fund Balances - June 30, 2024	$ (90,060)	$ 122,080	$ 12,243	$ 359,352	$ 403,616

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

TOWN OF MIDDLESEX, VERMONT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	$ (834,184)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets ($466,394) is allocated over their estimated useful lives and reported as depreciation expense ($234,976). This is the amount by which capital outlays exceeded depreciation in the current period.	231,418
Property taxes receivable, notes receivable and other receivables are recognized on the accrual basis in the statement of net position, not the modified accrual basis. The decrease in this unearned and unavailable revenue for the year is:	(30,203)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.	
Proceeds from borrowing	(2,438,000)
Debt service - principal	1,143,057
In the statement of activities, accrued compensated absences are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, compensated absences incurred was (greater)/less than the amounts paid.	(1,952)
Governmental funds report employer pension contributions as expenditures ($). However, in the statement of activities, the cost of pension benefits earned plus employee contributions ($) is reported as pension expense. This amount is the net effect of the difference in the treatment of pension expense.	(27,867)
Change in net position of governmental activities	$ (1,957,731)

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Middlesex, Vermont ("Town") is organized as a Town under the applicable laws and regulations of the State of Vermont. It is governed by a Select Board elected by registered voters of the Town to provide public health and safety, highways and street, public improvements, planning and zoning, recreation, and general administration. Except where noted, the accounting policies conform to generally accepted accounting principles (GAAP), as applicable to governmental units.

The accounting policies adopted by the Town conform to generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant accounting policies employed in the preparation of these financial statements.

The Financial Reporting Entity

The Select Board is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the Town is a financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) in its Statement No. 14. There is no component units included within the reporting entity. A component unit is another operation in the Town that has a separately elected Board such as a town school district, cemetery, or library.

This report includes all the funds of the Town. The reporting entity consists of the primary government; organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organizations governing body and it can impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. There are no agencies or entities that should be combined with the financial statements of the Town.

Basis of Presentation

The accounts of the Town are organized and operated on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and how spending activities are controlled.

The basic financial statements of the Town include both government-wide statements and fund financial statements. The focus of the government-wide statements is on reporting the operating results and financial position of the Town as a whole and present a longer-term view of the Town's finances. The focus of the fund financial statements is on reporting on the operating results and financial position of the most significant funds of the Town and present a shorter-term view of how operations were financed and what remains available for future spending.

Basic Financial Statements - Government-Wide Statements

The statement of net position and the statement of activities display information about the Town. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of activities between funds; however, interfund services provided and used are not eliminated. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Basic Financial Statements - Fund Financial Statements

The fund financial statements provide information about the Town's funds. Separate statements for each fund category - governmental, are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Measurement Focus

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

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

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.

Accrual Basis of Accounting

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

Modified Accrual Basis of Accounting

Governmental funds are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers all revenues reported in governmental funds to be available if the revenues are collected within sixty (60) days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, certain compensated absences and other long-term liabilities which are recognized when the obligations are expected to be liquidated or are funded with expendable available financial resources.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

Estimates

The presentation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates used by the Town are the estimated useful lives used to calculate depreciation of property, plant, and equipment.

Assets, Liabilities and Fund Balances

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of six (6) months or less from the date of acquisition.

Investments

State statute does not restrict the types of investments the Town can make. All investments require the authorization of the Board of Selectmen. The Town has no investments.

In accordance with GASB 31, "Accounting and Financial Reporting for Certain Investments," investments with readily determinable fair values are reported at their fair values on the balance sheet. Unrealized gains and losses are included in revenue.

Receivables

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

Transactions between funds that are representative of lending/borrowing arrangements that are outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (for the current portion of the interfund loans) or "advances to/from other funds" (for the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Accounts receivable from other governments represent amounts due from the State of Vermont for grants reimbursements. Based on experience and because the receivables are in accordance with formal agreements, the Town has not established an allowance for uncollectible receivables.

The Town is responsible for assessing and collecting its own property taxes, as well as taxes for the State for school purposes. Property taxes are assessed based on property valuations as of April 1 annually. Taxes were levied during August and were due and payable during September 2023, November 2023, February 2024, and May 2024.

During the year ended tax year June 30, 2024, taxes were billed in four (4) installments. Taxes paid after due date are subject to an 8% penalty and .5% interest per month. Because unpaid taxes become an enforceable lien on the property, and such properties are subject to tax sale by the delinquent tax collector, the Town has not established an allowance for uncollectible taxes receivable.

As of June 30, 2024, delinquent taxes receivable was $88,024, inclusive of interest and penalties, with no allowance for uncollectible taxes.

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The tax rates for FY2024 are as follows:

	Homestead	Non-Residential
Homestead education tax	$ 1.8229	$ -
Non-residential education tax	-	1.7009
Town general fund appropriations	0.6215	0.6215
Local agreement	0.0024	0.0024
Total	$ 2.4468	$ 2.3248

Inventories

The Town does not record inventories of supplies as these amounts are not material in relation to the Town's results of operations. Accordingly, expenditures related to inventories are reported in governmental funds when purchased.

