TOWN OF CHARLOTTE, VERMONT

AUDIT REPORT

JUNE 30, 2025

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AUDIT REPORT
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Independent Auditor's Report

Selectboard
Town of Charlotte, Vermont
P.O. Box 119
Charlotte, Vermont 05445

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Charlotte, Vermont, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of Charlotte, Vermont's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Charlotte, Vermont, as of June 30, 2025, 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 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 Charlotte, 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.

Change in Accounting Principle

As described in Note I.F. to the financial statements, in 2025, the Town adopted new accounting guidance, GASB Statement No. 101, "Compensated Absences". Our opinion is not modified with respect to this matter.

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Charlotte, Vermont's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Charlotte, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 9, the budgetary comparison information on Schedule 1, the Schedule of Proportionate Share of the Net Pension Liability on Schedule 2 and the Schedule of Contributions on Schedule 3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Charlotte, Vermont's basic financial statements. The combining fund financial statements and the schedule of taxes raised are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by "Government Auditing Standards"

In accordance with "Government Auditing Standards", we have also issued our report dated January 27, 2026, on our consideration of the Town of Charlotte, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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 Charlotte, 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 Charlotte, Vermont's internal control over financial reporting and compliance.

Sullivan, Powers & Co.

January 27, 2026
Montpelier, Vermont
VT Lic. #92-000180

The Town of Charlotte, Vermont (the "Town") herein sets forth an overview and analysis of its financial operations for the fiscal years ending June 30, 2025 and 2024.

Financial Highlights

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources on June 30, 2025 by $11,805,923 *(net position)*. Of this amount, $638,604 *(unrestricted net position)* may be used by the various funds of the Town to meet the Town's ongoing obligations.
- The Town's total governmental activities net position increased by $871,215.
- Fund balances of Governmental Funds decreased by $52,165 to a total of $1,180,855 in fiscal year 2025. The General Fund had a total fund balance of $433,262.

Overview of the Town's Financial Statements:

The annual financial report consists of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

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

The *statement of net position* presents information on all of the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between them reported as net position.

The *statement of activities* presents information showing how the Town's net position changed during the past fiscal year. The *statement of activities* is on the full accrual basis (i.e. all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows) whereas the *statement of revenues, expenditures and changes in fund balances - governmental funds* is on the modified accrual basis (i.e. revenue is recognized when it becomes measurable and available as net current position and expenditures are recognized when the related liability is incurred). Thus in the *statement of activities,* revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The major governmental activities of the Town include general government, highways and streets, public safety and culture and recreation. The government-wide financial statements can be found in Exhibits A and B of this report. The business-type activity of the Town is the wastewater operation on Thompson's Point, which is accounted for in the proprietary fund statements.

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 has three types of funds: governmental funds, a proprietary fund and fiduciary funds. The proprietary fund of the Town is an enterprise fund (business activities). This covers our Thompson's Point wastewater department. Fund financial statements can be found in Exhibits C through J.

Notes to the financial statements. The notes provide additional information that is necessary for an understanding of the information in the government-wide and fund financial statements. The notes to the financial statements follow the basic financial statements in this report.

Other Information. This section of the report includes the budgetary comparison for the General Fund and information related to the Town's participation in the Vermont Municipal Employees' Retirement System (VMERS) as required by U.S. GAAP. It also includes the combined information for individual non-major governmental funds.

Table 1
Net Position

	Governmental Activities		Business-type Activities		Total	
	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024
Current and Other Assets	$ 1,496,146	$ 1,399,114	$ 363,337	$ 360,416	$ 1,859,483	$ 1,759,530
Capital Assets	12,391,643	11,707,956	838,952	887,636	13,230,595	12,595,592
Total Assets	13,887,789	13,107,070	1,202,289	1,248,052	15,090,078	14,355,122
Deferred Outflows of Resources	135,823	184,072	0	0	135,823	184,072
Current Liabilities	141,196	129,341	250	45	141,446	129,386
Long-term Liabilities	3,274,476	3,425,397	0	0	3,274,476	3,425,397
Total Liabilities	3,415,672	3,554,738	250	45	3,415,922	3,554,783
Deferred Inflows of Resources	4,056	3,735	0	0	4,056	3,735
Net Investment in Capital Assets	10,265,595	9,449,862	838,952	887,636	11,104,547	10,337,498
Restricted	62,772	73,784	0	0	62,772	73,784
Unrestricted	275,517	209,023	363,087	360,371	638,604	569,394
Total Net Position	$ 10,603,884	$ 9,732,669	$ 1,202,039	$ 1,248,007	$ 11,805,923	$ 10,980,676

As indicated above, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $11,805,923 at the end of fiscal year 2025. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $10,980,676 at the end of fiscal year 2024.

The largest portion of the Town's net position is in its investment in capital assets (94.1% = $11,104,547). These assets are used to provide services to its citizens (e.g. land, buildings, equipment, and infrastructure). Therefore these assets are not available for future spending. A portion (0.5% = $62,772) of the Town's net position is subject to restrictions on how it may be used (e.g. records restoration, ski program, etc.). The remaining balance is an unrestricted net position (5.4% = $638,604) that may be used to meet the government's ongoing obligations to citizens and creditors. Some of the amounts included in the unrestricted net position have been assigned by management for particular purposes (e.g. capital projects).

Governmental activities. Governmental activities increased the Town's net position by $871,215 in fiscal year 2025.

Table 2
Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024
Revenues:						
Program Revenues:						
Charges for Services	$ 1,283,023	$ 1,152,988	$ 161,987	$ 169,685	$ 1,445,010	$ 1,322,673
Operating Grants and Contributions	412,222	300,556	0	0	412,222	300,556
Capital Grants and Contributions	1,003,082	22,615	0	0	1,003,082	22,615
General Revenues:						
Property Taxes	2,525,210	2,473,320	0	0	2,525,210	2,473,320
Penalties and Interest on Delinquent Taxes	39,632	31,991	0	0	39,632	31,991
General State Grants	111,328	104,233	0	0	111,328	104,233
ARPA Funds	0	43,420	0	0	0	43,420
Unrestricted Investment Earnings	100,155	107,821	0	0	100,155	107,821
Other Revenues	1,056	1,969	0	0	1,056	1,969
Total Revenues	5,475,708	4,238,913	161,987	169,685	5,637,695	4,408,598
Expenses:						
General Government	1,154,084	1,189,487	0	0	1,154,084	1,189,487
Public Safety	981,889	929,621	0	0	981,889	929,621
Highways and Streets	1,452,230	1,073,590	0	0	1,452,230	1,073,590
Culture and Recreation	921,947	878,288	0	0	921,947	878,288
Community Development	0	43,830	0	0	0	43,830
Cemetery	5,850	5,928	0	0	5,850	5,928
Interest on Long-term Debt	88,493	89,099	0	0	88,493	89,099
Wastewater	0	0	207,955	183,003	207,955	183,003
Total Expenses	4,604,493	4,209,843	207,955	183,003	4,812,448	4,392,846
Increase/(Decrease) in Net Position	$ 871,215	$ 29,070	$ (45,968)	$ (13,318)	$ 825,247	$ 15,752

Financial Analysis of Major Governmental Funds

The General Fund

The General Fund balance decreased $42,806 from $476,068 at the end of fiscal year 2024 to $433,262 at the end of fiscal year 2025.

The total revenues budgeted were $4,241,234. The actual revenues collected were $4,284,749, which was $43,515 more than budgeted. A large contributing factor to the excess in revenues was the result of receiving more interest income than expected due to the increase in interest rates ($39,936).

The total expenses budgeted were $4,241,234. The actual expenses were $4,314,846, which was $73,612 more than budgeted. Among the line items that were overspent were: selectmen (by $53,670) and highway (by $249,394).

In the highway expense budget a total of $1,152,644 was spent, $249,394 more than the budget of $903,250. Some line items were underspent and some were overspent. The line items that were underspent the most were retreatment and brush/tree removal, which were underspent by $42,129 and $30,012, respectively. The line items that were overspent the most were winter plow/sand/ice, gravel roads maintenance and culvert replacement/repair, which were overspent by $39,403, $101,218 and $158,284, respectively.

Other Funds

The Town has the following reserve funds as of June 30, 2025:

Conservation Fund	$306,204
Highway Capital Reserve Fund	12,448
Non-Major Government Funds	428,941
Total Other Funds	$747,593

Restricted Net Position and Fund Balances

The restricted net position was $62,772 on June 30, 2025. These funds are reserved for specific future expenses, such as records restoration and other purposes determined by trust or grant agreements.

Capital Assets

Governmental Capital Assets increased $683,687 net of accumulated depreciation to a total of $12,391,643 as of June 30, 2025. The Town spent $1,224,994 on capital asset additions during the fiscal year. The most notable addition was related to the Spear Street culvert replacement project ($1,050,192).

Long-term Debt

At the end of the current year, the Town had total long-term debt outstanding of $2,669,798. This amount represents bonded debt backed by the full faith and credit of the Town.

Table 3
Outstanding Debt at Year-End

	Governmental Activities	
	FY2025	FY2024
Bonds Payable	$ 2,669,798	$ 2,880,594

The Town's total debt decreased by $210,796 during the year, reflecting the repayments of principal.

Bonds are issued through the Vermont Municipal Bond Bank. The Town issues no bonded debt on its own behalf and does not maintain its own credit rating.

Additional information on the Town's long-term debt can be found in Note IV.I. in the notes to financial statements.

Economic Factors and Next Year's Budget and Rates

The following factors were considered in the development of the budget for FY26:

The Town approved a General Fund budget for fiscal year 2026 in the amount of $4,367,990, including the articles for allocations to CVFRS and the Library. This represented an increase of $126,756 (3%) from the approved budget for the prior fiscal year.

The following factors will influence the General Fund budget in the next fiscal year:

- The Selectboard plans to keep spending relatively level, in order to minimize the tax burden on residents.
- The Selectboard also plans to provide year-over-year support for capital facilities projects, in order to maintain/repair existing Town assets and infrastructure.

Requests for Information

This financial report is designed to provide a general overview of the Town of Charlotte, Vermont's financial condition. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Town Administrator or the Town Treasurer, P.O. Box 119, Charlotte, Vermont 05445.

