Audited Financial Statements
and Other Financial Information

Town of Panton, Vermont

June 30, 2024

RHR SMITH & COMPANY
Certified Public Accountants

Proven Expertise & Integrity

TOWN OF PANTON, VERMONT

CONTENTS

JUNE 30, 2024

	PAGE
INDEPENDENT AUDITOR'S REPORT	1 - 4
MANAGEMENT'S DISCUSSION AND ANALYSIS	5 - 12
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT A - STATEMENT OF NET POSITION	13
STATEMENT B - STATEMENT OF ACTIVITIES	14 - 15
FUND FINANCIAL STATEMENTS	
STATEMENT C - BALANCE SHEET - GOVERNMENTAL FUNDS	16
STATEMENT D - RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	17
STATEMENT E - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	18
STATEMENT F - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	19
NOTES TO FINANCIAL STATEMENTS	20 - 44
REQUIRED SUPPLEMENTARY INFORMATION	
REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	45
SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND	46

SCHEDULE 2 - SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY 47

SCHEDULE 3 - SCHEDULE OF CONTRIBUTIONS 48

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION 49

OTHER SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION DESCRIPTION 50

SCHEDULE A - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND REVENUES 51

SCHEDULE B - SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND 52

SCHEDULE C - COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS 53

SCHEDULE D - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS 54

SPECIAL REVENUE FUNDS DESCRIPTION 55

SCHEDULE E - COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS 56

SCHEDULE F - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS 57

GENERAL CAPITAL ASSETS DESCRIPTION 58

SCHEDULE G - SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION 59

SCHEDULE H - SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION 60

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* 61 - 62

RHR SMITH & COMPANY
Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT

Selectboard
Town of Panton
Panton, Vermont

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Panton, 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 Panton, Vermont's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Panton, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Panton, Vermont and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal controls 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 Panton, Vermont's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise doubt about the Town of Panton, Vermont'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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension information on pages 5 through 12 and 46 through 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Panton, Vermont's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2025, on our consideration of the Town of Panton, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Town of Panton, Vermont's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Panton, Vermont's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000967
July 17, 2025

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

(UNAUDITED)

The following management's discussion and analysis of Town of Panton, Vermont's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of Panton's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, pension schedules and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regard to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position - this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities - this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The above-mentioned financial statements have one column for the Town's activity. The type of activity presented for the Town of Panton is:

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the Town's basic services are reported in governmental activities, which include general government, public safety, public works and community development.

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 of Panton, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Panton are considered governmental funds.

Governmental funds: All of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach, revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of 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 funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental funds financial statement.

The Town of Panton presents five columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund, highway

capital equipment, highway capital projects and the town building maintenance. All other funds are shown as nonmajor and are combined in the “Other Governmental Funds” column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

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 the Fund Financial Statements. The Notes to Financial Statements can be found following the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, a Schedule of Proportionate Share of the Net Pension Liability, a Schedule of Contributions and Notes to Required Supplementary Information.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regard to nonmajor funds, other detailed budgetary information for the general fund and capital asset activity.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Town's governmental activities. The Town's total net position for governmental activities decreased by $88,377from $2,095,172 to $2,006,795.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased for governmental activities to a balance of $305,832 at the end of this year.

Table 1
Town of Panton, Vermont
Net Position
June 30,

	2024	2023 (Restated)
Assets:		
Current Assets	$ 447,628	$ 448,252
Noncurrent Assets - Capital Assets	2,139,885	2,029,429
Total Assets	2,587,513	2,477,681
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	70,711	87,350
Total Deferred Outflows of Resources	70,711	87,350
Liabilities:		
Current Liabilities	146,771	100,742
Noncurrent Liabilities	497,710	368,553
Total Liabilities	644,481	469,295
Deferred Inflows of Resources:		
Prepaid Taxes	3,146	-
Deferred Inflows Related to Pensions	3,802	564
Total Deferred Inflows of Resources	6,948	564
Net Position:		
Net Investment in Capital Assets	1,700,963	1,782,639
Unrestricted	305,832	312,533
Total Net Position	$ 2,006,795	$ 2,095,172

Revenues and Expenses

Revenues for the Town's governmental activities decreased by 0.55% with the largest decrease in grants and contributions not restricted to specific programs. Expenses increased by 5.65% primarily due to public safety.

Table 2
Town of Panton, Vermont
Changes in Net Position
For the Years Ended June 30,

	2024	2023
Revenues		
Program Revenues:		
Charges for services	$ 20,585	$ 9,772
Operating grants and contributions	78,523	68,671
General Revenues:		
Taxes	789,978	733,797
Grants and contributions not restricted to specific programs	86,276	220,647
Miscellaneous	61,336	9,575
Total Revenues	1,036,698	1,042,462
Expenses		
General government	356,895	423,208
Public safety	61,388	55,708
Public works	693,291	575,009
Community development	13,501	11,001
Total Expenses	1,125,075	1,064,926
Change in Net Position	(88,377)	(22,464)
Net Position - July 1, As Previously Reported	2,063,407	2,085,871
Net Position Correction	31,765	-
Net Position - July 1, As Restated	2,095,172	2,085,871
Net Position - June 30	$ 2,006,795	$ 2,063,407

Financial Analysis of the Town's Fund Statements

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

Table 3
Town of Panton, Vermont
Fund Balances - Governmental Funds
June 30,

	2024	2023 (Restated)	Increase/ (Decrease)
General Fund:			
Nonspendable	$ 13,031	$ 8,061	$ 4,970
Unassigned (deficit)	9,924	(11,410)	21,334
Total General Fund	$ 22,955	$ (3,349)	$ 26,304
Highway Capital Equipment:			
Committed	$ 16,868	$ 49,413	$ (32,545)
Total Highway Capital Equipment	$ 16,868	$ 49,413	$ (32,545)
Highway Capital Projects:			
Committed	$ 137,281	$ 117,281	$ 20,000
Total Highway Capital Projects	$ 137,281	$ 117,281	$ 20,000
Town Building Maintenance:			
Committed	$ 111,368	$ 100,015	$ 11,353
Total Town Building Maintenance	$ 111,368	$ 100,015	$ 11,353
Nonmajor Funds:			
Special Revenue Funds:			
Committed	$ 106,192	121,928	$ (15,736)
Total Nonmajor Funds	$ 106,192	$ 121,928	$ (15,736)

The changes to total fund balances for the general fund, highway capital equipment, highway capital projects, town building maintenance and the nonmajor funds occurred due to the regular activity of operations.