Capital Assets

Capital assets, which include land, buildings, furniture, and equipment, are reported in the applicable governmental activities' column in the governmental-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of $5,000 or more and estimated useful life in excess of one year. Such assets are reported at actual cost or estimated historical cost based on appraisals or deflated current replacement cost if purchased or constructed. Contributed assets are recorded at their estimated fair value at the time received. Major outlays for capital assets and improvements are capitalized as constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Capital assets reported in the government-wide fund financial statements are depreciated in order that the cost of these assets will be charged to expenses over their estimated service lives, using the straight-line method of calculating depreciation. Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets are as follows:

	Capitalization Threshold	Estimated Service Life
Land improvements	$ 10,000	10-50 years
Buildings and building improvements	$ 20,000	10-75 years
Vehicles and equipment	$ 5,000	3-25 years
Infrastructure	$ 20,000	20-75 years

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

Accrued Compensated Balances

Government-Wide Financial Statements – All vested or accumulated vacation leave is reported as a liability and an expense on the government-wide financial statements. Sick days are not accrued since they are not paid when the employee terminates employment.

Fund Financial Statements - Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are not reported as a liability in the fund financial statements and no expenditure is reported for these amounts until paid. Unused sick days may be accumulated to use in the following year, but sick days are not accrued since they are not paid when the employee terminates employment.

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-term Liabilities

Long-term liabilities include bonds and notes payable, and capital leases payable. Long-term liabilities also include other obligations such as compensated absences and post-employment benefits. Long-term liabilities are reported in the government-wide and proprietary fund financial statements. Governmental fund financial statements do not include any long-term liabilities as those funds use the current financial resources measurement focus and only include current assets and liabilities on their balance sheets.

Fund Balances

Net Position

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources and liabilities in the statement of net position. Net resources invested in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed by its use by Town legislation or external restrictions by creditors, grantors, laws, or regulations of other governments.

Fund Balances

The Town classifies its fund balances depicting the relative strength of the constraints that might control how specific amounts can be spent:

Nonspendable fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use such as impact fees).

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority, the Town voters, in this case. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

Assigned fund balance comprises amounts intended to be used by the government for specific purposes. Intent can be expressed by the Town Selectboard or by an official or body to which the Selectboard delegates the authority.

Unassigned fund balance is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the General Fund.

Non-spendable and restricted funds are so designated by external funds sources, such as in the case of the nonspendable Cemetery Trust Fund corpus, and also by the definitions of “nonspendable” contained in GASB Statement No. 54. Fund balances that are committed and assigned are so designated by action of the voters or the Selectboard, respectively. Special revenue funds are by definition, created only to report a revenue source that is restricted or committed. In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, the Town’s policy is to consider the most constrained fund balances to be expended first.

Budget Accounting

The Town is required by state law to adopt a budget for the General and Highway Funds. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles (GAAP).

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budget Accounting (continued)

The operating budget is prepared by the Select Board and approved by the Select Board at a properly warned meeting for presentation to the voters. The operating budget includes proposed expenditures by line item and the means of financing them. The budget is approved by Town voters at a properly warned annual Town meeting. The voters vote on the total expense amount, but voters have discretion to change individual line items within the budget, thereby changing the total voted expense amount.

Encumbrances

Encumbrance accounting, under which purchase orders, contract, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Projects Fund. Encumbrances are not liabilities and, therefore, should not be recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town has elected to treat its encumbrances as liabilities for budgetary control purposes.

Interfund Balances

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

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, "deferred outflows of resources", represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. The Town has one type which arises under the accrual basis of accounting that qualifies for reporting in this category. The governmental activities, the business-type activities and the proprietary funds report deferred outflows of resources from one source; deferred outflows related to the Town's participation in the Vermont Municipal Employees Retirement System (VMERS). These amounts are deferred and recognized as an outflow of resources in the future periods to which the outflows are related.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, "deferred inflows of resources", represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has three (3) types of items which arise under the modified accrual basis of accounting and two (2) types which arise under the accrual basis of accounting that qualify for reporting in this category. The statement of net position reports deferred inflows of resources from two (2) sources; prepaid property taxes and deferred inflows related to the Town's participation in the Vermont Municipal Employees Retirement System (VMERS). The governmental funds balance sheet reports deferred inflows of resources from three (3) sources: prepaid property taxes, unavailable property taxes, penalties and interest and unavailable receivables. The business-type activities and proprietary funds report deferred inflows of resources from one source; deferred inflows related to the Town's participation in the Vermont Municipal Employees Retirement System (VMERS). These amounts are deferred and recognized as an inflow of resources in the future periods to which the inflows are related or when the amounts become available.

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pension Plans

Effective June 30, 2015, the Town implemented GASB Statement No. 68, "Financial Reporting for Pension Plans" – an amendment of GASB Statement No. 27. GASB Statement No. 68 requires the reporting of the proportionate share of the net pension liability related to the Town's participation in the Vermont Municipal Employees' Retirement System (VMERS) as well as additional disclosures and required supplemental information.

NOTE 2. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS

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

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas government-wide statements report revenues when they are earned. Long-term expense differences arise because governmental funds report operating expenses (including interest) using the modified accrual basis of accounting, whereas government-wide statements report expenses using the accrual basis of accounting.

Capital-related differences arise because governmental funds report capital outlays as current period expenditures, whereas government-wide statements report depreciation expense as an expense. Further, governmental funds report the proceeds for the sale of capital assets as revenue, whereas government-wide statements report the gain or loss from the sale of capital assets as revenue or expense.

Long-term debt transaction differences arise because governmental funds report bond proceeds as other financing sources and principal payments as expenditures, whereas government-wide statements report those transactions as increases and decreases in liabilities.