TOWN OF CHARLOTTE, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	$ 1,466,556	$ 0	$ 1,466,556
Deposits with Insurance Company	18,630	0	18,630
Receivables	230,550	66,947	297,497
Loans Receivable	0	29,400	29,400
Internal Balances	(266,990)	266,990	0
Prepaid Expenses	47,400	0	47,400
Capital Assets:			
Land	1,827,100	0	1,827,100
Other Capital Assets, (Net of Accumulated Depreciation)	10,564,543	838,952	11,403,495
Total Assets	13,887,789	1,202,289	15,090,078
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	135,823	0	135,823
Total Deferred Outflows of Resources	135,823	0	135,823
LIABILITIES			
Accounts Payable	89,707	0	89,707
Accrued Payroll and Benefits Payable	18,772	0	18,772
Unearned Revenue	16,292	250	16,542
Due to Others	1,000	0	1,000
Due to Fiduciary Fund	1,097	0	1,097
Accrued Interest Payable	14,328	0	14,328
Noncurrent Liabilities:			
Due Within One Year	215,832	0	215,832
Due in More than One Year	3,058,644	0	3,058,644
Total Liabilities	3,415,672	250	3,415,922
DEFERRED INFLOWS OF RESOURCES			
Prepaid Property Taxes	3,000	0	3,000
Deferred Inflows of Resources Related to the Town's Participation in VMERS	1,056	0	1,056
Total Deferred Inflows of Resources	4,056	0	4,056
NET POSITION			
Net Investment in Capital Assets	10,265,595	838,952	11,104,547
Restricted:			
Expendable:			
Other	62,772	0	62,772
Unrestricted	275,517	363,087	638,604
Total Net Position	$ 10,603,884	$ 1,202,039	$ 11,805,923

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

TOWN OF CHARLOTTE, VERMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Primary Government:							
Governmental Activities:							
General Government	$ 1,154,084	$ 1,080,006	$ 30,464	$ 500	$ (43,114)	$ 0	$ (43,114)
Public Safety	981,889	13,019	0	105	(968,765)	0	(968,765)
Highways and Streets	1,452,230	500	367,413	995,223	(89,094)	0	(89,094)
Culture and Recreation	921,947	189,498	14,345	7,254	(710,850)	0	(710,850)
Cemetery	5,850	0	0	0	(5,850)	0	(5,850)
Interest on Long-term Debt	88,493	0	0	0	(88,493)	0	(88,493)
Total Governmental Activities	4,604,493	1,283,023	412,222	1,003,082	(1,906,166)	0	(1,906,166)
Business-type Activities:							
Wastewater	207,955	161,987	0	0	0	(45,968)	(45,968)
Total Business-type Activities	207,955	161,987	0	0	0	(45,968)	(45,968)
Total Primary Government	$ 4,812,448	$ 1,445,010	$ 412,222	$ 1,003,082	(1,906,166)	(45,968)	(1,952,134)
General Revenues:							
Property Taxes					2,525,210	0	2,525,210
Penalties and Interest on Delinquent Taxes					39,632	0	39,632
General State Grants					111,328	0	111,328
Unrestricted Investment Earnings					100,155	0	100,155
Other Revenues					1,056	0	1,056
Total General Revenues					2,777,381	0	2,777,381
Change in Net Position					871,215	(45,968)	825,247
Net Position - July 1, 2024					9,732,669	1,248,007	10,980,676
Net Position - June 30, 2025					$ 10,603,884	$ 1,202,039	$ 11,805,923

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

TOWN OF CHARLOTTE, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Conservation Fund	Highway Capital Reserve Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash	$ 1,466,556	$ 0	$ 0	$ 0	$ 1,466,556
Deposits with Insurance Company	18,630	0	0	0	18,630
Receivables	197,536	0	33,014	0	230,550
Due from Other Funds	0	306,204	0	445,233	751,437
Prepaid Items	47,400	0	0	0	47,400
Total Assets	$ 1,730,122	$ 306,204	$ 33,014	$ 445,233	$ 2,514,573
LIABILITIES					
Accounts Payable	$ 89,707	$ 0	$ 0	$ 0	$ 89,707
Accrued Payroll and Benefits Payable	18,772	0	0	0	18,772
Due to Other Funds	998,958	0	20,566	0	1,019,524
Unearned Revenue	0	0	0	16,292	16,292
Due to Others	1,000	0	0	0	1,000
Total Liabilities	1,108,437	0	20,566	16,292	1,145,295
DEFERRED INFLOWS OF RESOURCES					
Prepaid Property Taxes	3,000	0	0	0	3,000
Unavailable Property Taxes, Penalties and Interest	41,343	0	0	0	41,343
Unavailable Grants	144,080	0	0	0	144,080
Total Deferred Inflows of Resources	188,423	0	0	0	188,423
FUND BALANCES					
Nonspendable	66,030	0	0	0	66,030
Restricted	11,497	0	0	51,275	62,772
Committed	0	306,204	12,448	333,092	651,744
Assigned	28,213	0	0	45,324	73,537
Unassigned/(Deficit)	327,522	0	0	(750)	326,772
Total Fund Balances	433,262	306,204	12,448	428,941	1,180,855
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,730,122	$ 306,204	$ 33,014	$ 445,233	

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.	12,391,643
Other Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds.	185,423
Long-Term and Accrued Liabilities, Including Bonds Payable and the Net Pension Liability, are not Due or Payable in the Current Period and, Therefore, are not Reported in the Funds	(3,288,804)
Deferred Outflows of Resources and Deferred Inflows of Resources related to the Town's Participation in VMERS are applicable to Future Periods and, therefore, are not Reported in the Funds.	134,767
Net Position of Governmental Activities	$ 10,603,884

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

TOWN OF CHARLOTTE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Conservation Fund	*Formerly Major Fund* Fire & Rescue Capital Fund	Highway Capital Reserve Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:						
Property Taxes	$ 2,522,867	$ 0	$ 0	$ 0	$ 0	$ 2,522,867
Penalties and Interest on Delinquent Taxes	39,632	0	0	0	0	39,632
Intergovernmental	335,741	0	0	995,223	46,757	1,377,721
Charges for Services	1,103,646	0	0	0	0	1,103,646
Permits, Licenses and Fees	153,852	0	0	0	18,596	172,448
Fines and Forfeits	13,019	0	0	0	0	13,019
Investment Income	100,155	0	0	0	0	100,155
Donations	50	0	0	0	6,754	6,804
Other	1,056	0	0	0	1,547	2,603
Total Revenues	4,270,018	0	0	995,223	73,654	5,338,895
Expenditures:						
General Government	1,024,934	0	0	0	51,911	1,076,845
Public Safety	981,889	0	0	0	0	981,889
Highways and Streets	999,793	0	0	0	0	999,793
Culture and Recreation	763,465	0	0	0	38,133	801,598
Cemetery	5,850	0	0	0	0	5,850
Capital Outlay:						
Highways and Streets	174,802	0	0	1,050,192	0	1,224,994
Debt Service:						
Principal	210,796	0	0	0	0	210,796
Interest	89,295	0	0	0	0	89,295
Total Expenditures	4,250,824	0	0	1,050,192	90,044	5,391,060
Excess/(Deficiency) of Revenues Over Expenditures	19,194	0	0	(54,969)	(16,390)	(52,165)
Other Financing Sources/(Uses):						
Transfers In	15,000	25,000	0	0	52,000	92,000
Transfers Out	(77,000)	0	0	0	(15,000)	(92,000)
Total Other Financing Sources/(Uses)	(62,000)	25,000	0	0	37,000	0
Net Change in Fund Balances	(42,806)	25,000	0	(54,969)	20,610	(52,165)
Fund Balances - July 1, 2024, As Previously Presented	476,068	281,204	12,524	0	463,224	1,233,020
Change within Financial Reporting Entity (Major to Non-Major)	0	0	(12,524)	0	12,524	0
Change within Financial Reporting Entity (Non-Major to Major)	0	0	0	67,417	(67,417)	0
Fund Balances - July 1, 2024, As Adjusted	476,068	281,204	0	67,417	408,331	1,233,020
Fund Balances - June 30, 2025	$ 433,262	$ 306,204	$ 0	$ 12,448	$ 428,941	$ 1,180,855

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

TOWN OF CHARLOTTE, 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, 2025

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:		
Net change in fund balances - total government funds (Exhibit D)	$	(52,165)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets ($1,224,994) is allocated over their estimated useful lives and reported as depreciation expense ($541,307). This is the amount by which capital outlays exceeded depreciation in the current period.		683,687
The issuance of long-term debt ($-0-) (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt ($210,796) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		210,796
Governmental funds report employer pension contributions as expenditures ($46,981). However, in the statement of activities, the cost of pension benefits earned net of employee contributions ($112,657) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.		(65,676)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This amount is the net difference in the treatment of these items from the previous year.		136,813
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. This amount is the net difference in the treatment of these items from the previous year.		(42,240)
Change in net position of governmental activities (Exhibit B)	$	871,215

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

TOWN OF CHARLOTTE, VERMONT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

	Wastewater Fund
ASSETS	
Current Assets:	
Receivables	$ 66,947
Loans Receivable - Current Portion	2,625
Due from Other Funds	266,990
Total Current Assets	336,562
Noncurrent Assets:	
Loans Receivable - Noncurrent Portion	26,775
Distribution and Collection Systems	1,749,236
Less: Accumulated Depreciation	(910,284)
Total Noncurrent Assets	865,727
Total Assets	$ 1,202,289
LIABILITIES	
Liabilities:	
Unearned Revenue	$ 250
Total Liabilities	250
NET POSITION	
Net Investment in Capital Assets	838,952
Unrestricted	363,087
Total Net Position	1,202,039
Total Liabilities and Net Position	$ 1,202,289

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

TOWN OF CHARLOTTE, VERMONT
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Wastewater Fund
Operating Revenues:	
Charges for Services	$ 160,892
Other	1,095
Total Operating Revenues	161,987
Operating Expenses:	
Contract Services	104,717
Utilities	4,257
Repairs and Maintenance	30,968
Materials and Supplies	2,376
Fees and Permits	873
Testing Fees	16,080
Depreciation	48,684
Total Operating Expenses	207,955
Change in Net Position	(45,968)
Net Position - July 1, 2024	1,248,007
Net Position - June 30, 2025	$ 1,202,039

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

Exhibit H

TOWN OF CHARLOTTE, VERMONT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Wastewater Fund
Cash Flows From Operating Activities:	
Receipts from Customers and Users	$ 162,228
Payments for Goods and Services	(159,271)
Net Cash Provided by Operating Activities	2,957
Cash Flows From Noncapital Financing Activities:	
(Increase)/Decrease in Due from Other Funds	(5,582)
Net Cash Provided/(Used) by Noncapital Financing Activities	(5,582)
Cash Flows From Capital and Related Financing Activities:	
Payments Received on Loans Receivable	2,625
Net Cash Provided by Capital and Related Financing Activities	2,625
Cash Flows From Investing Activities:	0
Net Increase in Cash	0
Cash - July 1, 2024	0
Cash - June 30, 2025	$ 0
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:	
Operating Income/(Loss)	$ (45,968)
Depreciation	48,684
(Increase)/Decrease in Receivables	36
Increase/(Decrease) in Unearned Revenue	205
Net Cash Provided by Operating Activities	$ 2,957