Budgetary Highlights

There was no difference between the original and final budget for the general fund.

The general fund actual revenues exceeded budget by $90,919. Most revenue categories were receipted in excess of budgeted amounts with the exception of property taxes and permits and licenses.

The general fund actual expenditures exceeded budget by $9,615. All expenditure categories were within or below budgeted amounts with the exception of community general government and public safety.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2024, the net book value of capital assets recorded by the Town increased by $110,456 from the prior year. This increase is the result of capital additions of $338,647 less net disposals of $6,374 and depreciation expense of $221,817.

Table 4
Town of Panton, Vermont
Capital Assets (Net of Depreciation)
June 30,

	2024	2023 (Restated)
Land and non-depreciable assets	$ 17,409	$ 17,409
Buildings, building and land improvements	577,121	613,349
Equipment and vehicles	428,818	136,981
Infrastructure	1,116,537	1,261,690
Total	$ 2,139,885	$ 2,029,429

Debt

At June 30, 2024, the Town had $438,922 in notes from direct borrowings versus $246,790 last year. Refer to Note 6 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions or Conditions

The 2024 - 2025 budget could be severely impacted by the reduction of funding from the State. There is no indication of reduced funding from the State for 2024 - 2025 as of the date this report was issued.

Economic Factors and Next Year's Budgets and Rates

The Town is working toward maintaining a sufficient unassigned fund balance to sustain government operations for a period of approximately three months, while also maintaining reserve accounts for future operational, capital and program needs.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Office at 3176 Jersey Street, Panton, Vermont 05491.

TOWN OF PANTON, VERMONT

STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	$ 416,753
Accounts receivable (net of allowance for uncollectibles):	
Delinquent taxes receivable	14,419
Other	3,425
Prepaid items	13,031
Total current assets	447,628
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	17,409
Buildings and equipment, net of accumulated depreciation	2,122,476
Total noncurrent assets	2,139,885
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflows related to pensions	70,711
TOTAL DEFERRED OUTFLOWS OF RESOURCES	70,711
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 2,658,224
LIABILITIES	
Current liabilities:	
Accounts payable	$ 18,926
Accrued expenses	17,692
Current portion of long-term obligations	110,153
Total current liabilities	146,771
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Notes from direct borrowings payable	328,980
Accrued compensated absences	4,001
Net pension liability	164,729
Total noncurrent liabilities	497,710
TOTAL LIABILITIES	644,481
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	3,802
TOTAL DEFERRED INFLOWS OF RESOURCES	6,948
NET POSITION	
Net investment in capital assets	1,700,963
Unrestricted	305,832
TOTAL NET POSITION	2,006,795
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 2,658,224

See accompanying independent auditor's report and notes to financial statements.

STATEMENT B

TOWN OF PANTON, VERMONT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
General government	$ 356,895	$ 14,086	$ 11,841	$ -	$ (330,968)
Public safety	61,388	-	-	-	(61,388)
Public works	693,291	6,499	66,682	-	(620,110)
Community development	13,501	-	-	-	(13,501)
Total government	$ 1,125,075	$ 20,585	$ 78,523	$ -	(1,025,967)

TOWN OF PANTON, VERMONT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Governmental Activities
Changes in net position:	
Net (expense) revenue	(1,025,967)
General revenues:	
Taxes:	
Property taxes, levied for general purposes	789,978
Grants and contributions not restricted to specific programs	86,276
Miscellaneous	61,336
Total general revenues	937,590
Change in net position	(88,377)
NET POSITION - JULY 1, AS PREVIOUSLY REPORTED	2,063,407
NET POSITION CORRECTION	31,765
NET POSITION - JULY 1, AS RESTATED	2,095,172
NET POSITION - JUNE 30	$ 2,006,795

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PANTON, VERMONT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	*Moved from Nonmajor Fund* Highway Capital Equipment	Highway Capital Projects	Town Building Maintenance	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 416,753	$ -	$ -	$ -	$ -	$ 416,753
Accounts receivable (net of allowance for uncollectibles):						
Delinquent taxes receivable	14,419	-	-	-	-	14,419
Other	3,425	-	-	-	-	3,425
Prepaid items	13,031	-	-	-	-	13,031
Due from other funds	-	16,868	137,281	111,368	106,192	371,709
TOTAL ASSETS	$ 447,628	$ 16,868	$ 137,281	$ 111,368	$ 106,192	$ 819,337
LIABILITIES						
Accounts payable	$ 18,926	$ -	$ -	-	$ -	$ 18,926
Accrued expenses	17,692	-	-	-	-	17,692
Due to other funds	371,709	-	-	-	-	371,709
TOTAL LIABILITIES	408,327	-	-	-	-	408,327
DEFERRED INFLOWS OF RESOURCES						
Prepaid taxes	3,146	-	-	-	-	3,146
Deferred property tax	13,200	-	-	-	-	13,200
TOTAL DEFERRED INFLOWS OF RESOURCES	16,346	-	-	-	-	16,346
FUND BALANCES						
Nonspendable	13,031	-	-	-	-	13,031
Restricted	-	-	-	-	-	-
Committed	-	16,868	137,281	111,368	106,192	371,709
Assigned	-	-	-	-	-	-
Unassigned	9,924	-	-	-	-	9,924
TOTAL FUND BALANCES	22,955	16,868	137,281	111,368	106,192	394,664
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 447,628	$ 16,868	$ 137,281	$ 111,368	$ 106,192	$ 819,337