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NOTE 2. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS (continued)

A detailed explanation of the differences between governmental funds balance sheet and government-wide statement of net position is as follows:

	Total Governmental Funds	Long-term Revenues/ Expenses	Capital-Related Items	Long-term Debt Transactions	Elimination of Due To/From	Statement of Net Position Total
ASSETS						
Cash	$ 786,253	$ -	$ -	$ -	$ -	$ 786,253
Investments	123,515	-	-	-	-	123,515
Accounts receivable, net	345,900					345,900
Delinquent taxes receivable, net	80,043	-	-	-	-	80,043
Interest and penalties receivable, net	7,981	-	-	-	-	7,981
Prepaid expenses	51,508	-	-	-	-	51,508
Grants receivable	-	-	-	-	-	-
Due from other funds	349,236					
Capital assets	-	-	2,692,611	-	-	2,692,611
Total assets	1,744,437	-	2,692,611	-	-	4,087,811
Deferred Outflows - pension sources	-	87,840	-	-	-	87,840
LIABILITIES						
Accounts payable	607,305	-	-	-	-	607,305
Accrued wages	18,841	13,652	-	-	-	32,493
Accrued liabilities	135	-	-	-	-	135
Due to other funds	349,236					
Non-current obligations	-	-	-	2,144,265	-	2,144,265
Net pension liability	-	244,285	-	-	-	244,285
Total Liabilities	975,518	257,937	-	2,144,265	-	3,028,483
Deferred Inflows						
Prepaid property taxes	2,147	-	-	-	-	2,147
Grant advances- ARPA	344,907	-	-	-	-	344,907
Deferred property taxes	18,249	(18,249)	-	-	-	-
Pension resources	-	1,184	-	-	-	1,184
Total deferred inflows	365,303	(17,065)	-	-	-	348,238
NET ASSETS						
Invested in capital assets	-	-	2,692,611	(2,144,265)	-	548,346
Nonspendable	51,508	-	-	-	-	51,508
Restricted	215,916	-	-	-	-	215,916
Assigned	277,759	-	-	-	-	277,759
Unrestricted	(141,567)	(153,038)	-	-	-	(294,605)
Total Net Assets	$ 403,616	$ (153,038)	$ 2,692,611	$ (2,144,265)	$ -	$ 798,924

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NOTE 2. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS (continued)

A detailed explanation of the differences between governmental funds statement of revenues, expenditures and changes in fund balances and government-wide statement of activities is as follows:

	Total Governmental Funds	Long-term Revenues/ Expenses	Capital-Related Items	Long-term Debt Transactions	Statement of Net Assets Total
REVENUES					
Property taxes	$ 1,521,941	$ (30,202)	$ -	$ -	$ 1,491,739
Property taxes - interest and penalties	16,697	-	-	-	16,697
Intergovernmental	264,267	-	-	-	264,267
Grants	760,944	-	-	-	760,944
Charges for services	29,336	-	-	-	29,336
Licenses and fees	10,011	-	-	-	10,011
Investment income	16,464	-	-	-	16,464
Miscellaneous	5,135	-		-	5,135
Total Revenues	2,624,796	(30,202)	-	-	2,594,593
EXPENDITURES					
Current expenditures					
General government	583,211	29,849	26,225	-	639,285
Public safety	179,383	-	50,550	-	229,933
Public works	3,403,907	-	158,171		3,562,078
Cemetery	14,665	-	-	-	14,665
Culture, recreation and development	79,937	-	-	-	79,937
Debt service expenditures					
Principal	1,143,057	-	-	(1,143,057)	-
Interest	26,426	-	-	-	26,426
Capital expenditures					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highway and streets	466,394	-	(466,394)	-	-
Total Expenditures	5,896,980	29,849	(231,448)	(1,143,057)	4,552,323
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,272,185)	(60,051)	231,448	1,143,057	(1,957,731)
OTHER FINANCING SOURCES (USES)					
Note proceeds, net of repayment	2,438,000	-	-	(2,438,000)	-
Transfers in	111,000	-	-	-	111,000
Transfers out	(111,000)	-	-	-	(111,000)
Total Other Financing Sources (Uses)	2,438,000	-	-	(2,438,000)	-
Net Change in Fund Balances	$ (834,184)	$ (60,051)	$ 231,448	$ (1,294,943)	$ (1,957,731)

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NOTE 3. CASH AND CASH EQUIVALENTS

At June 30, 2024, the carrying amount of the Town's deposits with financial institutions was $786,252. Of the funds on deposit, $250,000 was covered by the Federal Deposit Insurance Corporation (FDIC) and was collateralized. The Town has a collateralization agreement with the Community Bank, of which the remainder is collateralized to the extent its deposits exceed FDIC insurance limits.

The cash deposits held at financial institutions and cash on hand can be categorized according to four (4) levels of risk:

Category 1 - Deposits which are insured or collateralized with securities held by the Town or by its agent in the Town's name (repurchase agreements).

Category 2 - Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name.

Category 3 - Private commercial insurance protection or letters of credit for funds in excess of FDIC limits.

Category 4 - Deposits which are not collateralized or insured (includes cash on hand).

Balances held in each area are as follows:

	Book Balance	Bank Balance
Insured by FDIC	$ 250,000	$ 250,000
Category 1	536,252	573,438
Total Deposits	$ 786,252	$ 823,438

The difference between the book balance and bank balance is due to reconciling items such as deposits in transit and outstanding checks. Due to higher cash flows at certain times during the year, the amount of uninsured, and not collateralized cash could have been much higher than at year end.