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

TOWN OF CHARLOTTE, VERMONT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	Private-Purpose Trust Funds	Custodial Fund Education Tax Fund
ASSETS		
Cash and Cash Equivalents	$ 39,372	$ 0
Investments	751,182	0
Due from Other Funds	1,097	0
Total Assets	$ 791,651	$ 0
LIABILITIES AND NET POSITION		
Liabilities:	$ 0	$ 0
Net Position:		
Restricted:		
Held in Trust for Individuals and Organizations	791,651	0
Total Liabilities and Net Position	$ 791,651	$ 0

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

TOWN OF CHARLOTTE, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Private-Purpose Trust Funds	Custodial Fund Education Tax Fund
Additions:		
Investment Income	$ 77,038	$ 0
Education Taxes Collected for Other Governments	0	16,762,687
Total Additions	77,038	16,762,687
Deductions:		
Grandview Cemetery	12,238	0
Education Taxes Distributed to Other Governments	0	16,762,687
Total Deductions	12,238	16,762,687
Change in Net Position	64,800	0
Net Position - July 1, 2024	726,851	0
Net Position - June 30, 2025	$ 791,651	$ 0

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

The Town of Charlotte, Vermont, (herein the "Town") operates under a Selectboard form of government and provides the following services: public safety, highways and streets, health and social services, culture and recreation, community/economic development, cemetery, public improvements, planning and zoning, wastewater and general administrative services.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Financial Reporting Entity

This report includes all of the activity of the Town of Charlotte, Vermont. The financial reporting entity consists of the primary government; organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. The primary government is financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board; a governing board appointed by a higher level of government; or a jointly appointed board. Based on these criteria, there are no other entities that should be combined with the financial statements of the Town.

B. Basis of Presentation

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

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

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government, the Town. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of activities between funds. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities and for each segment of the Town's business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular program or function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Town reports on the following major governmental funds:

General Fund – This is the Town's main operating fund. It accounts for all financial resources of the Town except those accounted for in another fund.

Conservation Fund – This fund accounts for the resources used for land preservation.

Highway Capital Reserve Fund – This fund accounts for the highway capital expenditures of the Town.

The Town reports on the following major enterprise fund:

Wastewater Fund – This fund accounts for the operations of the Thompson's Point Wastewater Department.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Additionally, the Town reports the following fund types:

Private-Purpose Trust Funds – These funds are used to report trust arrangements under which resources are to be used for the benefit of individuals. All investment earnings, and in some cases, the principal of these funds may be used to support these activities.

Custodial Fund – This fund is used to report resources held by the Town in a purely custodial capacity for other governments, private organizations or individuals.

C. Measurement Focus

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

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

D. 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.

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

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

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

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

Recognition of revenues on funds received in connection with loan programs are recognized when loans are awarded and expenses incurred in excess of current grants and program income. An offsetting deferred inflows of resources is recognized for all loans receivable. Loan repayment revenue is recognized as the loans are repaid.

E. Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows and inflows of resources and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. New Pronouncement – Compensated Absences

Effective June 30, 2025, the Town implemented GASB Statement No. 101, "Compensated Absences". GASB Statement No. 101 is intended to improve consistency and enhance the accounting and financial reporting for compensated absences. It establishes a unified model for recognizing liabilities related to both unused and used-but-unpaid leave, based on updated recognition and measurement guidance. In addition, this statement provides clearer definitions and requirements for when and how compensated absences should be reported. The implementation of this Standard did not affect net position/fund balances as of July 1, 2024.

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Equity

1. Cash

Cash balances of Town funds are deposited with and invested by the Town Treasurer. The Town considers all short-term investments of ninety (90) days or less to be cash equivalents.

Excess cash of individual funds are shown as due from other funds and excess withdrawals are shown as due to other funds.

2. Investments

The Town invests in investments as allowed by State Statute. Investments with readily determinable fair values are reported at their fair values on the balance sheet. Unrealized gains and losses are included in revenue.

3. Receivables

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

4. Internal Balances

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

5. Prepaid Expenses/Items

Certain payments to vendors reflect costs that are applicable to future accounting periods and are recorded as prepaid expenses/items.

Reported prepaid items of governmental funds in the fund financial statements are offset by a nonspendable fund balance as these are not in spendable form.

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statements element, "deferred outflows of resources", represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. These amounts are deferred and recognized as an outflow of resources in the future periods to which the outflows are related.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, "deferred inflows of resources", represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the future periods to which the inflows are related or when the amounts become available.

7. Leases

Lessee: The Town recognizes lease liabilities and a right-to-use lease asset (lease asset) in the government-wide and proprietary fund financial statements. The Town recognizes lease liabilities with an initial, individual value deemed material. At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported as right to use along with other capital assets and lease liabilities are reported with long-term debt in the government-wide and proprietary fund financial statements.

Lessor: The Town recognizes a lease receivable and a deferred inflows of resources in both the government-wide and fund financial statements. At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources is initially measured as the initial amount of the lease receivable. Subsequently, the deferred inflows of resources is recognized as revenue on a straight-line basis over the term of the lease. Lease receivables in excess of the related deferred inflows of resources are reported as nonspendable fund balances of governmental funds in the fund financial statements as these are not in spendable form.

8. Capital Assets

Capital assets are reported at actual cost or estimated historical cost based on appraisals or deflated current replacement cost if purchased or constructed. Contributed assets are recorded at their estimated acquisition value at the time received. Major outlays for capital assets and improvements are capitalized as constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Infrastructure assets are reported starting with fiscal year ended June 30, 2004. The Town has elected to not report major general infrastructure assets retroactively.

Capital assets reported in the government-wide and proprietary fund financial statements are depreciated in order that the cost of these assets will be charged to expenses over their estimated service lives, generally using the straight-line method of calculating depreciation.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets are as follows:

	Capitalization Threshold	Estimated Service Life
Land	$ 1,000	Not Depreciated
Buildings and Building Improvements	$ 20,000	10-75 Years
Vehicles and Equipment	$ 5,000	3-25 Years
Infrastructure	$ 20,000	20-75 Years
Distribution and Collection Systems	$ 20,000	20-75 Years

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

9. Pensions

For purposes of measuring the proportionate share of the net pension liability and the related deferred outflows/inflows of resources 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' fiduciary net position have been determined on the same basis as they are reported by VMERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused leave time. The accrual for unused compensated absences time, based on current pay rates, is recorded in the government-wide and proprietary fund financial statements. The liability for unused compensated absences is not reported in the governmental fund financial statements. Payments for unused compensated absences are recorded as expenditures in the year they are paid.

11. Long-term Liabilities

Long-term liabilities include bonds and notes payable and other obligations such as compensated absences and the Town's net pension liability. Long-term liabilities are reported in the government-wide and proprietary fund financial statements. Governmental fund financial statements do not include any long-term liabilities as those statements use the current financial resources measurement focus and only include current liabilities on their balance sheets.

12. Fund Equity

Fund equity is classified based upon any restrictions that have been placed on those balances or any tentative plans management may have made for those balances. Restrictions of net position in the government-wide, proprietary and fiduciary fund financial statements represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a grant, contract, or other binding agreement. Fund balances in governmental fund financial statements are classified as nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors, or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Selectboard's intended use of the resources); and unassigned.

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

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

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

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

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

Pension-related differences arise because governmental funds report the current year's required employer contributions as current period expenditures, whereas government-wide statements report those transactions as deferred outflows of resources. In addition, the accrual for the Town's proportionate share of the net pension liability is recorded in the government-wide financial statements along with the related deferred inflows and outflows of resources.

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The budget is approved at the annual Town Meeting in March or at subsequent special meetings if the original budget is not approved. Budget changes within a department, which do not change the total expenditures, require approval of the Selectboard. Any budget changes which change total expenditures requires voter approval. There were no budget amendments during the year. The budget presented herein is for the Town's "General Fund" only and does not include the HRA Fund, the Park & Wildlife Fund and the Highway Reserve Fund activity that is included with the General Fund.

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2025, expenditures in the General Fund exceeded appropriations by $73,612. These over-expenditures were funded by excess revenues and available fund balance.

C. Adjustments to Beginning Balances

During fiscal year 2025, changes within the financial reporting entity resulted in adjustments to beginning fund balances as follows:

	Reporting Units Affected by Adjustments to Beginning Balances		
	Fire & Rescue Capital Fund	Highway Capital Reserve Fund	Non-Major Governmental Funds
Fund Balances - July 1, 2024, As Previously Presented	$ 12,524	$ 0	$ 463,224
Change within Financial Reporting Entity (Major to Non-Major Fund)	(12,524)	0	12,524
Change within Financial Reporting Entity (Non-Major to Major Fund)	0	67,417	(67,417)
Fund Balances - July 1, 2024, As Adjusted	$ 0	$ 67,417	$ 408,331

IV. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

The Town's cash, cash equivalents and investments as of June 30, 2025 consisted of the following:

Cash and Cash Equivalents:	
Deposits with Financial Institutions	$1,466,456
Deposits with Investment Company	32,572
Money Market Mutual Funds – U.S. Government Securities	6,800
Cash on Hand	100
Total Cash and Cash Equivalents	1,505,928
Investments:	
Exchange-Traded Funds	293,605
Mutual Funds – Mixed Holdings	457,577
Total Investments	751,182
Total Cash, Cash Equivalents and Investments	$2,257,110

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counter-party (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. The Town does not have any policy to limit the exposure to custodial credit risk. The money market mutual funds, exchange-traded funds and mutual funds are in the name of the Town and are not exposed to custodial credit risk. The following table shows the custodial credit risk of the Town's cash.

	Book Balance	Bank Balance
FDIC/SIPC Insured	$ 319,233	$ 319,233
Uninsured, Collateralized by Irrevocable Standby Letter of Credit	1,179,795	1,402,261
Total	$1,499,028	$1,721,494

The difference between the book and the bank balance is due to reconciling items such as deposits in transit and outstanding checks.