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PANTON, VERMONT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

	Total Governmental Funds
Total Fund Balances	$ 394,664
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	2,139,885
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	70,711
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	13,200
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Notes from direct borrowings payable	(438,922)
Accrued compensated absences	(4,212)
Net pension liability	(164,729)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	(3,802)
Net position of governmental activities	$ 2,006,795

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PANTON, VERMONT

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

	General Fund	*Moved from Nonmajor Fund* Highway Capital Equipment	Highway Capital Projects	Town Building Maintenance	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	$ 783,478	$ -	$ -	$ -	$ -	$ 783,478
Intergovernmental	152,958	-	-	-	11,841	164,799
Charges for services	18,942	-	-	-	1,643	20,585
Interest income	1,597	-	-	-	-	1,597
Miscellaneous	386	53,000	-	6,353	-	59,739
TOTAL REVENUES	957,361	53,000	-	6,353	13,484	1,030,198
EXPENDITURES						
Current:						
General government	270,025	-	-	-	49,720	319,745
Public safety	61,388	-	-	-	-	61,388
Public works	520,643	-	-	-	-	520,643
Community development	13,501	-	-	-	-	13,501
Capital outlay	-	442,730	-	-	-	442,730
TOTAL EXPENDITURES	865,557	442,730	-	-	49,720	1,358,007
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	91,804	(389,730)	-	6,353	(36,236)	(327,809)
OTHER FINANCING SOURCES (USES)						
Debt proceeds	-	337,185	-	-	-	337,185
Transfers in	-	20,000	20,000	5,000	20,500	65,500
Transfers (out)	(65,500)	-	-	-	-	(65,500)
TOTAL OTHER FINANCING SOURCES (USES)	(65,500)	357,185	20,000	5,000	20,500	337,185
NET CHANGE IN FUND BALANCES	26,304	(32,545)	20,000	11,353	(15,736)	9,376
FUND BALANCES - JULY 1, AS PREVIOUSLY REPORTED	28,551	-	117,281	90,015	124,291	360,138
FUND BALANCE CORRECTION	(31,900)	-	-	10,000	47,050	25,150
CHANGE WITHIN REPORTING ENTITY	-	49,413	-	-	(49,413)	-
FUND BALANCES - JULY 1, AS RESTATED	(3,349)	49,413	117,281	100,015	121,928	385,288
FUND BALANCES - JUNE 30	$ 22,955	$ 16,868	$ 137,281	$ 111,368	$ 106,192	$ 394,664

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PANTON, VERMONT

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

Net change in fund balances - total governmental funds (Statement E)	$ 9,376
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to be allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	338,647
Capital asset disposals	(6,374)
Depreciation expense	(221,817)
	110,456
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	(16,639)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position	(343,730)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Taxes and liens receivable	6,500
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Net Position	151,598
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	(3,238)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	(677)
Net pension liability	(2,023)
	(2,700)
Change in net position of governmental activities (Statement B)	$ (88,377)

See accompanying independent auditor's report and notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Panton was incorporated under the laws of the State of Vermont. The Town is governed by a selectboard and provides the following services: general government, public safety, public works, community development and unclassified.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Town's combined financial statements do not include all accounts and all operations of the Town. We have determined that the Town has component units, such as the town school Town, as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

Implementation of New Accounting Standards

During the year ended June 30, 2024, the following statement of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 100 "Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62". The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Both the government-wide and fund financial statements categorize primary activities as governmental.

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column and (b) reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

in three parts - net investment in capital assets; restricted net position and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (general government, public safety, etc.) excluding fiduciary activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Town does not allocate indirect costs. All costs are charged directly to the corresponding department.

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

Measurement Focus - Basic Financial Statements and Fund Financial Statements

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Town:

1. Governmental Funds:

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major Funds

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

b. The Highway Capital Equipment fund is used to account for the financial resources to be used for highway capital equipment purchases. The major source of revenue is debt proceeds, miscellaneous revenues and transfers from the general fund.

c. The Highway Capital Projects fund is used to account for the financial resources to be used for the acquisition or construction of major capital highways and structures. The major source of revenue for this fund is transfers from the general fund.

d. The Town Building Maintenance fund is used to account for financial resources to be used for the maintenance of the Town buildings. The primary source of revenue is transfers from the general fund.

Nonmajor Funds

e. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

f. Permanent Funds are used to account for assets held by the Town that are legally restricted and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

The emphasis in fund financial statements is on the major funds in the governmental activities category. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.

2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.

3. The budget was adopted subsequent to passage by the inhabitants of the Town.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits and Investments

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

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposit and other evidence of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

The Town of Panton, Vermont does not have a formal investment policy but follows the State of Vermont Statutes.

Receivables

Receivables include amounts due from governmental agencies and local businesses. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible amounts is estimated to be $0 as of June 30, 2024. Accounts receivable netted with allowances for uncollectible accounts were $3,425 for the year ended June 30, 2024.

Interfund Receivables and Payables

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

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of Governmental Funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are reported at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Buildings and improvements	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

Long-term Obligations

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of notes from direct borrowings payable, accrued compensated absences and net pension liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified or rescinded only through a Town meeting vote.

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is given annually by vote of the taxpayers and is given through the Charter and is expressed by the Selectboard.

Unassigned - This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times 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/expenditure) until then. The Town currently has one type of this item, deferred outflows related to pensions. This item is reported in the statement of net position.

In addition to liabilities, the statement of financial position and or balance sheet will at times 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. Deferred tax revenues, which arises only under a modified accrual basis of accounting, qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes also qualify

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

for reporting in this category. This item is reported in both the statements of net position and governmental funds balance sheet. Deferred inflows related to pensions qualify for reporting in this category as well. This item is reported only in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied April on the assessed value listed as of April 1, annually, for all real property located in the Town. Taxes were due in two installments on November 1, 2023 and May 1, 2024. Interest accrues at 1% per month until 3 months following the final payment at which point 1½% per month for each month thereafter. An 8% penalty fee is added to the entire unpaid principal tax balance after May 1, 2024.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided; operating or capital grants and contributions, including special assessments).