Balances in excess of FDIC insurance limits are collateralized by Community Bank using a pool of securities, separate from the Bank's other assets. At June 30, 2024, the security used are U.S. Treasury Notes, due 8/15/40 (CUSIP #912810SQ2) in the face amount of $7,665,000.

None of the Town's cash deposits at year end is subject to credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. The Town does not have policies regarding custodial credit risk, credit risk, concentration of credit risk, interest risk, or foreign currency risk.

GASB Statement No. 40 requires the Town's investments be categorized indicating the level of risk assumed by the Town at year end. Category 1 includes investments that are insured or registered or securities that are held by the Town or its agent in the Town's name. Category 2 includes uninsured and unregistered investments which are held by a trust department or agent in the Town's name. At June 30, 2024, all the Town's investments were in Category 1.

NOTE 4. TRUST FUND ASSETS HELD BY OTHERS

In order to diversify Credit and Market Risk, the Town has Cemetery money invested with Edward Jones. For Fiscal Year 2024, realized long-term gains were $0, interest was $4,977 and unrealized gains totaled $9,852.

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NOTE 4. TRUST FUND ASSETS HELD BY OTHERS (continued)

Breakdown of cost versus fair market value is as follows:

	Cost	Fair Value
Fixed assets	$ -	$ -
Equities	119,893	123,514
Cash	6,511	6,511
	$ 126,404	$ 130,025

NOTE 5. FAIR VALUE MEASUREMENTS

FASB ASC Topic No. 820-10 provides a definition of fair value which focuses on an exit price rather than an entry price, establishes a framework in Generally Accepted Accounting Principles (GAAP) for measuring fair value which emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and requires expanded disclosures about fair value measurements. In accordance with *FASB ASC 820-10*, Women's Information Service, Inc. may use valuation techniques consistent with market, income and cost approaches to measure fair value. As a basis for considering market participant assumptions in fair value measurements, *ASC Topic 820* establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair values. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. The three (3) levels of the fair value hierarchy under *ASC Topic 820* are described as follows:

Level 1 – Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Level 2 - Inputs to the valuation methodology are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies.

Level 3 – Inputs to the valuation methodology are unobservable inputs in situations where is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

All of the Organization's investments were classified as Level 1 at June 30, 2024.

The following is a description of the valuation methodologies used for assets at fair value. There have been no changes in the methodologies used at June 30, 2024.

Mutual Funds: All actively traded mutual funds are valued at the daily closing price as reported by the fund. These funds are required to publish their daily net asset value (NAV) and to transact at that price. All mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission.

Equities: Valued at the closing price reported on the active market on which the individual equities are traded.

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NOTE 6. CAPITAL ASSET ACTIVITY

Capital asset activity of the Town for the year ended June 30, 2024, is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities				
Capital assets, not being depreciated:				
Land	$ 568,300	$ -	$ -	$ 568,300
Capital assets being depreciated:				
Buildings/improvements	982,752	-	-	982,752
Vehicles and equipment	1,801,642	466,394	-	2,268,036
Infrastructure	1,131,428	-	-	1,131,428
Total capital assets, being depreciated	$ 3,915,822	$ 466,394	$ -	$ 4,382,216

	Beginning	Increases	Decreases	Ending
Less Accumulated Depreciation:				
Buildings/improvements	$ 536,429	$ 26,255	$ -	$ 562,684
Vehicles and equipment	1,218,000	158,171	-	1,376,171
Infrastructure	268,500	50,550	-	319,050
Total accumulated depreciation	2,022,929	234,976	-	2,257,905
Assets Being Depreciated, Net	1,892,893	231,418	-	2,124,311
Net Assets	$ 2,461,193	$ 231,418	$ -	$ 2,692,611

Depreciation expense was charged to governmental functions as follows:

General Government	$ 26,255
Public Safety	50,550
Public Works	158,171
Total 2024 governmental depreciation expense	$ 234,976

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NOTE 7. INTERFUND BALANCES AND TRANSFERS

Interfund Balances

Interfund balances at June 30, 2024 are as follows:

	Receivables	Payables
General fund	$ -	$ 15,331
Cemetery fund	-	4,250
Special revenue fund	19,581	-
Total	$ 19,581	$ 19,581

Operating Interfund Transfers

The Town occasionally transfers funds to cover expenditures made in one fund for which the revenues are in another fund. Interfund transfers during the year ending June 30, 2024 are detailed below.

	Transfers in							
	Paving Fund	Bridge Fund	Town Garage Building	Building Fund	Resurface Fund	Asset and Equipment Fund	Conservation Fund	Total
Transfers out:								
General Fund	$ 30,000	$ 6,000	$ 5,000	$ 10,000	$ 5,000	$ 50,000	$ 5,000	$ 111,000
Total	$ 30,000	$ 6,000	$ 5,000	$ 10,000	$ 5,000	$ 50,000	$ 5,000	$ 111,000

NOTE 8. DEFERRED REVENUE

The deferred revenues reported at year end is summarized as follows:

Property taxes:	$18,249

NOTE 9. DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources in the Governmental Activities consists of $87,840 of required employer pension contributions made subsequent to the measurement date, as further described in Note 9.