The book balance is comprised of the following:

Cash – Deposits with Financial Institutions	$1,466,456
Cash – Deposits with Investment Company	32,572
Total	$1,499,028

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town's policy does not limit it's exposure to interest rate risk. The Town's exchange-traded funds are exempt from interest rate risk disclosure. The Town's money market mutual funds and mutual funds are open-ended and, therefore, are also exempt from interest rate risk disclosure.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. These organizations look at a number of factors in order to evaluate the risk of an obligation and rate the risk. The rating allows the investor to make informed buying and selling decisions. The Town does not have any policy to limit the exposure to credit risk. The Town's exchange-traded funds are exempt from credit risk disclosure. The Town's money market mutual funds and mutual funds are open-ended and, therefore, are also exempt from credit risk disclosure.

Concentration of Credit Risk

Concentration of credit risk is the risk that a large percentage of the Town's investments are held within one security. The Town does not have any limitations on the amount that can be invested in any one issuer. There are no investments in any one issuer, other than mutual funds, that represent more than 5% of total investments.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board (GASB) Statement No. 72, "Fair Value Measurement and Application." The hierarchy is based on the valuation inputs used to measure fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

The Town has the following fair value measurements as of June 30, 2025:

		Fair Value Measurements Using:		
Description	Total	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Exchange-Traded Funds	$ 293,605	$ 293,605	$ 0	$ 0
Mutual Funds - Mixed Holdings	457,577	457,577	0	0
Total	$ 751,182	$ 751,182	$ 0	$ 0

B. Receivables

Receivables as of June 30, 2025, as reported in the statement of net position, are as follows:

	Governmental Activities	Business-type Activities	Total
Delinquent Taxes Receivable	$ 42,749	$ 0	$ 42,749
Penalties and Interest Receivable	10,707	0	10,707
Grants Receivable	177,094	0	177,094
Billed Services	0	947	947
Unbilled Services	0	66,000	66,000
Total	$ 230,550	$ 66,947	$ 297,497

C. Loans Receivable

The Town has four (4) outstanding wastewater loans totaling $29,400 to homeowners for hook-on fees to the sewer system on Lane's Lane. Loan terms vary from 10 to 20 years. Interest is at 0%. The Town estimates that $2,625 will be collected during fiscal year 2026 and the remainder of $26,775 in future years.

D. Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 1,827,100	$ 0	$ 0	$ 1,827,100
Total Capital Assets, Not Being Depreciated	1,827,100	0	0	1,827,100
Capital Assets, Being Depreciated:				
Land Improvements	53,810	0	0	53,810
Buildings and Building Improvements	6,119,285	0	0	6,119,285
Vehicles and Equipment	113,603	0	0	113,603
Infrastructure	6,985,467	1,224,994	0	8,210,461
Distribution and Collection Systems	146,693	0	0	146,693
Totals	13,418,858	1,224,994	0	14,643,852
Less Accumulated Depreciation for:				
Land Improvements	10,922	3,295	0	14,217
Buildings and Building Improvements	830,023	134,322	0	964,345
Vehicles and Equipment	41,487	6,747	0	48,234
Infrastructure	2,588,453	393,568	0	2,982,021
Distribution and Collection Systems	67,117	3,375	0	70,492
Totals	3,538,002	541,307	0	4,079,309
Total Capital Assets, Being Depreciated	9,880,856	683,687	0	10,564,543
Governmental Activities Capital Assets, Net	$ 11,707,956	$ 683,687	$ 0	$ 12,391,643

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets, Being Depreciated:				
Distribution and Collection Systems	$ 1,749,236	$ 0	$ 0	$ 1,749,236
Totals	1,749,236	0	0	1,749,236
Less Accumulated Depreciation for:				
Distribution and Collection Systems	861,600	48,684	0	910,284
Totals	861,600	48,684	0	910,284
Total Capital Assets, Being Depreciated	887,636	(48,684)	0	838,952
Business-type Activities Capital Assets, Net	$ 887,636	$ (48,684)	$ 0	$ 838,952

Depreciation was charged as follows:

Governmental Activities:		Business-type Activities:	
General Government	$ 22,880	Wastewater	$ 48,684
Highways and Streets	452,437		
Culture and Recreation	65,990		
Total Depreciation Expense - Governmental Activities	$ 541,307	Total Depreciation Expense - Business-type Activities	$ 48,684

E. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2025 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	$ 0	$ 998,958
Conservation Fund	306,204	0
Highway Capital Reserve Fund	0	20,566
Non-Major Governmental Funds	445,233	0
Wastewater Fund	266,990	0
Private-Purpose Trust Fund - Serrell Fund	1,097	0
Total	$ 1,019,524	$ 1,019,524

Interfund transfers during the year ended June 30, 2025 were as follows:

Transfer From	Transfer To	Amount		Purpose
General Fund	HRA Fund	$ 52,000	*	Appropriation
General Fund	Conservation Fund	25,000		Appropriation
General Fund	Repairs and Improvements Fund	52,000		Appropriation
Reappraisal Fund	General Fund	15,000		To Fund Reappraisal
Total		$ 144,000		

* The transfer from the General Fund to the HRA Fund is netted within the General Fund as this fund is consolidated within the General Fund in order to comply with GASB Statement No. 54.

F. Deferred Outflows of Resources

Deferred outflows of resources in the governmental activities consists of $56,494 from the difference between the expected and actual experience, $12,867 from the net difference between the projected and actual investment earnings on pension plan investments, $2,811 from changes in assumptions and $16,670 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and $46,981 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the governmental activities is $135,823.

G. Unearned Revenue

Unearned revenue in the governmental activities and Non-Major Governmental Funds consists of $16,292 of grant revenue received in advance.

Unearned revenue in the business-type activities and Wastewater Fund consists of $250 of user fees received in advance.

H. Deferred Inflows of Resources

Deferred inflows of resources in the governmental activities consists of $1,056 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS). It also includes $3,000 of prepaid property taxes. Total deferred inflows of resources in the governmental activities is $4,056.

Deferred inflows of resources in the General Fund consists of $41,343 of delinquent property taxes, penalties and interest on those taxes and $144,080 of grant revenue not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. It also includes $3,000 of prepaid property taxes. Total deferred inflows of resources in the General Fund is $188,423.

I. Long-term Liabilities

The Town issues general obligation bonds to provide resources for the acquisition and construction of major capital facilities and to refund prior issues. General obligation bonds have been issued for governmental activities. Bonds are reported in governmental activities if the debt is expected to be repaid from general governmental revenues and in business-type activities if the debt is expected to be repaid from proprietary fund revenues.

General obligation bonds are direct obligations and pledge the full faith and credit of the Town. New bonds generally are issued as 10 to 20 year bonds.

It is the policy of the Town to permit employees to accumulate earned but unused benefits. The accrual for unused compensated absences time, based on current pay rates, is recorded in the government-wide financial statements.

The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside to pay current employees, retirees, and beneficiaries. The accrual for the Town's share of the net pension liability is recorded in the government-wide financial statements.

Long-term debt outstanding as of June 30, 2025 was as follows:

Governmental Activities:

	Beginning Balance	Additions	Deletions	Ending Balance
Bond Payable, Vermont Municipal Bond Bank, Fire and Rescue Pumper, Principal Payments of $20,000 Payable on November 15 Annually, Average Interest Rate of 4.928% Payable May 15 and November 15, Due and Paid December, 2024	$ 20,000	$ 0	$ 20,000	$ 0

	Beginning Balance	Additions	Deletions	Ending Balance
Bond Payable, Vermont Municipal Bond Bank, Fire Truck, Principal Payments of $31,250 Payable on November 1 Annually, Interest Ranging from 1.78% to 3.70% Payable on May 1 and November 1, Due November, 2037	$ 437,500	$ 0	$ 31,250	$ 406,250
Bond Payable, Vermont Municipal Bond Bank, Library Improvements, Principal Payments of $30,000 Payable on November 1 Annually, Interest Ranging from 1.35% to 3.12% Payable on May 1 and November 1, Due November, 2039	480,000	0	30,000	450,000
Bond Payable, Vermont Municipal Bond Bank, Ambulance, Principal Payments of $27,500 Payable on November 1 Annually, Interest Ranging from 1.35% to 2.70% Payable on May 1 and November 1, Due November, 2039	165,000	0	27,500	137,500
Bond Payable, Vermont Municipal Bond Bank, Town Garage, Principal Payments of $75,000 Payable on November 1 Annually, Interest at 3.823% Payable on May 1 and November 1, Due November, 2043	1,500,000	0	75,000	1,425,000
Bond Payable, Vermont Municipal Bond Bank, Solar Panel Project, Principal and Interest Payments of $2,655 Payable Monthly, Interest at 2.00%, Due January, 2034	278,094	0	27,046	251,048
Total Governmental Activities	$2,880,594	$ 0	$210,796	$2,669,798

Changes in long-term liabilities during the year were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds Payable	$ 2,880,594	$ 0	$ 210,796	$ 2,669,798	$ 190,832
Compensated Absences Payable	40,000	43,042	0	83,042	25,000
Net Pension Liability	504,803	16,833	0	521,636	0
Total Governmental Activities Long-term Liabilities	$ 3,425,397	$ 59,875	$ 210,796	$ 3,274,476	$ 215,832

Compensated absences and required contributions to the pension plans are paid by the applicable fund where the employee is charged.

The addition/reduction to the compensated absences liability represents the net change in the liability from the previous year.

The change in the net pension liability is allocated to the function where the employee is charged.

Debt service requirements to maturity are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2026	$ 190,832	$ 81,475
2027	191,379	80,681
2028	191,936	75,249
2029	192,502	69,551
2030	193,085	63,633
2031-2035	791,314	199,127
2036-2040	618,750	96,787
2041-2044	300,000	22,939
Total	$ 2,669,798	$ 689,442

J. Fund Balances

GASB Statement No. 34, as amended by GASB Statement No. 54, requires fund balances reported on the governmental fund balance sheet to be classified using a hierarchy based primarily on the extent to which a government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balances are to be classified as: nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Selectboard's intended use of the resources); and unassigned.

Special revenue funds are created only to report a revenue source (or sources) that is restricted or committed to a specified purpose, and that the revenue source should constitute a substantial portion of the resources reported in that fund. Special revenue funds cannot be used to accumulate funds that are not restricted or committed. These amounts must be reflected in the General Fund.

Amounts constrained to stabilization (rainy-day funds) will be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. However, stabilization is regarded as a specified purpose only if the circumstances or conditions that signal the need for stabilization (a) are identified in sufficient detail and (b) are not expected to occur routinely. The Town does not have any stabilization arrangements.