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the Town’s financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

State statutes require that all investments made by the Town consider the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does have a policy covering custodial credit risk for deposits. The Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Vermont Revised Statutes.

At June 30, 2024, the Town's cash and cash equivalents balances amounting to $416,753 were comprised of deposits of $428,060. Bank deposits and cash equivalents are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash and cash equivalents balance. All of these deposits were fully insured by federal depository insurance and consequently was not exposed to custodial credit risk.

Account Type	Bank Balance
Checking accounts	$ 215,729
Money market accounts	212,331
	$ 428,060

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does have a policy for custodial credit risk for investments. The Town seeks to minimize custodial credit risk by doing business with authorized institutions, depositories and brokers/dealers.

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does have a formal investment policy that mitigates interest rate risk by limiting investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

The Town had no investments at June 30, 2024.

Credit risk - Statutes for the State of Vermont authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Town does have an investment policy on credit risk. The Town mitigates this risk by limiting investments to authorized types of securities, using qualified financial institutions authorized by the finance committee and diversifying the investment portfolio to meet the Town's current and future cash flow needs. Generally, the Town invests excess funds in cash management accounts and various insured certificates of deposit.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2024 consisted of the following individual fund receivables and payables:

	Receivables (Due From)	Payables (Due To)
Major funds:		
General fund	$ -	$ 371,709
Highway capital equipment	16,868	
Highway capital projects	137,281	-
Town building maintenance	111,368	-
Nonmajor funds:		
Special revenue funds	106,192	-
	$ 371,709	$ 371,709

The result of amounts owed between funds are considered to be in the course of normal operations by the Town. Reconciliation of the amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2024 consisted of the following:

	Transfers From	Transfers To
Major funds:		
General fund	$ 65,500	$ -
Highway capital equipment	-	20,000
Highway capital projects	-	20,000
Town building maintenance	-	5,000
Nonmajor funds:		
Special revenue funds	-	20,500
	$ 65,500	$ 65,500

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2024:

	Balance, 7/1/23 (Restated)	Additions	Disposals	Balance, 6/30/24
Non-depreciated assets:				
Land	$ 17,409	$ -	$ -	$ 17,409
Depreciated assets:				
Buildings and improvements	946,528	-	-	946,528
Equipment	337,184	60,209	(1,151)	396,242
Vehicles	413,104	278,438	(65,434)	626,108
Infrastructure	2,712,936	-	-	2,712,936
	4,409,752	338,647	(66,585)	4,681,814
Less accumulated depreciation:	(2,397,732)	(221,817)	60,211	(2,559,338)
Net depreciated assets	2,012,020	116,830	(6,374)	2,122,476
Net capital assets	$ 2,029,429	$ 116,830	$ (6,374)	$ 2,139,885

Current year depreciation:	
General government	$ 14,573
Public works	207,244
Total depreciation expense	$ 221,817

NOTE 6 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2024:

	Balance, 7/1/23	Additions	Deletions	Balance, 6/30/24	Current Portion
Notes from direct borrowings payable	$ 246,790	$ 343,730	$ (151,598)	$ 438,922	$ 109,942

The following is a summary of the outstanding bonds payable as of June 30, 2024:

Notes from direct borrowings payable:

$227,185 Highway Equipment Note with Community Bank for a 2024 International truck. Annual principal and interest payments due through May 14, 2027. Interest is charged at a fixed rate of 5.19% per annum.	$ 117,185
$110,000 note with State of Vermont, funds to be used to pay down Community Bank note on a 2024 International truck. Annual payments of principal and interest due through June 30, 2029. Interest is charged at a fixed rate of 2% per annum.	110,000
$20,000, Note payable to National Bank of Middlebury, due in annual principal payments of $4,000 plus interest, through July of 2024. Interest is charged at a fixed rate of 3.0%.	4,000
$270,000, Note payable to National Bank of Middlebury, due in annual principal payments of $27,000 plus interest, through April of 2031. Interest is charged at a fixed rate of 3.0%.	189,000
$84,850 excavator lease purchase agreement with Deere Financial, under a non-cancelable agreement with interest at a fixed rate of 2.95% per annum, annual payments of principal and interest total $10,480. The lease matures in October of 2025.	12,847
The Town leases a copier from Symquest through Konica Minolta Financial under a non-cancelable lease agreement. The term of the lease is for 60 Months ending November of 2028 with annual principal and interest payments of $1,309.	5,890
Total notes from direct borrowings payable	$ 438,922

NOTE 6 - LONG-TERM DEBT (CONTINUED)

The following is a summary of outstanding bonds payable principal and interest requirements for the next five fiscal years ending June 30 and in five-year increments thereafter:

	Notes from direct borrowings payable		
	Principal	Interest	Total
2025	$ 109,942	$ 16,190	$ 126,132
2026	98,353	10,357	108,710
2027	76,620	6,736	83,356
2028	50,309	4,120	54,429
2029	49,698	2,870	52,568
2030-2034	54,000	2,430	56,430
	$ 438,922	$ 42,703	$ 481,625

All notes from direct borrowings payable are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property located within the Town.

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of the changes in the other long-term obligations for the year ended June 30, 2024:

	Balance, 7/1/23	Additions	Deletions	Balance, 6/30/24	Current Portion
Accrued compensated absences	3,535	677	-	4,212	211
Net pension liability	162,706	39,839	(37,816)	164,729	-
Totals	$ 166,241	$ 40,516	$ (37,816)	$ 168,941	$ 211

Please see Notes 8 and 12 for detailed information on each of the other long-term obligations.

NOTE 8 - ACCRUED COMPENSATED ABSENCES

The Town's policies regarding vacation and sick time permits employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as a long-term obligation in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2024, the Town's liability for compensated absences is $4,212.