NOTE 10. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources in the Governmental Activities consists of $2,147 of prepaid property taxes, $344,907 of grant advances and $1,184 resulting from the difference between the projected and actual investment earnings related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS), as further described in Note 9. Total deferred inflows of resources in the Governmental Activities are $348,238.

Deferred inflows of resources in the General Fund consists of $2,147 of prepaid property taxes and $18,249 of delinquent property taxes (including penalties and interest on those taxes) that were not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. Total deferred inflows of resources in the General Fund are $20,396.

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NOTE 11. PENSION PLAN

Defined Benefit Plan

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis and 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, 2024, the retirement system consisted of 423 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 (5) members. They are the State Treasurer, two (2) employee representatives elected by the membership of the system, and two (2) 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 (4) nominees. The list of four (4) 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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

As of June 30, 2023, the measurement date selected by the State of Vermont, VMERS was funded at 74.01% and had a plan fiduciary net position of $912,113,032 and a total pension liability of $1,232,406,785 resulting in a net pension liability of $320,293,753. As of June 30, 2023, the Town's proportionate share of this was 0.07627% resulting in a liability of $224,285. 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. As of June 30, 2023, the Town's proportion of 0.07627% was an increase of 0.00243% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Town recognized pension expense of $27,867. As of June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources.

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NOTE 11. PENSION PLAN (continued)

	Deferred Outflow of	Deferred Inflow of
Difference between expected and actual experience	$ 15,320	$ -
Changes in assumptions	7,962	-
Difference between projected and actual earnings on pension plan investments	27,792	-
Changes in proportional share of contributions	11,909	1,184
Difference between the employer contributions and proportionate share of total contributions	-	-
Town's required employer contributions made subsequent to the measurement date	24,857	-
	$ 87,840	$ 1,184

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of $24,857 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30th,	
2024	$ 21,476
2025	11,797
2026	29,102
2027	(575)
	$ 61,800

Summary of System Provisions

Membership – Full time employees of participating municipalities. The Town elected coverage under Group B.

Creditable Service – Service as a member plus purchased service.

Average Final Compensation (AFC): Group B – Average annual compensation during highest three (3) consecutive years.

Service Retirement Allowance:

Eligibility – The earlier of age 62 with five (5) years of service or age 55 with thirty (30) years of service.

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NOTE 11. PENSION PLAN (continued)

Amount – 1.7% of AFC x service as a Group B member plus percentage earned as a Group A member x AFC.

Early Retirement Allowance:

Eligibility: Age 55 with five (5) years of service for Group B.

Amount: Normal allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes normal retirement age for Group B members.

Vested Retirement Allowance:

Eligibility: Five (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: Five (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 five (5) years of service.

Amount: For Groups B, 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: For Groups B, 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% for Groups B.

Retirement Stipend: $25 per month payable at the option of the Board of Trustees.

Member Contributions: Group B – 5.625%.

Employer Contributions: Group B – 6.25%.

Significant Actuarial Assumptions and Methods

Investment rate of return: 7.0%, net of pension plan investment expense, including inflation.

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NOTE 11. PENSION PLAN (continued)

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

Healthy Post-retirement - Beneficiaries: Group B - 70% Pub-2010 Contingent Survivor below-median and 30% of Pub-2010 Contingent Survivor, with generational projection using scale MP-2019.

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

Spouse's Age: - Females three (3) years younger than males.

Cost-of-Living Adjustments: Assumed to occur on January 1 following one year of retirement at the rate of 1.2% per annum for Group B members. (beginning at Normal Retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Group B, who receive a disability retirement benefit).

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.

Asset Valuation Method – A smoothing method is used, under which the value of assets for actuarial purposes equals market value less a five-year phase-in of the differences between actual and assumed investment return. The value of assets for actuarial purposes may not differ from market value of assets by more than 20%.

Inflation: 2.3%

Long-term Expected Rate of Return: The long-term expected rate of return on pension plan investments was determined using 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 real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024, is summarized in the following table:

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NOTE 11. PENSION PLAN (continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 7.0%. In accordance with paragraph 29 of GASB 68, professional judgement was applied to determine that the System's projected fiduciary net position exceeds projected benefit payments for current active and inactive members for all years. The analysis was based on the expectations that employers will continue to contribute at the rates set by the Board, which excel the actuarially determined contribution, which is comprised on an employer normal cost payment and a payment to reduce the unfunded liability to zero by June 30, 2038. 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.

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

1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
$367,687	$224,285	$142,854

NOTE 12. LONG-TERM CONTRACTS AND COMMITMENTS

The Town participates in various state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Town has not complied with the rules and regulations governing the grants, refunds of any money recovered may be required and the collectability of any related receivable at June 30, 2024, may be impaired. In the opinion of the Town, there are no significant contingent liabilities related to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

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NOTE 13. RISK MANAGEMENT

The Town is exposed to various risks of loss related to limited torts; theft of, damage to, and destruction of assets; errors and omissions; injured to employees; and natural disasters for which the Town carries commercial insurance. There have been no significant reductions in coverage from the prior year. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town.

In addition, the Town is a member of Vermont League of Cities and Towns (VLCT). The VLCT has set up three insurance Trusts:

1. The Property and Casualty Inter-Municipal Fund, Inc. (PACIF) for multi-line insurance.
2. The Vermont League of Cities and Towns Health Trust (VLCTHT) for health, life, and disability coverage; and
3. The Vermont League of Cities and Towns Unemployment Trust, Inc. (VLCTUT) for unemployment compensation.