Some governments create stabilization-like arrangements by establishing formal minimum fund balance policies. The Town does have a minimum fund balance policy which is to maintain an unassigned fund balance between 5% and 15% of General Fund operating expenditures. The unassigned fund balance is $326,772 which is 8% of the 2025 operating expenditures.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, it is the Town's policy to first consider restricted amounts to have been spent, followed by committed, assigned, and finally unassigned amounts.

The purpose for each major special revenue fund, including which specific revenues and other resources are authorized to be reported in each, are described in the following section.

The fund balances in the following fund are nonspendable as follows:

Major Funds

General Fund:	
Nonspendable Deposits with Insurance Company	$18,630
Nonspendable Prepaid Items	47,400
Total Nonspendable Fund Balances	$66,030

The fund balances in the following funds are restricted as follows:

Major Funds

General Fund:	
Restricted for Park & Wildlife Expenses by Donations (Source of Revenue is Donations)	$11,497

Non-Major Funds

Special Revenue Funds:	
Restricted for Scenic Preservation Expenses by Donations (Source of Revenue is Donations)	12
Restricted for Restoration of Records Expenses by Statute (Source of Revenue is Restoration Fees)	13,479
Restricted for Ski Program Expenses by Agreement (Source of Revenue is Recreation Fees)	27,091
Restricted for Mack Scholarship Expenses by Donations (Source of Revenue is Donations)	5,426
Total Special Revenue Funds	46,008

Capital Projects Funds:	
Restricted for Thorp Barn Expenditures by Donations (Source of Revenue is Donations)	$ 5,267
Total Non-Major Funds	51,275
Total Restricted Fund Balances	$62,772

The fund balances in the following funds are committed as follows:

Major Funds

Conservation Fund:	
Committed for Land Preservation by the Voters	$306,204
Highway Capital Reserve Fund:	
Committed for Highway Capital Expenditures by the Voters	12,448

Non-Major Funds

Special Revenue Funds:	
Committed for Restoration of Records by the Voters	7,800
Committed for Cemetery Expenses by the Voters	6,695
Committed for the Conservation Commission by the Voters	1,611
Committed for Tree Planting Expenses by the Voters	2,910
Committed for Affordable Housing by the Voters	132,797
Total Special Revenue Funds	151,813
Capital Projects Funds:	
Committed for Repairs and Improvements by the Voters	73,663
Committed for Trails by the Voters	53,145
Committed for Recreation Capital by the Voters	41,842
Committed for Fire & Rescue Capital by the Voters	12,629
Total Capital Projects Funds	181,279
Total Non-Major Funds	333,092
Total Committed Fund Balances	$651,744

The fund balances in the following funds are assigned as follows:

Major Funds

General Fund:	
Assigned for HRA Expenses	$18,343
Assigned for Highway Expenditures	9,870
Total General Fund	28,213

Non-Major Funds

Special Revenue Funds:	
Assigned for Reappraisal Expenses	45,319
Assigned for Library ARPA Expenses	5
Total Non-Major Funds	45,324
Total Assigned Fund Balances	$73,537

The unassigned deficit of $750 in the Community Library Fund will be funded with future donations.

K. Net Position

The restricted net position of the Town as of June 30, 2025 consisted of the following:

Governmental Activities:	
Restricted for Park & Wildlife Expenses by Donations	$11,497
Restricted for Scenic Preservation Expenses by Donations	12
Restricted for Restoration of Records Expenses by Statute	13,479
Restricted for Ski Program Expenses by Agreement	27,091
Restricted for Mack Scholarship Expenses by Donations	5,426
Restricted for Thorp Barn Expenditures by Donations	5,267
Total Governmental Activities	$62,772

The governmental activities Net Investment in Capital Assets does not include the long-term debt for the fire and rescue vehicles and building as the Town does not own these assets and debt payments are made on behalf of Charlotte Fire and Rescue Services, Inc.

The designated net position of the Town's Proprietary Fund as of June 30, 2025 consisted of the following:

Wastewater Fund:	
Designated for Wastewater Capital Projects	$148,814

The net position held in trust for various purposes in the Town's Private-Purpose Trust Funds as of June 30, 2025 consisted of the following:

Private-Purpose Trust Funds:	
Restricted for Serrell Fund by Donations	$ 1,097
Restricted for Grandview Cemetery by Trust Agreement	790,554
Total Private-Purpose Trust Funds	$791,651

V. OTHER INFORMATION

A. Pension Plan

Defined Benefit Plan

The Vermont Municipal Employees' Retirement System (VMERS)

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. As of June 30, 2024, the measurement date selected by the State of Vermont, the retirement system consisted of 362 participating employers.

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

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

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

As of June 30, 2024, the measurement date selected by the State of Vermont, VMERS was funded at 75.22% and had a plan fiduciary net position of $1,008,504,817 and a total pension liability of $1,340,652,483 resulting in a net position liability of $332,147,666. The Town's proportionate share of this was 0.1570% resulting in a net pension liability of $521,636. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. The Town's proportion of 0.1570% was a decrease of 0.0006 from its proportion measured as of the prior year.

For the year ended June 30, 2025, the Town recognized pension expense of $112,657.

As of June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 56,494	$ 0
Net difference between projected and actual investment earnings on pension plan investments	12,867	0
Changes in assumptions	2,811	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	16,670	1,056
Town's required employer contributions made subsequent to the measurement date	46,981	0
	$ 135,823	$ 1,056

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of $46,981 will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30	
2026	$30,008
2027	63,244
2028	2,975
2029	(8,441)
Total	$87,786

Summary of Plan Provisions

Membership – Full time employees of participating municipalities. Municipalities can elect coverage under Groups A, B, C or D provisions. The Town elected coverage under Group B.

Creditable Service – Service as a member plus purchased service.

Average Final Compensation (AFC) – Group A – Average annual compensation during highest five (5) consecutive years. Groups B and C – Average annual compensation during highest three (3) consecutive years. Group D – Average annual compensation during highest two (2) consecutive years.

Normal Retirement Eligibility – Group A – Earlier of age 65 with five (5) years of service or age 55 with thirty-five (35) years of service. Group B – Earlier of age 62 with five (5) years of service or age 55 with thirty (30) years of service. Groups C and D – Age 55 with five (5) years of service.

Normal Retirement Amount – Group A – 1.4% of AFC times service. Group B – 1.7% of AFC times service as a Group B member plus percentage earned as a Group A member times AFC. Group C – 2.5% of AFC times service as a Group C member plus percentage earned as a Group A or B member times AFC. Group D – 2.5% of AFC times service as a Group D member plus percentage earned as a Group A, B or C member times AFC. Maximum benefit is 60% of AFC for Groups A and B and 50% of AFC for Groups C and D. The previous amounts include the portion of the allowance provided by member contributions.

Early Retirement Eligibility – Groups A and B – Age 55 with five (5) years of service. Group D – Age 50 with twenty (20) years of service.

Early Retirement Amount – Normal retirement allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes Normal Retirement Age for Groups A and B members; payable without reduction to Group D members.

Vesting – All Groups – Five (5) years of service. Allowance beginning at Normal Retirement Age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on "Post-Retirement Adjustments".

Disability Retirement Eligibility – All Groups – Five (5) years of service and disability as determined by Retirement Board.

Disability Retirement Amount – All Groups – Immediate allowance based on AFC and service to date of disability. Children's benefit of 10% of AFC payable to up to three minor children (or children up to age 23 if enrolled in full-time studies) of a disabled Group D member.

Death Benefit Eligibility – All Groups – Death after five (5) years of service.

Death Benefit Amount – Groups A, B and C – Reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor's benefit under disability allowance computed as of date of death. Group D – 70% of the unreduced accrued benefit, plus children's benefit.

Post-Retirement Adjustments – Group A – Allowances in pay status for at least one (1) year increased on each January 1 by one-half of the percentage increase in Consumer Price Index, but not more than 2%. If receiving an Early Retirement benefit, no increases until after attaining Normal Retirement eligibility. If receiving a Disability Retirement benefit, no increases until after attaining age 62. Groups B, C and D – Allowances in payment for at least one (1) year increased on each January 1 by one-half of the percentage increase in Consumer Price Index, but not more than 3%. If receiving an Early Retirement benefit, no increases until after attaining Normal Retirement eligibility. If receiving a Disability Retirement benefit, no increases until after attaining age 62 (age 55 for Group C).

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

Optional Benefit and Death after Retirement – Groups A, B and C – A lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee. Group D – A lifetime allowance or 70% contingent annuitant option with no reduction.

Refund of Contributions – Upon termination, if the member so elects, or if no other benefit is payable, the member's accumulated contributions with interest are refunded.

Member Contribution Rates:

Effective	Group A	Group B	Group C	Group D
July 1, 2024	4.00%	6.375%	11.50%	12.85%
July 1, 2025	4.25%	6.625%	11.75%	13.10%
July 1, 2026	4.50%	6.875%	12.00%	13.35%
July 1, 2027	4.75%	7.125%	12.25%	13.60%
July 1, 2028	5.00%	7.375%	12.50%	13.85%
July 1, 2029	5.25%	7.625%	12.75%	14.10%

Employer Contribution Rates:

Effective	Group A	Group B	Group C	Group D
July 1, 2024	5.50%	7.00%	8.75%	11.35%
July 1, 2025	5.75%	7.25%	9.00%	11.60%
July 1, 2026	6.00%	7.50%	9.25%	11.85%
July 1, 2027	6.25%	7.75%	9.50%	12.10%
July 1, 2028	6.50%	8.00%	9.75%	12.35%
July 1, 2029	6.75%	8.25%	10.00%	12.60%

Significant Actuarial Assumptions and Methods

Inflation Rate – 2.30% per year.

Investment Rate of Return – 7.00%, net of pension plan investment expenses, including inflation.

Salary Increases – Ranging from 4.07% to 6.21% based on service.

Cost-of-Living Adjustments (COLA) – Assumed to occur on January 1 following one (1) 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 Groups 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, 2025 COLA is expected to be 1.90% for all groups. The January 1, 2024 COLA was 1.10% for all groups.

Mortality:

Pre-Retirement Participants – Groups A and B – 60% PubG-2010 General Employee Amount-Weighted Below Median and 40% of PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2021. Group C – PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2021. Group D – PubS-2010 Public Safety Employee Amount-Weighted Below Median, with generational projection using scale MP-2021.