NOTE 9 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Town at June 30, 2024:

Invested in capital assets	$ 4,699,223
Accumulated depreciation	(2,559,338)
Outstanding capital related debt	(438,922)
	$ 1,700,963

NOTE 10 - NONSPENDABLE FUND BALANCE

At June 30, 2024, the Town had the following nonspendable fund balance:

General fund:	
Prepaid items	$ 13,031

NOTE 11 - COMMITTED FUND BALANCE

At June 30, 2024, the Town had the following committed fund balance:

Highway capital equipment	$ 126,868
Highway capital projects	137,281
Town building maintenance	111,368
Nonmajor special revenue funds (Schedule E)	94,819
Nonmajor capital projects funds (Schedule G)	11,373
	$ 481,709

NOTE 12 - DEFINED BENEFIT PENSION PLAN

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost sharing, multi-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. The plan was established effective July 1, 1975 and is governed by Title 24, V.S.A. Chapter 125. It is designed for persons employed on a regular basis by a school district or by a supervisory union for no fewer than 1,040 hours in a year and for no fewer than 30 hours a week for the school year, as defined in 16 V.S.A. § 1071 or for no fewer than 1,040 hours in a year and for no fewer than 24 hours a week year-round; provided, however, that if a person who was employed on a regular basis by a school district as either a special education or transportation employee and who was transferred to and is working in a supervisory union in the same capacity pursuant to 16 V.S.A. § 261a(a)(6) or (8)(E) and if that person is also employed on a regular basis by a school district within the supervisory union, then the person is an "employee" if these criteria are met by the combined hours worked for the supervisory union and school district. The term shall also mean persons employed on a regular basis by a municipality other than a school district for no fewer than 1,040 hours in a year and for no fewer than 24 hours per week, including persons employed in a library at least one-half of whose operating expenses are met by municipal funding. For the year ended June 30, 2022 (the most recent data available), the retirement system consisted of 17,253 participating members.

The general administration and responsibility for formulating administrative policy and procedures of the Retirement System for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system and two employer representatives - one elected by the governing bodies of participating employers of the system and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Comprehensive Annual Financial Report. The Annual Report may be viewed on the State's Department of Finance and Management website at: Annual Comprehensive Financial Report | Department of Finance and Management (vermont.gov).

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Benefits Provided

The pension plan is divided into four membership groups:

- Group A - general employees whose legislative bodies have not elected to become a member of Group B or Group C
- Groups B and C - general employees whose legislative bodies have elected to become members of Group B or Group C
- Group D - sworn police officers, firefighters and emergency medical personnel

The Town participates in Group C. Benefits available to each group are based on average final compensation (AFC) and years of creditable service and are summarized below:

VMERS	Group A	Group B	Group C	Group D
Normal service retirement eligibility	Age 65 with 5 years of service or age 55 with 35 years of service	Age 62 with 5 years of service or age 55 with 30 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Average Final Compensation (AFC)	Highest 5 consecutive years	Highest 3 consecutive years	Highest 3 consecutive years	Highest 2 consecutive years
Benefit formula - Normal Service Retirement (no reduction)	1.4% x creditable service x AFC	1.7% x creditable service x AFC + previous service; 1.4% x Group A service x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC; 2.5% x Group C service x AFC
Maximum Benefit Payable	60% of AFC	60% of AFC	50% of AFC	50% of AFC

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

VMERS	Group A	Group B	Group C	Group D
Post-Retirement COLA	50% of CPI, up to 2% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	N/A	Age 50 with 20 years of service
Early Retirement Reduction	6% per year from age 65 **	6% per year from age 62 **	N/A	No reduction

** - A special early retirement factor of 3% per year only for municipal police officers who have attained age 60

Members of all groups may qualify for vested deferred allowance, disability allowances and death benefit allowance subject to meeting various eligibility requirements. Benefits are based on AFC and service.

Contributions

Title 24 VSA Chapter 125 of Vermont Statutes grants the authority to the Retirement Board to annually review the amount of municipalities' contributions as recommended by the actuary of the retirement system in order to achieve and preserve the financial integrity of the fund and to certify the rates of contributions payable by employers. The Board of Trustees also certifies the rates of contribution payable by employees. Contribution rates for each group as of July 1, 2023 are as follows:

VMERS	Group A	Group B	Group C	Group D
Employee Contributions	3.750% of gross salary	6.125% of gross salary	11.250% of gross salary	12.600% of gross salary
Employer Contributions	5.250% of gross salary	6.750% of gross salary	8.500% of gross salary	11.100% of gross salary

Employee contributions are withheld pre-income tax by the Town and are remitted to the State of Vermont. Such withholdings for the year ended June 30, 2024 totaled $23,743. The Town contributed $17,939 for the year ended June 30, 2024. The Town's total payroll for the year ended June 30, 2024 for all employees covered under this plan was $211,048.

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities

At June 30, 2024, the Town reported a liability of $164,729 for its proportionate share of the net pension liabilities for each plan. The net pension liabilities were measured as of June 30, 2023 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of June 30, 2022. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all participating towns, actuarially determined.

At June 30, 2023, the Town's proportion was 0.04502% for VMERS, which was a decrease of 0.49098% from its proportion measured as of June 30, 2022 for VMERS.

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

For the year ended June 30, 2024, the Town recognized pension expense of $21,900 for the VMERS plan. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	VMERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 10,331	$ -
Changes of assumptions	5,369	-
Net difference between projected and actual earnings on pension plan investments	18,741	-
Changes in proportion and differences between contributions and proportionate share of contributions	18,331	3,802
Contributions subsequent to the measurement date	17,939	-
Total	$ 70,711	$ 3,802

$17,939 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	VMERS
Plan year ended June 30:	
2024	$ 18,456
2025	11,368
2026	19,535
2027	(388)
2028	-
Thereafter	-

Significant Actuarial Assumptions and Methods

The total pension liability for the June 30, 2023 measurement date was determined by rolling forward the total pension liability as of June 30, 2022 to June 30, 2023. The total pension liability was calculated using the following actuarial assumptions:

Investment Rate of Return: 7.00%, net of pension plan investment expense, including inflation.