PACIF, VLCTHT, and VLCTUT are nonprofit corporations formed to provide insurance and risk management programs for Vermont cities and towns and is owned by the participating members. The Trusts are not licensed insurance carriers and members are not protected by the Vermont Insurance Guaranty Association. To provide insurance coverage, PACIF has established a self-funded insurance trust. It provides extensive coverage for losses to member municipalities for property damage, auto accidents, injured employees, public official liability and employment practices liability, members gain additional benefits from PACIF's unique public safety and risk management programs as well as dedicated in-house claims adjusters. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and PACIF is unable to meet its required obligations, the Program will be terminated with each member assessed their proportionate share of the deficit.

To provide insurance coverage, VLCTHT has established a self-funded fully insured program in conjunction with Blue Cross and Blue Shield (BCBS). A portion of member contributions is used to purchase reinsurance and to fund a reserve required by the reinsurance. Benefits available include dental insurance, flexible spending accounts, life insurance, disability insurance, and long-term care insurance. Contributions in excess of claims requirements, reserve fund requirements, reinsurance and administrative costs are returned to participants. The pooling agreement does not permit the pool to make additional assessments to its members.

To provide unemployment coverage, VLCTUT has established a separate trust of funds from member contributions to pay administrative costs, unemployment claims, and provides excess reinsurance protection. Contributions are based on payroll expense and the previous two-year unemployment compensation experience. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and VLCTUT is unable to meet its required obligations, the Program will be terminated with each member assessed their proportionate share of the deficit.

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of asset and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those amounts.

NOTE 14. LINE OF CREDIT

The Town of Middlesex has a $3,000,000 line of credit agreement with Community Bank, effective 09/20/2023. As of March 21, 2024, the municipality has drawn $1,500,000, with a repayment of $938,000 in April 2024. The line of credit maturity date has been extended to February 17, 2025. The interest rate on the line of credit is 5.48%. The remaining balance of $562,000 is due within the next 12 months.

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NOTE 15. LONG-TERM DEBT

Long-term debt consisted of the following:

	6/30/2023 Balance	New Debt	Principal Payments	6/30/2024 Balance
Fire station construction bond payable to the Vermont Municipal Bond Bank, variable annual principal payments, net of interest of 4.19%. Maturing November, 2029.	280,000	-	40,000	$ 240,000
Highway equipment, note payable to the Community Bank. Due, August, 2019 bearing interest at 3.25%. Maturing August, 2025. Annual installments of principal and interest of $21,409.	64,224	-	21,409	42,815
Fire Equipment - Vtech Fire Truck, note payable dated 9/26/19 to the Community Bank, seven year terms, bearing interest at 3.38%.	43,668	-	14,594	29,074
Due July 25, 2019, bearing interest at 3.15%. Maturing July 25, 2023 with annual principal and interest payments of $20,355.	20,354	-	20,354	-
Highway equipment, note payable to Community Bank. Due July 22,2022, bearing interest at 2.45%. Maturing , 2036 with annual principal and interest payments of $25,572.	261,800	-	18,700	243,100
Highway equipment, note payable to Community Bank. Due September 30,2023, bearing interest at 2.79%. Maturing , 2027 with annual principal and interest payments of $40,000.	179,276	-	40,000	139,276
General obligation bond payable to Vermont Bond Bank, Due March 28, 2024, bearing interest at 1.30%. Maturing March 01,2031 with annual principal and interest payment of $177,268	-	938,000	50,000	888,000
Line of credit payable to community bank, bearing interest at 5.48%. Maturing February 17, 2025	-	1,500,000	938,000	562,000
	$ 849,322	$2,438,000	$1,143,057	$ 2,144,265

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NOTE 15. LONG-TERM DEBT (continued)

Principle maturities on long-term debt are as follows:

	Governmental Activities		
Years ending	Principal	Interest	Total
June 30, 2025	$ 134,626	$ 34,465	$ 169,091
June 30, 2026	217,201	31,054	248,255
June 30, 2027	265,388	23,451	288,839
June 30, 2028	246,837	15,202	262,039
June 30, 2029 and after	718,214	46,941	765,155
Total	$ 1,582,266	$ 151,113	$ 1,733,379

NOTE. 16. SUBSEQUENT EVENTS

Events of the Town have been evaluated from June 30, 2024 through the date of these financial statements for subsequent events which would impact the financial standing. We found no subsequent events that should be disclosed.

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TOWN OF MIDDLESEX, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NEW PENSION LIABILITY
VMERS DEFINED BENEFIT PLAN
FOR THE YEAR ENDED JUNE 30, 2024

SCHEDULE 1

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Plan Net Pension Liability	$320,293,753	$303,371,956	$147,184,198	$252,974,064	$173,491,807	$140,675,892	$121,155,552	$128,696,167	$ 77,095,810
Town's Proportion of the Net Pension Liability	0.0763%	0.0738%	0.0676%	0.0660%	0.0704%	0.0734%	0.0785%	0.0746%	0.0806%
Town's Proportionate Share of the Net Pension Liability	244,285	224,019	99,537	166,881	122,059	103,209	95,149	96,019	62,124
Town's Covered Employee Payroll	368,254	334,451	196,742	254,960	200,158	240,310	233,654	233,191	206,173
Town's Proportionate Share of the Net Pension Liability as a Percentage of Town's Covered Employee Payroll	66.34%	66.98%	50.59%	65.45%	60.98%	42.95%	40.72%	41.18%	30.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.01% as of June 30, 2023	73.60% as of June 30, 2022	86.29% as of June 30, 2021	74.52% as of June 30, 2020	80.35% as of June 30, 2019	82.60% as of June 30, 2018	83.64% as of June 30, 2017	80.95% as of June 30, 2016	87.42% as of June 30, 2015

Notes to Schedule

Benefit Changes: None.