Healthy Post-Retirement – Retirees – Groups A and B – PubG-2010 General Healthy Retiree Amount-Weighted Below Median Table with credibility adjustments of 90% and 87% for the Male and Female tables, respectively, with generational projection using scale MP-2021. Group C – PubG-2010 General Healthy Retiree Amount-Weighted Table, with generational projection using scale MP-2021. Group D – PubS-2010 Public Safety Retiree Amount-Weighted Below Median Table, with generational projection using scale MP-2021.

Healthy Post-Retirement – Beneficiaries – All Groups – Pub-2010 Contingent Survivor Amount-Weighted Below Median Table, with generational projection using scale MP-2021.

Disabled Post-Retirement – Groups A, B and C – PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Table, with generational projection using scale MP-2021. Group D – PubS-2010 Safety Disabled Retiree Amount-Weighted Table, with generational projection using scale MP-2021.

Age of Spouse – Females three (3) years younger than males.

Actuarial Cost Method – Entry Age Actuarial Cost Method. Entry Age is the age at date of employment or, if date is unknown, current age minus years of service. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by salary, with Normal Cost determined using the plan of benefits applicable to each participant.

Determination of Discount Rate and Investment Rates of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US Agg Fixed Income	19%	1.70%
TIPS	2%	1.70%
Large/Mid Cap US Equity	4%	4.20%
Small Cap US Equity	3%	4.70%
Developed Large/Mid Cap International Equity	5%	5.95%
Global Equity	32%	5.25%
Core Real Estate	3%	3.45%
Non-Core Real Estate	4%	5.70%
Private Credit	11%	5.70%
Private Equity	11%	7.45%
Private Core Infrastructure	4%	4.95%
Agriculture/Farmland	2%	3.95%

Discount Rate – The long-term expected rate of return on pension plan investments is 7.00%. The high quality tax-exempt general obligation municipal bond rate (20-Bond GO Index) as of the closest date prior to the valuation date of June 30, 2024, is 3.93%, as published by The Bond Buyer.

The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates set by the Board (employers) and statute (members). For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plans' Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability as of June 30, 2024.

Discount Rate Sensitivity

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the Town's proportionate share of the net pension liability as of June 30, 2024, calculated using the discount rate of 7.00%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
$797,505	$521,636	$295,210

Additional Information

Additional information regarding the State of Vermont Municipal Employees' Retirement System, including the details of the Fiduciary Net Position, is available upon request from the State of Vermont.

B. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains insurance coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this coverage in any of the past three fiscal years. The Town must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving sixty days notice. Fund underwriting and ratesetting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

The Town is also a member of the Vermont League of Cities and Towns Employment Resource and Benefits Trust. The Trust is a nonprofit corporation formed to provide unemployment coverage and other employment benefits for Vermont municipalities and is owned by the participating members. The agreement does not permit the Trust to make additional assessments to its members. The Town has only elected unemployment coverage with the Trust.

C. Property Taxes

The Town is responsible for assessing and collecting its own property taxes, as well as education taxes for the State of Vermont. Property taxes are assessed based on property valuations as of April 1, the voter approved budgets and the State education property tax liability. Property taxes are due and payable on November 15 and become delinquent on November 16. The Town assesses an 8% penalty after the November 15 deadline. Interest is assessed at one percent (1%) per month for the first three months and one and a half percent (1-1/2%) per month for each month thereafter. Unpaid taxes become an enforceable lien on the property, and such properties are subject to tax sale. The tax rates for 2025 were as follows:

	Homestead	Non-Homestead
Education	1.2921	1.3312
Local Agreement	0.0005	0.0005
Town	0.1830	0.1830
Total	1.4756	1.5147

D. Contingent Liabilities

The Town participates in a number of federally assisted and state grant programs that are subject to audits by the grantors or their representatives. Accordingly, compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

E. Thompson's Point Rent

Thompson's Point is a summer community located in Charlotte, Vermont on Lake Champlain. The Town owns the land and rents it to residents who build beach homes on the land. The rental agreements are done in 20-year increments and can be renewed at expiration. The annual rent is calculated based on the combined tax rates for the Town and School District and the fair market value of the premises. For the year ending June 30, 2025, rental income was $919,697.

F. Related Party Transactions

The Town Road Commissioner is an owner of an excavating company which performed services for the Town during the year. The amount paid to his excavating company for the fiscal year ending June 30, 2025 was $578,313. In addition, the Town has an agreement with the company to lease the Town garage for storage of equipment. The agreement requires monthly payments of $500 and has a term of one (1) year. The lease can be renewed annually for additional one (1) year terms provided the owner of the company is re-elected as Town Road Commissioner.

TOWN OF CHARLOTTE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes	$ 2,529,467	$ 2,522,867	$ (6,600)
Interest on Delinquent Taxes	8,000	11,591	3,591
Penalty on Delinquent Taxes	14,000	28,041	14,041
Education Billing Fee Retained	31,000	37,801	6,801
Current Use	87,628	87,530	(98)
Land Use Change Tax	0	10,664	10,664
PILOT Payment	12,575	12,522	(53)
Thompson's Point Rents	976,000	919,697	(56,303)
Railroad Tax	600	612	12
Vault/Clerk Fees	7,500	5,657	(1,843)
Recording Fees	45,000	44,456	(544)
Dog Licenses	1,400	1,542	142
Hunting & Fishing Licenses	25	143	118
Marriage Licenses	375	315	(60)
Green Mountain Passports	120	116	(4)
Planning and Zoning - Building Permits	25,000	26,550	1,550
Planning and Zoning - Grant Income	5,000	10,071	5,071
DRB Fees	15,000	15,665	665
Certificate of Compliance	4,000	3,365	(635)
Certificate of Occupancy	3,000	4,205	1,205
Highway Access Permit	800	500	(300)
Senior Center Programs	35,000	57,150	22,150
Senior Center Miscellaneous Income	3,500	0	(3,500)
Building Use/Rental	1,500	2,110	610
Shelburne Social Services Grant Income	3,000	3,000	0
Beach Fees	44,000	35,098	(8,902)
Recreation Programs	73,000	76,544	3,544
State Aid - Highways	215,000	221,413	6,413
Court Fines	10,000	13,019	3,019
Agricultural Lease	4,344	4,344	0
Town Garage Rent	6,000	6,000	0
Interest Income	60,000	99,936	39,936
Charging Station Fees	1,200	3,169	1,969
Village Wastewater Fees	2,000	3,000	1,000
Transfer from Reappraisal Fund	15,000	15,000	0
Miscellaneous Income	1,200	1,056	(144)
Total Revenues	4,241,234	4,284,749	43,515
Expenditures:			
Selectmen:			
Selectmen Salaries	9,000	8,458	542
Minute-Taker Salary	4,000	2,913	1,087
Town Administrator	80,000	80,363	(363)
Legal Expense	35,000	94,498	(59,498)
Human Resources Consultant	2,500	0	2,500
Advertising	5,000	2,400	2,600
Seminars	250	189	61
Mileage	150	0	150
Memberships/Dues	85	0	85
Miscellaneous	0	834	(834)
Total Selectmen	135,985	189,655	(53,670)

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TOWN OF CHARLOTTE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Town Clerk:			
Clerk Salary	$ 94,252	$ 94,680	$ (428)
Assistant Clerk Salary	64,844	59,014	5,830
Mileage	100	0	100
Telephone	2,400	2,285	115
Seminars/Training	100	35	65
Supplies	4,800	4,525	275
Memberships	100	90	10
Service Contracts	8,700	9,007	(307)
Total Town Clerk	175,296	169,636	5,660
Treasurer:			
Supplies	900	1,037	(137)
Audit Expense	24,000	25,128	(1,128)
Total Treasurer	24,900	26,165	(1,265)
Elections and Town Meeting:			
Elections	650	1,114	(464)
Town Meetings	400	870	(470)
Town Report Expenses	1,600	916	684
Total Elections and Town Meeting	2,650	2,900	(250)
Planning and Zoning:			
Zoning Administrator	67,184	67,311	(127)
Planner Salary	52,770	22,241	30,529
Planning and Zoning Assistant	41,925	40,762	1,163
Minute-Taker Salary	6,000	7,850	(1,850)
Legal	10,000	4,519	5,481
Mileage	1,000	1,082	(82)
Telephone	800	729	71
Advertising	2,000	1,004	996
Equipment	300	0	300
Seminars	200	0	200
Supplies	1,500	696	804
Memberships	500	312	188
Copier	2,800	2,638	162
Planning Consultants	0	8,624	(8,624)
Town Plan/Land Use	2,500	0	2,500
Technical Review	1,000	0	1,000
Total Planning and Zoning	190,479	157,768	32,711
Constable:			
Halloween Lights	1,000	815	185
Total Constable	1,000	815	185

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TOWN OF CHARLOTTE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Assessor:			
Contract Appraiser	$ 77,000	$ 34,800	$ 42,200
Online Lister Card Service	500	0	500
Telephone	2,450	2,130	320
Seminars/Dues	400	0	400
Computer Software	0	235	(235)
Supplies	0	106	(106)
MS Service Contract	795	799	(4)
Mapping Contract	4,200	4,900	(700)
Total Assessor	85,345	42,970	42,375
Delinquent Taxes:			
Delinquent Tax Collector Salary	7,800	7,800	0
Total Delinquent Taxes	7,800	7,800	0
Employee Benefits:			
Childcare Contribution Tax	3,955	3,225	730
Social Security	55,723	48,088	7,635
Health Insurance	220,000	214,709	5,291
Retirement	51,876	46,981	4,895
Unemployment Compensation	1,200	1,364	(164)
MEDI Expense	13,032	11,247	1,785
Eyemed Vision Plan	1,300	1,116	184
Delta Dental	11,200	9,359	1,841
Total Employee Benefits	358,286	336,089	22,197
Highway:			
Retreatment	235,000	192,871	42,129
Winter Plow/Sand/Ice	225,000	264,403	(39,403)
Gravel Roads Maintenance	200,250	301,468	(101,218)
Ditching	50,000	71,831	(21,831)
Brush/Tree Removal	75,000	44,988	30,012
Culvert Replacement/Repair	40,000	198,284	(158,284)
Roadside Mowing	40,000	41,557	(1,557)
Sweeping/Shoulders	5,000	900	4,100
Cold Patch	4,000	6,269	(2,269)
Bridge/Guardrail Repair	5,000	6,490	(1,490)
Road Signs	15,000	20,193	(5,193)
Covered Bridges	5,000	2,700	2,300
Bike Path Maintenance	3,000	0	3,000
Miscellaneous	1,000	690	310
Total Highway	903,250	1,152,644	(249,394)
Stormwater Discharge:	1,590	1,350	240