Inflation: 2.30%

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.

Deaths After Retirement: Mortality rates for pre-retirement, healthy retirees and disabled retirees in the VMERS plan for Groups A, B, C and D were based on historical and current demographic data, adjusted to reflect health characteristics of the underlying groups and estimated future experience and professional judgment. The mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Pre-Retirement:

- Groups A/B/C - 40% PubG-2010 General Employee Amount-Weighted below-median and 60% of PubG-2010 General Employee Amount-Weighted, with generational projection using Scale MP-2021.

- Group D - PubG-2010 General Employee Amount-Weighted above-median, with generational projection using scale MP-2021.

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Healthy Post-Retirement - Retirees:

- Groups A/B/C - 104% of 40% PubG-2010 General Healthy Retiree Amount-Weighted below-median and 60% of PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2021.

- Group D - PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2021.

Healthy Post-Retirement - Beneficiaries:

- Groups A/B/C - 70% Pub-2010 Contingent Survivor Amount-Weighted below-median and 30% of Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2021.

- Group D - Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2021.

Disabled Post-Retirement:

- All Groups - PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with generational projection using Scale MP-2021.

Inactive Members: Valuation liability equals 100% of accumulated contributions. Inactive who are vested immediately become Deferred Members and the liabilities for all Deferred Members are based on the accrued benefit.

Future Administrative Expenses: An expense adjustment based on actual expenses for the previous year is reflected in the development of recommended employer contribution levels.

Unknown Data for Participants: The same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.

Percent Married: 85% of male members and 50% of female members are assumed to be married.

Spouse's Age: Husbands are assumed to be three years older than their wives.

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Cost-of-Living Adjustments: Assumed to occur on January 1 following one year of retirement at the rate of 1.10% per annum for Group A members and 1.20% per annum for Groups B, C and D members (beginning at Normal Retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Group A, B and D who receive a disability retirement benefit and at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2024, COLA is expected to be 1.10% for Groups A, B, C and D. The January 1, 2023 COLA is 2.00% for Group A members and 3.00% for Group B, C and D members.

Actuarial Cost Method: The Entry Age Actuarial Cost Method is used. Entry age is the age at date of employment or, if date is unknown, current age minus years of service. Normal Cost and Accrued Actuarial 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.

Amortization Method: Amortization payments calculated to fully fund unfunded actuarial accrued liability with annual increases of 3% over a closed period. The amortization of unfunded actuarial accrued liability (UAAL) within the actuarially determined contribution rate calculation is based on the level percentage of pay required to amortize the UAAL over the 30-year closed period that began on July 1, 2008. As of July 1, 2022, the remaining amortization period is 16 years.

A smoothing *asset valuation method* was used for funding purposes in the VMERS plan, 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. Then value of assets for actuarial purposes may not differ from the market value of assets by more than 20%.

The *long-term expected rate of return* on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) developed for each major asset class. These best estimate ranges were 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.

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equities	44.00%	5.35%
Private Equity	10.00%	7.50%
Emerging Markets Debt	2.00%	5.00%
Private and Alternative Credit	10.00%	5.50%
Non-Core Real Estate	4.00%	5.50%
Core Real Estate	4.00%	3.25%
US TIPS	2.00%	1.50%
Infrastructure/Farmland	5.00%	4.25%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for the VMERS plan. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy which exceeds the actuarially determined contribution rate. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.00% for the VMERS plan, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease	Discount Rate	1% Increase
VMERS:			
Discount rate	6.00%	7.00%	8.00%
Town's proportionate share of the net pension liability	$ 247,943	$ 164,729	$ 96,331

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Plan Fiduciary Net Position

The schedule of employer allocations and schedule of pension amounts by employer are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The schedules present amounts that are elements of the financial statements of VMERS or their participating employers. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Comprehensive Annual Financial Report. The Annual Report can be viewed on the State's Department of Finance and Management website at: Annual Comprehensive Financial Report | Department of Finance and Management (vermont.gov).

NOTE 13 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NOTE 14 - 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; injuries 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.

NOTE 15 - RESTATEMENT

During the fiscal year 2024, the Town determined that a change within the financial reporting entity to reclassify the highway capital equipment fund from being presented as a nonmajor fund to being presented as a major fund was required. Additionally, fund balance corrections were required to the general fund, town building maintenance fund and nonmajor governmental funds were required. The fund balance corrections impacted the beginning net position for the governmental activities. Certain other corrections related to capital assets were required which impacted governmental activities. These changes within the financial reporting entity and fund balance corrections resulted in adjustments to and restatements of net position and fund balance as follows:

	6/30/23 As Previously Reported	Change Within Financial Reporting Entity	Fund Balance Correction	Net Position Correction	6/30/23 As Restated
Government-Wide					
Governmental Activities	$ 2,063,407	$ -	$ -	$ 31,765	$ 2,095,172
Governmental Funds					
Major Funds:					
General Fund	$ 28,551	$ -	$ (31,900)	$ -	$ (3,349)
Highway Capital Equipment	-	49,413	-	-	49,413
Highway Capital Projects	117,281	-	-	-	117,281
Town Building Maintenance	90,015	-	10,000	-	100,015
Other Governmental Funds	124,291	(49,413)	47,050	-	121,928
Total Governmental Funds	$ 360,138	$ -	$ 25,150	$ -	$ 385,288

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions
- Notes to Required Supplementary Information