Changes in Assumptions: None.

Fiscal year 2015 was the first year of implementation, therefore, only 9 yrs are shown.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution (Actuarially Determined)	$ 24,857	$ 21,739	$ 14,966	$ 11,031	$ 13,672	$ 13,517	$ 12,851	$ 12,825	$ 11,339
Contributions in Relation to the Actuarially Determined Contributions	24,857	21,739	14,966	11,031	13,672	13,517	12,851	12,825	11,339
Contribution Excess/(Deficiency)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's Covered Employee Payroll	$ 368,254	$ 334,451	$ 239,449	$ 254,960	$ 200,158	$ 240,310	$ 240,310	$ 233,654	$ 233,191
Contributions as a Percentage of Town's Covered Employee Payroll	6.750%	6.500%	6.250%	4.327%	6.831%	5.625%	5.348%	5.489%	4.863%
Notes to Schedule									
Valuation Date:	June 30, 2023	June 30, 2022	June 30, 2021	June 30,2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015

Fiscal year 2015 was the first year of implementation, therefore, only 9 yrs are shown.

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TOWN OF MIDDLESEX, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Property taxes	$ 5,722,000	$ 1,521,941	$ (4,200,059)
Intergovernmental	255,105	264,267	9,162
State Aid - Highways	-	-	-
Charge for services	15,070	15,648	578
Investment income	1,000	3,410	2,410
Licenses and fees	5,600	10,011	4,411
Penalty and interest on Delinquent taxes	6,000	16,697	10,697
Other	-	185	185
Total Revenue	6,004,775	1,832,160	(4,172,615)
EXPENDITURES:			
General Government:		382,056	(382,056)
Selectmen	108,247	-	108,247
Administration	245,970		245,970
Town Hall	14,580	-	14,580
Zoning and Board of Adjustment	13,837	-	13,837
Planning commission	7,200	-	7,200
Total General Government	389,834	382,056	7,778
Public Safety:			
Public safety	79,993	179,383	(99,390)
Fire department	87,859	-	87,859
Total Public Safety	167,852	179,383	(11,531)
Public works	827,972	3,066,894	(2,238,922)
Cemetery	6,900	4,665	2,235
Recreation	25,340	79,937	(54,597)
Debt service	183,448	1,169,483	(986,035)
Special Articles	60,690	-	60,690
Capital outlays	-	142,000	(142,000)
Total Expenditures	1,662,036	5,024,416	(3,362,380)
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	4,342,739	(3,192,257)	(7,534,996)
Other Financing Sources/(Uses):			
Proceeds of long-term debt		2,438,000	2,438,000
Transfers out	-	(111,000)	111,000
Total Other Financing Sources/(Uses)	-	2,327,000	2,327,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	$ 4,342,739	$ (865,257)	$ (5,207,996)
Fund Balance - Beginning		775,197	
Fund Balance - Ending		$ (90,060)	

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TOWN OF MIDDLESEX, VERMONT
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Fund	Capital Project Fund	Total
ASSETS			
Cash	$ 122,130	$ 217,741	$ 339,870
Accounts receivable	344,808	-	344,808
Due from other funds	349,236	-	349,236
Total Assets	$ 816,174	$ 217,741	$ 1,033,915
LIABILITIES			
Due to other funds	$ 329,655	$ -	$ 329,655
Total Liabilities	329,655	-	329,655
DEFERRED INFLOW OF RESOURCES			
Grant advances	344,907	-	344,907
Total Deferred Inflow of Resources	344,907	-	344,907
FUND BALANCES			
Restricted	41	93,795	93,836
Assigned	141,570	123,946	265,516
Total Fund Balances	141,611	217,741	359,352
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 816,174	$ 217,741	$ 1,033,915

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

TOWN OF MIDDLESEX, VERMONT
SCHEDULE 5
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Fund	Capital Project Fund	Total Other Governmental Funds
REVENUES:			
Property taxes	$ -	$ -	$ -
Grants	560,944	-	560,944
Licenses and permits	-	-	-
Investment income	1,074	1,413	2,487
Charges for services	13,689	-	13,689
Total Revenues	575,706	1,413	577,119
EXPENDITURES:			
General government	201,154	-	201,154
Highway and streets	337,015	-	337,015
Capital outlay:			-
Highways and streets	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	538,169	-	538,169
Excess (Deficiency) of Revenues Over Expenditures	37,537	1,413	38,950
OTHER FINANCING SOURCES (USES)			
Transfers in	5,000	76,000	81,000
Total Other Financing Sources (uses)	5,000	76,000	81,000
Net Change in Fund Balances	42,538	77,413	119,951
Fund Balances - July 1, 2023	99,073	140,328	239,401
Fund Balances - June 30, 2024	$ 141,611	$ 217,741	$ 359,352