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TOWN OF CHARLOTTE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Town Lands:			
Landfill Monitor	$ 8,296	$ 0	$ 8,296
Village Mowing	4,195	5,327	(1,132)
Cemetery Maintenance	6,200	5,850	350
Park Security	7,300	7,328	(28)
Lake Field/Beach Mowing	9,680	8,380	1,300
Park Maintenance	19,000	15,083	3,917
Berry Farm Field	12,320	9,064	3,256
Brush-Hogging	6,120	7,770	(1,650)
Town Garage Mowing	0	300	(300)
Trail Maintenance	3,630	3,142	488
Thompsons Point Trash	1,324	1,390	(66)
Tree Care/Treatment	4,580	1,248	3,332
Village WW System Maintenance	8,000	1,690	6,310
Museum Maintenance	1,000	872	128
Water Quality Monitoring	2,700	2,700	0
Total Town Lands	94,345	70,144	24,201
Town Garage:			
Maintenance	5,000	648	4,352
Telecommunications	2,400	1,970	430
Supplies	2,500	0	2,500
Trash Removal	2,800	694	2,106
Utilities	18,000	2,136	15,864
Total Town Garage	30,700	5,448	25,252
Library:			
Library Director	86,935	87,329	(394)
Library Assistants	72,326	65,995	6,331
Youth Librarian	55,257	56,655	(1,398)
Technical Librarian	55,257	56,121	(864)
Custodial Service	9,900	9,800	100
Postage/Miscellaneous	1,000	1,784	(784)
Telecommunications	2,500	2,528	(28)
Supplies	2,000	1,857	143
Professional Development	1,000	196	804
Association Dues	250	255	(5)
Acquisitions	10,000	11,874	(1,874)
Special Programs	1,500	1,748	(248)
Energy	7,000	2,563	4,437
Maintenance	5,000	6,776	(1,776)
Computer Support	2,000	1,821	179
Computer Equipment	5,000	2,042	2,958
Total Library	316,925	309,344	7,581
Charlotte Food Shelf:	1,000	1,000	0

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TOWN OF CHARLOTTE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Recreation:			
Beach Attendant Wages	$ 15,100	$ 17,655	$ (2,555)
Beach Maintenance	7,100	6,725	375
Mileage	300	438	(138)
Telephone	540	548	(8)
Recreation Software	3,495	3,295	200
Beach Supplies	1,800	1,381	419
Memberships/Dues	200	100	100
Tennis Courts	300	16	284
Beach Garbage Removal	400	306	94
Beach Electricity	300	384	(84)
Docks In and Out	6,700	7,025	(325)
Skating Rink Maintenance	550	509	41
Skating Rink Electricity	550	412	138
Recreation Program Director	54,586	35,407	19,179
Recreation Program Expense	50,000	50,516	(516)
Site Plan - Beach Improvement	300	0	300
Beach Water Testing	780	950	(170)
CCS Facility Usage Fees	7,000	8,925	(1,925)
Total Recreation	150,001	134,592	15,409
Conservation:			
Charlotte Invasives	1,200	1,160	40
Memberships/Dues	50	50	0
Green-Up Day	100	0	100
Total Conservation	1,350	1,210	140
Town Hall:			
Maintenance	11,000	8,625	2,375
Custodian	7,200	7,200	0
Town Postage	5,800	5,687	113
Equipment	4,600	1,760	2,840
Supplies	2,900	2,277	623
Trash Removal	2,200	2,084	116
Utilities	6,000	3,077	2,923
Fuel Oil	5,000	3,851	1,149
Computer Service	23,000	20,206	2,794
Total Town Hall	67,700	54,767	12,933
Senior Center:			
Maintenance	8,000	18,514	(10,514)
Snow Plowing	2,000	3,900	(1,900)
Custodial Service	10,000	9,760	240
Postage	400	73	327
Telecommunications	3,000	3,254	(254)
Technology	2,500	2,138	362
Supplies	2,000	1,270	730
Trash	600	2,502	(1,902)
Energy	9,000	6,758	2,242
Activities Director	67,080	67,505	(425)
Coordinator	18,278	5,550	12,728
Program Expenses	30,000	29,865	135
Total Senior Center	152,858	151,089	1,769

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TOWN OF CHARLOTTE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Miscellaneous:			
Insurance	$ 62,306	$ 54,533	$ 7,773
Flea Market Electricity	150	214	(64)
Street Lights Electricity	1,800	2,172	(372)
Museum Electricity	550	793	(243)
Animal Control Officer	3,000	2,500	500
Dogs/Miscellaneous	900	776	124
Trails Committee	1,500	2,272	(772)
Traffic Enforcement	30,000	31,738	(1,738)
Charlotte Land Trust	5,000	5,045	(45)
Energy Committee	4,500	2,503	1,997
Tree Warden	1,550	0	1,550
Total Miscellaneous	111,256	102,546	8,710
Intergovernmental Taxes and Dues:			
VLCT Dues	6,450	6,450	0
CCRPC Dues	10,702	10,702	0
County Tax	45,854	52,520	(6,666)
Total Intergovernmental Taxes and Dues	63,006	69,672	(6,666)
Debt Service:			
Library Bond	42,719	42,719	0
2004 Fire Truck	18,255	18,255	0
2017 Fire Truck	45,275	45,275	0
2019 Ambulance	30,575	30,575	0
Town Garage	130,912	130,912	0
Solar Panel Bond	31,689	32,355	(666)
Total Debt Service	299,425	300,091	(666)
Transfers:			
Transfer to Conservation Fund	25,000	25,000	0
Transfer to Repairs and Improvements Fund	52,000	52,000	0
Total Transfers	77,000	77,000	0
Fire and Rescue Appropriation:	989,087	950,151	38,936
Total Expenditures	4,241,234	4,314,846	(73,612)
Excess/(Deficiency) of Revenues Over Expenditures	$ 0	(30,097)	$ (30,097)

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TOWN OF CHARLOTTE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Actual
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Accrual Basis of Accounting:	
HRA Fund Income	$ 219
HRA Fund Expenses	(48,248)
HRA Fund Transfer In	52,000
Park & Wildlife Fund Income	50
Park & Wildlife Fund Expenses	(1,577)
Highway Reserve Fund Expenses	(15,153)
Net Change in Fund Balance	(42,806)
Fund Balance - July 1, 2024	476,068
Fund Balance - June 30, 2025	$ 433,262

The reconciling items are due to combining three (3) funds, the HRA Fund, the Park & Wildlife Fund and the Highway Reserve Fund, with the General Fund in order to comply with GASB Statement No. 54.

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TOWN OF CHARLOTTE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
VMERS DEFINED BENEFIT PLAN
JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Plan Net Pension Liability	$ 332,147,666	$ 320,293,753	$ 303,371,956	$ 147,184,198	$ 252,974,064	$ 173,491,807	$ 140,675,892	$ 121,155,552	$ 128,696,167	$ 77,095,810
Town's Proportion of the Net Pension Liability	0.1570%	0.1576%	0.1565%	0.1403%	0.1299%	0.1316%	0.1321%	0.1264%	0.1280%	0.1252%
Town's Proportionate Share of the Net Pension Liability	$ 521,636	$ 504,803	$ 474,681	$ 206,480	$ 328,690	$ 228,387	$ 185,839	$ 153,170	$ 164,748	$ 96,554
Town's Covered Employee Payroll	$ 766,399	$ 691,128	$ 626,370	$ 519,841	$ 468,323	$ 449,651	$ 420,709	$ 388,264	$ 353,746	$ 325,703
Town's Proportionate Share of the Net Pension Liability as a Percentage of Town's Covered Employee Payroll	68.0632%	73.0404%	75.7828%	39.7198%	70.1845%	50.7921%	44.1728%	39.4500%	46.5724%	29.6448%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.22%	74.01%	73.60%	86.29%	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%

Notes to Schedule

Benefit Changes: None.

Changes in Assumptions and Methods: None.

Changes in Plan Provisions: At the May, 2024 Board meeting, the Board voted unanimously to authorize employer contribution rate increases of 0.25% each year for a period of four years, beginning July 1, 2026. Also in May, 2024, the Legislature passed H.883, which included an increase in the member rate of 0.25% for each group for four years, beginning July 1, 2026.

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TOWN OF CHARLOTTE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
VMERS DEFINED BENEFIT PLAN
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution (Actuarially Determined)	$ 46,981	$ 51,732	$ 44,923	$ 39,148	$ 31,190	$ 26,929	$ 25,293	$ 23,139	$ 21,355	$ 19,456
Contributions in Relation to the Actuarially Determined Contributions	46,981	51,732	44,923	39,148	31,190	26,929	25,293	23,139	21,355	19,456
Contribution Excess/(Deficiency)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Town's Covered Employee Payroll	$ 671,152	$ 766,399	$ 691,128	$ 626,370	$ 519,841	$ 468,323	$ 449,651	$ 420,709	$ 388,264	$ 353,746
Contributions as a Percentage of Town's Covered Employee Payroll	7.000%	6.750%	6.500%	6.250%	6.000%	5.750%	5.625%	5.500%	5.500%	5.500%

Notes to Schedule

Valuation Date: June 30, 2024

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TOWN OF CHARLOTTE, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Special Revenue Funds	Capital Projects Funds	Total
ASSETS			
Due from Other Funds	$ 258,687	$ 186,546	$ 445,233
Total Assets	$ 258,687	$ 186,546	$ 445,233
LIABILITIES AND FUND BALANCES			
Liabilities:			
Unearned Revenue	$ 16,292	$ 0	$ 16,292
Total Liabilities	16,292	0	16,292
Fund Balances:			
Restricted	46,008	5,267	51,275
Committed	151,813	181,279	333,092
Assigned	45,324	0	45,324
Unassigned/(Deficit)	(750)	0	(750)
Total Fund Balances	242,395	186,546	428,941
Total Liabilities and Fund Balances	$ 258,687	$ 186,546	$ 445,233

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TOWN OF CHARLOTTE, VERMONT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds	Capital Projects Funds	Total
Revenues:			
Intergovernmental	$ 32,776	$ 13,981	$ 46,757
Permits, Licenses and Fees	18,596	0	18,596
Donations	0	6,754	6,754
Other	442	1,105	1,547
Total Revenues	51,814	21,840	73,654
Expenditures:			
General Government	30,530	21,381	51,911
Culture and Recreation	30,952	7,181	38,133
Total Expenditures	61,482	28,562	90,044
Excess/(Deficiency) of Revenues Over Expenditures	(9,668)	(6,722)	(16,390)
Other Financing Sources/(Uses):			
Transfers In	0	52,000	52,000
Transfers Out	(15,000)	0	(15,000)
Total Other Financing Sources/(Uses)	(15,000)	52,000	37,000
Net Change in Fund Balances	(24,668)	45,278	20,610
Fund Balances - July 1, 2024, As Previously Presented	267,063	196,161	463,224
Change within Financial Reporting Entity (Major to Non-Major)	0	12,524	12,524
Change within Financial Reporting Entity (Non-Major to Major)	0	(67,417)	(67,417)
Fund Balances - July 1, 2024, As Adjusted	267,063	141,268	408,331
Fund Balances - June 30, 2025	$ 242,395	$ 186,546	$ 428,941