SCHEDULE 1

TOWN OF PANTON, VERMONT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1, Restated	$ (3,349)	$ (3,349)	$ (3,349)	$ -
Resources (Inflows):				
Property taxes	782,672	782,672	783,478	806
Intergovernmental	124,720	124,720	152,958	28,238
Permits and licenses	13,630	13,630	12,443	(1,187)
Charges for services	-	-	6,499	6,499
Interest income	100	100	1,597	1,497
Other revenue	320	320	386	66
Amounts Available for Appropriation	918,093	918,093	954,012	35,919
Charges to Appropriations (Outflows):				
General government	240,318	240,318	270,025	(29,707)
Public safety	52,550	52,550	61,388	(8,838)
Public works	549,573	549,573	520,643	28,930
Community development	13,501	13,501	13,501	-
Transfers to other funds	65,500	65,500	65,500	-
Total Charges to Appropriations	921,442	921,442	931,057	(9,615)
Budgetary Fund Balance, June 30	$ (3,349)	$ (3,349)	$ 22,955	$ 26,304

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PANTON, VERMONT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
VMERS:										
Proportion of the net pension liability	0.05%	0.54%	0.04%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.04%
Proportionate share of the net pension liability	$ 164,729	$ 162,706	$ 64,817	$ 82,932	$ 58,405	$ 48,990	$ 38,909	$ 42,556	$ 26,822	$ 3,265
Covered payroll	$ 177,694	$ 186,676	$ 145,935	$ 159,865	$ 156,801	$ 149,384	$ 126,816	$ 125,640	$ 121,580	$ 121,580
Proportionate share of the net pension liability as a percentage of its covered payroll	92.70%	87.16%	44.41%	51.88%	37.25%	32.79%	30.68%	33.87%	22.06%	2.69%
Plan fiduciary net position as a percentage of the total pension liability	74.01%	73.60%	86.29%	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%

* The amounts presented for each fiscal year were determined as of June 30.

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PANTON, VERMONT

SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
VMERS:										
Contractually required contribution	$ 17,939	$ 14,660	$ 13,462	$ 9,791	$ 6,794	$ 6,468	$ 5,975	$ 5,068	$ 5,026	$ 4,863
Contributions in relation to the contractually required contribution	(17,939)	(14,660)	(13,462)	(9,791)	(6,794)	(6,468)	(5,975)	(5,068)	(5,026)	(4,863)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 211,048	$ 177,694	$ 186,676	$ 145,935	$ 159,865	$ 156,801	$ 149,384	$ 126,816	$ 125,640	$ 121,580
Contributions as a percentage of covered payroll	8.50%	8.25%	7.21%	6.71%	4.25%	4.12%	4.00%	4.00%	4.00%	4.00%

See accompanying independent auditor's report and notes to financial statements.

Changes of Assumptions

VMERS Pension Plan:

- Assumed rates of salary increase were adjusted, generally increased, based on plan experience.
- Assumed active retirement rates for all groups were adjusted based on plan experience.
- Assumed termination rates were adjusted based on plan experience. Rates are now split between Groups A and B and C and D.
- Assumed disability rates were adjusted based on plan experience. Rates are now split between Groups A and B and C and D.

Other Supplementary Information

Other supplementary information includes financial statements not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues
- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

SCHEDULE A

TOWN OF PANTON, VERMONT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUDGET AND ACTUAL - GENERAL FUND REVENUES
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Property taxes:				
Current real property taxes	$ 782,672	782,672	$ 778,726	$ (3,946)
Penalties and interest	-	-	4,752	4,752
Intergovernmental revenues:				
Current use	55,000	55,000	59,306	4,306
State aid to highways	65,000	65,000	66,682	1,682
State pilot program	1,600	1,600	1,826	226
Other intergovernmental revenue	3,120	3,120	25,144	22,024
Permits and licenses	12,330	12,330	10,327	(2,003)
Fines	1,300	1,300	2,116	816
Charges for services:				
Public works	-	-	6,499	6,499
Investment income	100	100	1,597	1,497
Other income:				
Other income	320	320	386	66
Amounts Available for Appropriation	$ 921,442	$ 921,442	$ 957,361	$ 35,919

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PANTON, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
General government:					
Staff salaries	$ 99,954	$ -	$ 99,954	$ 111,578	$ (11,624)
Staff benefits	24,308	-	24,308	38,119	(13,811)
Stipends	3,200	-	3,200	2,600	600
Town office expense	37,614	-	37,614	36,984	630
Professional services	29,455	-	29,455	18,123	11,332
Planning and zoning	575	-	575	1,083	(508)
Dues and assessments	27,051	-	27,051	29,970	(2,919)
Software expenses	18,161	-	18,161	28,068	(9,907)
Other	-	-	-	3,500	(3,500)
Totals	240,318	-	240,318	270,025	(29,707)
Public safety:					
Law enforcement	7,500	-	7,500	7,470	30
Fire	38,600	-	38,600	48,414	(9,814)
Rescue	5,700	-	5,700	5,504	196
Emergency management	750	-	750	-	750
Totals	52,550	-	52,550	61,388	(8,838)
Public works:					
Salaries	139,684	-	139,684	142,245	(2,561)
Benefits	61,060	-	61,060	74,018	(12,958)
Admin/garage expense	68,729	-	68,729	84,425	(15,696)
Equipment maintenance and repair	34,200	-	34,200	33,540	660
Road construction and maintenance	245,900	-	245,900	186,415	59,485
Totals	549,573	-	549,573	520,643	28,930
Community development:					
Appropriations	13,501	-	13,501	13,501	-
Totals	13,501	-	13,501	13,501	-
Transfers to other funds	65,500	-	65,500	65,500	-
TOTAL DEPARTMENTAL OPERATIONS	$ 921,442	$ -	$ 921,442	$ 931,057	$ (9,615)

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PANTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS		
Due from other funds	$ 106,192	$ 106,192
TOTAL ASSETS	$ 106,192	$ 106,192
LIABILITIES		
Accounts payable	$ -	$ -
TOTAL LIABILITIES	-	-
FUND BALANCES		
Nonspendable	-	-
Restricted	-	-
Committed	106,192	106,192
Assigned	-	-
Unassigned	-	-
TOTAL FUND BALANCES	106,192	106,192
TOTAL LIABILITIES AND FUND BALANCES	$ 106,192	$ 106,192

See accompanying independent auditor’s report and notes to financial statements.