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

TOWN OF MIDDLESEX, VERMONT
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

SCHEDULE 6

	Special Revenue Funds										Total Special Revenue Funds
	Conservation Fund	Conservation Commission	Records Restoration	Reappraisal Fund	Milford Leonard Fund	Walter Kelley Park Fund	Town Forest Fund	Welch Park Fund	Grants Fund	ARPA Fund	
ASSETS											
Cash	$ 28,429	$ 1,015	$ 21,994	$ 61,054	$ 9,271	$ 327	$ 41	$ -	$ -	$ -	$ 122,130
Accounts receivable	-	-	-	-	-	-	-	7,793	337,015	-	344,808
Due from other funds	-	-	3,364	964	-	-	-	-	-	344,907	349,236
Total Assets	$ 28,429	$ 1,015	$ 25,358	$ 62,018	$ 9,271	$ 327	$ 41	$ 7,793	$ 337,015	$ 344,907	$ 816,174
LIABILITIES											
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-	-	-	7,953	321,702	-	329,655
Total Liabilities	-	-	-	-	-	-	-	7,953	321,702	-	329,655
DEFERRED INFLOW OF RESOURCES											
Grant advances	-	-	-	-	-	-	-	-	-	344,907	344,907
Total Deferred Inflow of Resources	-	-	-	-	-	-	-	-	-	344,907	344,907
FUND BALANCES											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	41	-	-	-	41
Assigned	28,429	1,015	25,358	62,018	9,271	327	-	(160)	15,313	-	141,570
Total Fund Balances	28,429	1,015	25,358	62,018	9,271	327	41	(160)	15,313	-	141,611
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 28,429	$ 1,015	$ 25,358	$ 62,018	$ 9,271	$ 327	$ 41	$ 7,793	$ 337,015	$ 344,907	$ 816,174

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The accompanying notes are an integral part of these financial statements

TOWN OF MIDDLESEX, VERMONT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds										Total Special
	Conservation Fund	Conservation Commission	Records Restoration	Reappraisal Fund	Milford Leonard Fund	Walter Kelley Park Fund	Town Forest Fund	Welch Park Fund	Grant Fund	ARPA Fund	Revenue Funds
REVENUES:											
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	560,944	-	560,944
Investment income	229	10	212	532	89	3	(0)	-	-	-	1,074
Charges for services	-	-	4,531	9,158	-	-	-	-	-	-	13,689
Total Revenues	229	10	4,743	9,690	89	3	(0)	-	560,944	-	575,707
EXPENDITURES:											
General government	-	-	2,189	-	-	-	-	-	198,965	-	201,154
Highway and streets	-	-	-	-	-	-	-	-	337,015	-	337,015
Capital outlay:											-
Highways and streets	-	-	-	-	-	-	-	-	-	-	-
Debt service:											-
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	2,189	-	-	-	-	-	535,980	-	538,169
Excess (Deficiency) of Revenues Over Expenditures	229	10	2,554	9,690	89	3	(0)	-	24,964	-	37,537
OTHER FINANCING SOURCES (USES)											
Transfers in	5,000	-	-	-	-	-	-	-	-	-	5,000
Total Other Financing Sources (uses)	5,000	-	-	-	-	-	-	-	-	-	5,000
Net Change in Fund Balances	5,229	10	2,554	9,690	89	3	(0)	-	24,964	-	42,538
Fund Balances - July 1, 2023	23,200	1,005	22,804	52,328	9,182	324	41	(160)	(9,650)	-	99,073
Fund Balances - June 30, 2024	$ 28,429	$ 1,015	$ 25,358	$ 62,018	$ 9,271	$ 327	$ 41	$ (160)	$ 15,313	$ -	$ 141,611

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

TOWN OF MIDDLESEX, VERMONT
COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

SCHEDULE 8

	Capital Project Funds					Total Capital Project Funds
	Bridge Fund	Town Garage Building	Building Fund	Resurface Fund	Asset and Equip Fund	
ASSETS						
Cash	$ 44,627	30,406	$ 79,319	$ 13,356	$ 50,033	$ 217,741
Due from other funds	-	-	-	-	-	-
Total Assets	$ 44,627	$ 30,406	$ 79,319	$ 13,356	$ 50,033	$ 217,741
LIABILITIES						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-
FUND BALANCES						
Restricted	-	30,406	-	13,356	50,033	93,795
Assigned	44,627	-	79,319	-	-	123,946
Total Fund Balances	44,627	30,406	79,319	13,356	50,033	217,741
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 44,627	$ 30,406	$ 79,319	$ 13,356	$ 50,033	$ 217,741

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TOWN OF MIDDLESEX, VERMONT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Capital Project Funds					Total Capital
	Bridge Fund	Town Garage Building	Building Fund	Resurface Fund	Asset and Equip Fund	Project Funds
REVENUES:						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Investment income	375	248	674	83	33	1,413
Miscellaneous	-	-	-	-	-	-
Total Revenues	375	248	674	83	33	1,413
EXPENDITURES:						
General government	-	-	-	-	-	-
Culture, recreation, development	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	375	248	674	83	33	1,413
OTHER FINANCING SOURCES (USES)						
Transfers in	6,000	5,000	10,000	5,000	50,000	76,000
Total Other Financing Sources (uses)	6,000	5,000	10,000	5,000	50,000	76,000
Net Change in Fund Balances	6,375	5,248	10,674	5,083	50,033	77,413
Fund Balances - July 1, 2023	38,252	25,158	68,645	8,273	-	140,328
Fund Balances - June 30, 2024	$ 44,627	$ 30,406	$ 79,319	$ 13,356	$ 50,033	$ 217,741

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