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF CHARLOTTE, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025

	Scenic Preservation Fund	Community Library Fund	Reappraisal Fund	Restoration of Records Fund	Cemetery Fund	Ski Program Fund	Conservation Commission Fund	Tree Fund	Mack Scholarship Fund	Affordable Housing Fund	Energy Fund	Library ARPA Fund	Total
ASSETS													
Due from Other Funds	$ 12	$ 15,200	$ 45,319	$ 21,279	$ 6,695	$ 27,091	$ 1,611	$ 2,910	$ 5,426	$ 132,797	$ 0	$ 347	$ 258,687
Total Assets	$ 12	$ 15,200	$ 45,319	$ 21,279	$ 6,695	$ 27,091	$ 1,611	$ 2,910	$ 5,426	$ 132,797	$ 0	$ 347	$ 258,687
LIABILITIES AND FUND BALANCES													
Liabilities:													
Unearned Revenue	$ 0	$ 15,950	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 342	$ 16,292
Total Liabilities	0	15,950	0	0	0	0	0	0	0	0	0	342	16,292
Fund Balances/(Deficit):													
Restricted	12	0	0	13,479	0	27,091	0	0	5,426	0	0	0	46,008
Committed	0	0	0	7,800	6,695	0	1,611	2,910	0	132,797	0	0	151,813
Assigned	0	0	45,319	0	0	0	0	0	0	0	0	5	45,324
Unassigned/(Deficit)	0	(750)	0	0	0	0	0	0	0	0	0	0	(750)
Total Fund Balances/(Deficit)	12	(750)	45,319	21,279	6,695	27,091	1,611	2,910	5,426	132,797	0	5	242,395
Total Liabilities and Fund Balances	$ 12	$ 15,200	$ 45,319	$ 21,279	$ 6,695	$ 27,091	$ 1,611	$ 2,910	$ 5,426	$ 132,797	$ 0	$ 347	$ 258,687

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TOWN OF CHARLOTTE, VERMONT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Scenic Preservation Fund	Community Library Fund	Reappraisal Fund	Restoration of Records Fund	Cemetery Fund	Ski Program Fund	Conservation Commission Fund	Tree Fund	Mack Scholarship Fund	Affordable Housing Fund	Energy Fund	Library ARPA Fund	Total
Revenues:													
Intergovernmental	$ 0	$ 11,287	$ 17,489	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 4,000	$ 0	$ 32,776
Permits, Licenses and Fees	0	0	0	0	0	18,596	0	0	0	0	0	0	18,596
Other	0	0	0	0	0	0	384	0	58	0	0	0	442
Total Revenues	0	11,287	17,489	0	0	18,596	384	0	58	0	4,000	0	51,814
Expenditures:													
General Government	0	0	0	0	0	0	216	26,314	0	0	4,000	0	30,530
Culture and Recreation	0	13,732	0	0	0	15,986	0	0	1,234	0	0	0	30,952
Total Expenditures	0	13,732	0	0	0	15,986	216	26,314	1,234	0	4,000	0	61,482
Excess/(Deficiency) of Revenues Over Expenditures	0	(2,445)	17,489	0	0	2,610	168	(26,314)	(1,176)	0	0	0	(9,668)
Other Financing Sources/(Uses):													
Transfers Out	0	0	(15,000)	0	0	0	0	0	0	0	0	0	(15,000)
Total Other Financing Sources/(Uses)	0	0	(15,000)	0	0	0	0	0	0	0	0	0	(15,000)
Net Change in Fund Balances	0	(2,445)	2,489	0	0	2,610	168	(26,314)	(1,176)	0	0	0	(24,668)
Fund Balances - July 1, 2024	12	1,695	42,830	21,279	6,695	24,481	1,443	29,224	6,602	132,797	0	5	267,063
Fund Balances/(Deficit) - June 30, 2025	$ 12	$ (750)	$ 45,319	$ 21,279	$ 6,695	$ 27,091	$ 1,611	$ 2,910	$ 5,426	$ 132,797	$ 0	$ 5	$ 242,395

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TOWN OF CHARLOTTE, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2025

	Repairs and Improvements Fund	Trails Reserve Fund	Recreation Capital Fund	Thorp Barn Fund	Fire & Rescue Capital Fund	Total
ASSETS						
Due from Other Funds	$ 73,663	$ 53,145	$ 41,842	$ 5,267	$ 12,629	$ 186,546
Total Assets	$ 73,663	$ 53,145	$ 41,842	$ 5,267	$ 12,629	$ 186,546
LIABILITIES AND FUND BALANCES						
Liabilities:	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Fund Balances:						
Restricted	0	0	0	5,267	0	5,267
Committed	73,663	53,145	41,842	0	12,629	181,279
Total Fund Balances	73,663	53,145	41,842	5,267	12,629	186,546
Total Liabilities and Fund Balances	$ 73,663	$ 53,145	$ 41,842	$ 5,267	$ 12,629	$ 186,546

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TOWN OF CHARLOTTE, VERMONT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Repairs and Improvements Fund	Trails Reserve Fund	Recreation Capital Fund	Thorp Barn Fund	*Formerly Non-Major Fund* Highway Capital Reserve Fund	Fire & Rescue Capital Fund	Total
Revenues:							
Intergovernmental	$ 13,981	$ 0	$ 0	$ 0	$ 0	$ 0	$ 13,981
Donations	500	5,585	669	0	0	0	6,754
Other	0	0	1,000	0	0	105	1,105
Total Revenues	14,481	5,585	1,669	0	0	105	21,840
Expenditures:							
General Government	21,381	0	0	0	0	0	21,381
Culture and Recreation	0	6,317	864	0	0	0	7,181
Total Expenditures	21,381	6,317	864	0	0	0	28,562
Excess/(Deficiency) of Revenues Over Expenditures	(6,900)	(732)	805	0	0	105	(6,722)
Other Financing Sources:							
Transfers In	52,000	0	0	0	0	0	52,000
Total Other Financing Sources	52,000	0	0	0	0	0	52,000
Net Change in Fund Balances	45,100	(732)	805	0	0	105	45,278
Fund Balances - July 1, 2024, As Previously Presented	28,563	53,877	41,037	5,267	67,417	0	196,161
Change within Financial Reporting Entity (Major to Non-Major)	0	0	0	0	0	12,524	12,524
Change within Financial Reporting Entity (Non-Major to Major)	0	0	0	0	(67,417)	0	(67,417)
Fund Balances - July 1, 2024, As Adjusted	28,563	53,877	41,037	5,267	0	12,524	141,268
Fund Balances - June 30, 2025	$ 73,663	$ 53,145	$ 41,842	$ 5,267	$ 0	$ 12,629	$ 186,546

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TOWN OF CHARLOTTE, VERMONT
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2025

	Serrell Fund	Trustee of Public Funds Fund	Total
ASSETS			
Cash and Cash Equivalents	$ 0	$ 39,372	$ 39,372
Investments	0	751,182	751,182
Due from Other Funds	1,097	0	1,097
Total Assets	$ 1,097	$ 790,554	$ 791,651
LIABILITIES AND NET POSITION			
Liabilities:	$ 0	$ 0	$ 0
Net Position:			
Restricted:			
Held in Trust for Individuals and Organizations	1,097	790,554	791,651
Total Liabilities and Net Position	$ 1,097	$ 790,554	$ 791,651

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TOWN OF CHARLOTTE, VERMONT
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Serrell Fund	Trustee of Public Funds Fund	Total
Additions:			
Investment Income	$ 0	$ 77,038	$ 77,038
Total Additions	0	77,038	77,038
Deductions:			
Grandview Cemetery	0	12,238	12,238
Total Deductions	0	12,238	12,238
Change in Net Position	0	64,800	64,800
Net Position - July 1, 2024	1,097	725,754	726,851
Net Position - June 30, 2025	$ 1,097	$ 790,554	$ 791,651

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TOWN OF CHARLOTTE, VERMONT
SCHEDULE OF TAXES RAISED
FOR THE YEAR ENDED JUNE 30, 2025

April 2024 Grandlist Used for Fiscal Year 2025 Taxes Billed:		
Homestead Education Grandlist	$	9,226,591.00
Non-Residential Education Grandlist	$	4,529,528.84
Municipal Grandlist	$	13,792,084.00
Tax Rates:		
Homestead Education Tax Rate		1.2921
Non-Residential Education Tax Rate		1.3312
Municipal Tax Rate		0.1830
Local Agreement Tax Rate		0.0005
Charlotte's Fiscal Year 2025 Education Property Tax Liability:		
Homestead Education Taxes	$	11,921,678.30
Non-Residential Education Taxes		6,029,708.83
Local Agreement Taxes to Cover Education Liability for Exempt Properties		6,896.59
Total Property Tax Liability for State Education Fund		17,958,283.72
Municipal Taxes		2,523,951.52
Total Education and Municipal Taxes Raised	$	20,482,235.24
Allocation of State Education Taxes:		
Transfer to Champlain Valley Union High School	$	11,412,993.00
.225 of 1% of Residential and Non-Residential Liability Retained by Town		37,801.10
Income Sensitivity Credits to Charlotte Residents, Education Tax		1,162,047.10
Income Sensitivity Credits to Charlotte Residents, Municipal Tax		10,699.58
Balance to State Education Fund		5,349,693.80
Total Allocation of State Education Taxes		17,973,234.58
Current Taxes Received		2,480,264.57
Delinquent Taxes		28,736.09
Total Fiscal Year 2025 Property Taxes	$	20,482,235.24

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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 Charlotte, Vermont
P.O. Box 119
Charlotte, Vermont 05445

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Charlotte, Vermont, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of Charlotte, Vermont's basic financial statements, and have issued our report thereon dated January 27, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Charlotte, 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 Charlotte, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Charlotte, 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Charlotte, 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".

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sullivan, Powers & Co.

January 27, 2026
Montpelier, Vermont
VT Lic. #92-000180