TOWN OF PANTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds	Total Nonmajor Governmental Funds
REVENUES		
Intergovernmental	$ 11,841	$ 11,841
Charges for services	1,643	1,643
TOTAL REVENUES	13,484	13,484
EXPENDITURES		
Other	49,720	49,720
TOTAL EXPENDITURES	49,720	49,720
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(36,236)	(36,236)
OTHER FINANCING SOURCES (USES)		
Transfers in	20,500	20,500
Transfers (out)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	20,500	20,500
NET CHANGE IN FUND BALANCES	(15,736)	(15,736)
FUND BALANCES - JULY 1, AS PREVIOUSLY REPORTED	124,291	124,291
FUND BALANCE CORRECTION	47,050	47,050
CHANGE WITHIN REPORTING ENTITY	(49,413)	(49,413)
FUND BALANCES - JULY 1, AS RESTATED	121,928	121,928
FUND BALANCES - JUNE 30	$ 106,192	$ 106,192

See accompanying independent auditor's report and notes to financial statements.

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than fiduciary trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

SCHEDULE E

TOWN OF PANTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2024

	Digitization Fund	Tire Fund	Restoration and Preservation	Reappraisal Fund	Emergency Reserve Fund	Arnold Bay Fund	ARPA Grant	*Moved to Major Fund* Highway Capital Equipment	Total
ASSETS									
Due from other funds	$ 15,695	$ 9,391	$ 11,373	$ 6,024	$ 61,550	$ 2,159	$ -	$ -	$ 106,192
TOTAL ASSETS	$ 15,695	$ 9,391	$ 11,373	$ 6,024	$ 61,550	$ 2,159	$ -	$ -	$ 106,192
LIABILITIES									
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	15,695	9,391	11,373	6,024	61,550	2,159	-	-	106,192
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	15,695	9,391	11,373	6,024	61,550	2,159	-	-	106,192
TOTAL LIABILITIES AND FUND BALANCES	$ 15,695	$ 9,391	$ 11,373	$ 6,024	$ 61,550	$ 2,159	$ -	$ -	$ 106,192

See accompanying independent auditor's report and notes to financial statements.

TOWN OF PANTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Digitization Fund	Tire Fund	Restoration and Preservation	Reappraisal Fund	Emergency Reserve Fund	Arnold Bay Fund	ARPA Grant	*Moved to Major Fund* Highway Capital Equipment	Total
REVENUES									
Intergovernmental	$ -	$ -	$ -	$ 2,941	$ -	$ -	8,900	$ -	$ 11,841
Charges for services	-	-	1,643	-	-	-	-	-	1,643
TOTAL REVENUES	-	-	1,643	2,941	-	-	8,900	-	13,484
EXPENDITURES									
Other	-	2,153	1,192	37,475	-	-	8,900	-	49,720
TOTAL EXPENDITURES	-	2,153	1,192	37,475	-	-	8,900	-	49,720
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(2,153)	451	(34,534)	-	-	-	-	(36,236)
OTHER FINANCING SOURCES (USES)									
Transfers in	2,000	12,000	-	2,000	4,500	-	-	-	20,500
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,000	12,000	-	2,000	4,500	-	-	-	20,500
NET CHANGE IN FUND BALANCES	2,000	9,847	451	(32,534)	4,500	-	-	-	(15,736)
FUND BALANCES - JULY 1, AS PREVIOUSLY PRESENTED	13,695	9,544	10,922	38,558	-	2,159	-	49,413	124,291
FUND BALANCE CORRECTION	-	(10,000)	-	-	57,050	-	-	-	47,050
CHANGE WITHIN REPORTING ENTITY	-	-	-	-	-	-	-	(49,413)	(49,413)
FUND BALANCES - JULY 1, AS RESTATED	13,695	(456)	10,922	38,558	57,050	2,159	-	-	121,928
FUND BALANCES - JUNE 30	$ 15,695	$ 9,391	$ 11,373	$ 6,024	$ 61,550	$ 2,159	$ -	$ -	$ 106,192

See accompanying independent auditor's report and notes to financial statements.

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities' column of the government-wide statement of net position.

TOWN OF PANTON, VERMONT

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2024

	Land and Non-depreciable Assets	Buildings, Building and Land Improvements	Fixtures, Equipment and Vehicles	Infrastructure	Total
General government	$ 17,409	$ 338,522	$ 29,954	$ -	$ 385,885
Public works	-	608,006	992,396	2,712,936	4,313,338
Total General Capital Assets	17,409	946,528	1,022,350	2,712,936	4,699,223
Less: Accumulated Depreciation	-	(369,407)	(593,532)	(1,596,399)	(2,559,338)
Net General Capital Assets	$ 17,409	$ 577,121	$ 428,818	$ 1,116,537	$ 2,139,885

See accompanying independent auditor’s report and notes to financial statements.

TOWN OF PANTON, VERMONT

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2024

	General Capital Assets 7/1/23 (Restated)	Additions	Deletions	General Capital Assets 6/30/24
General government	$ 376,811	$ 9,074	$ -	$ 385,885
Public works	4,050,350	329,573	(66,585)	4,313,338
Total General Capital Assets	4,427,161	338,647	(66,585)	4,699,223
Less: Accumulated Depreciation	(2,397,732)	(221,817)	60,211	(2,559,338)
Net General Capital Assets	$ 2,029,429	$ 116,830	$ (6,374)	$ 2,139,885

See accompanying independent auditor’s report and notes to financial statements.

RHR SMITH & COMPANY
Certified Public Accountants

Proven Expertise & Integrity

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Selectboard
Town of Panton
Panton, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Panton, 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 Panton, Vermont's basic financial statements and have issued our report thereon dated July 17, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Panton, Vermont's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Panton, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Panton, Vermont's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Panton, Vermont's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the Town of Panton, Vermont in a separate letter dated July 17, 2025.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000967
July 17, 2025