

City of Newport, Vermont  
BASIC FINANCIAL STATEMENTS  
June 30, 2024

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**Kittell Branagan & Sargent**

*Certified Public Accountants*

Vermont License # 167

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council  
City of Newport  
Newport, Vermont

### **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 City of Newport, Vermont, as of and for the year ended June 30, 2024; and the related notes to the financial statements, which collectively comprise City of Newport, 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 City of Newport, Vermont, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 City of Newport, Vermont and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Newport, 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on 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 City of Newport, Vermont's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Newport, 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 the management's discussion and analysis and budgetary comparison information, the schedule of Proportionate Share of Net Pension Liability and the Schedule of Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Newport, Vermont's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2025 on our consideration of the City of Newport, 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 City of Newport, 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 City of Newport, Vermont's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Kittell Brannagan & Surge". The signature is written in a cursive style with a large initial 'K' and a stylized ampersand.

St. Albans, Vermont  
February 11, 2025

City of Newport, Vermont  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024

As management of the City of Newport, we offer readers of the City of Newport's financial statements this narrative overview and analysis of the financial activities of the City of Newport for the fiscal year ended June 30, 2024.

### Financial Highlights

- The assets of the City of Newport exceeded its liabilities at the close of the most recent fiscal year by \$8,786,774 (net position). For the government activities, the total net position is \$5,898,124 however there is an unrestricted deficit in net position of \$1,411,901. For the business-type activities the total net position is \$2,888,650, which means that if we were to liquidate the water/sewer funds we would have a cash surplus of \$2,888,650. Net position attributable to business-type activities increased by \$247,235 during the last fiscal year.
- As of the close of the current fiscal year, the City of Newport's governmental funds reported combined ending fund balances of \$1,300,138. Of this amount, there is available for spending at the government's discretion of \$450,193 (unassigned fund balance). Management has committed \$7,241 of the fund balance for particular purposes as identified in Note 9 and the remaining \$842,704 has been restricted for purposes also identified in Note 9.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Newport's basic financial statements. The City of Newport's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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

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



City of Newport, Vermont  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024

**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 City of Newport, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Newport can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements focus on short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluation of a government's short-term financing requirements.

The City of Newport maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund and the Capital Projects Fund which are considered to be major funds. The City of Newport has two non-major governmental funds which are reported as "other Governmental Funds". These non-major funds include the Recreation Fund and the Mooring Management Fund. Combining financial statements for these funds are located on pages 46 and 47.

The City of Newport adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided on pages 39-43 for the general fund to demonstrate compliance with its budget.

The basic governmental fund financial statements may be found on pages 3 and 5.

**Proprietary funds** – The City of Newport maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Newport uses enterprise funds to account for its Water Fund and its Sewer Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund and the Sewer Fund, both of which are considered to be major funds of the City of Newport.

The basic proprietary fund financial statements may be found on pages 7 through 9.

**Fiduciary funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Newport's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. All of the fiduciary funds accounted for within the city are Private-Purpose Trust Funds. The financial statements for these funds are located on pages 10 and 11 with combining statements located on pages 48 and 49.

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

City of Newport, Vermont  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024

**Other information** – In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information to provide additional financial information not included in the basic financial statements. This supplementary information includes combining statements for various funds, and budgetary comparison statements for funds other than the City's general fund, which is presented with the basic financial statements. The supplementary information can be found immediately following the notes to the financial statements in this report.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's overall financial position. In the case of the City of Newport, assets exceeded liabilities by \$8,747,630 at the close of the most recent fiscal year.

By far the largest portion of the City of Newport's total net position reflects its investment in capital assets (e.g. land, buildings, equipment and infrastructure) less any related debt used to acquire those assets that are still outstanding. The City of Newport uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City of Newport's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the close of the fiscal year the City of Newport did not have any net position that was subject to external restriction on how they may be used.

**City of Newport, Vermont's Net Position**  
June 30, 2024

	Governmental Activities		Business-Type Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 3,401,830	\$ 2,683,653	\$ 1,817,015	\$ 2,361,131	\$ 5,218,845	\$ 5,044,784
Capital assets	6,691,993	6,555,556	6,209,046	6,098,422	12,901,039	12,653,978
Deferred outflows	<u>888,009</u>	<u>982,163</u>	<u>116,445</u>	<u>118,397</u>	<u>1,004,454</u>	<u>1,100,560</u>
<b>Total Assets and Deferred Outflows</b>	<b><u>\$10,981,832</u></b>	<b><u>\$10,221,372</u></b>	<b><u>\$ 8,142,506</u></b>	<b><u>\$ 8,577,950</u></b>	<b><u>\$19,124,338</u></b>	<b><u>\$18,799,322</u></b>
Other liabilities	\$ 839,740	\$ 540,495	\$ 2,386,435	\$ 2,897,249	\$ 3,226,175	\$ 3,437,744
Net pension liabilities	2,646,287	2,424,976	394,791	356,513	3,041,078	2,781,489
Tax anticipation note	1,300,000	-	-	-	1,300,000	-
Notes and bonds payable	224,672	198,433	2,463,056	3,011,161	2,687,728	3,209,594
Deferred inflows	<u>73,009</u>	<u>107,765</u>	<u>9,574</u>	<u>12,993</u>	<u>82,583</u>	<u>120,758</u>
<b>Total Liabilities and Deferred Inflows</b>	<b><u>\$ 5,083,708</u></b>	<b><u>\$ 3,271,669</u></b>	<b><u>\$ 5,253,856</u></b>	<b><u>\$ 6,277,916</u></b>	<b><u>\$ 9,037,564</u></b>	<b><u>\$ 9,549,585</u></b>
Net Investment in capital assets	\$ 6,467,321	\$ 6,357,123	\$ 3,745,990	\$ 3,087,261	\$10,213,311	\$ 9,444,384
Restricted	842,704	930,404	-	-	842,704	930,404
Unrestricted	<u>(1,411,901)</u>	<u>(337,824)</u>	<u>(857,340)</u>	<u>(787,227)</u>	<u>(2,269,241)</u>	<u>(1,125,051)</u>
<b>Total Net Position</b>	<b><u>\$ 5,898,124</u></b>	<b><u>\$ 6,949,703</u></b>	<b><u>\$ 2,888,650</u></b>	<b><u>\$ 2,300,034</u></b>	<b><u>\$ 8,786,774</u></b>	<b><u>\$ 9,249,737</u></b>

City of Newport, Vermont  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024

**Governmental activities** – Governmental activities decreased the City of Newport's net position by (\$949,287) during the current fiscal year. Investment in capital assets, net of related debt, decreased as a result of borrowings during the year exceeding principal payments on long-term bonds, notes and leases by \$26,239, while depreciation expense was less than current year net additions to capital assets by \$156,437.

**City of Newport, Vermont's Changes in Net Position**  
June 30, 2024

	Governmental Activities		Business-Type Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues						
Program Revenues:						
Charges for services	\$ 1,055,359	\$ 919,480	\$ 2,168,542	\$ 1,958,262	\$ 3,223,901	\$ 2,877,742
Operating grants	636,435	827,554	63,679	40	700,114	827,594
Capital grants	29,909	-	725,843	364,395	755,752	364,395
General Revenues:						
Property taxes	10,104,325	9,631,166	-	-	10,104,325	9,631,166
Investment earnings	26,612	29,849	15,033	14,717	41,645	44,566
Other revenues	<u>58,470</u>	<u>45,241</u>	<u>-</u>	<u>-</u>	<u>58,470</u>	<u>45,241</u>
Total Revenues	<u>11,911,110</u>	<u>11,453,290</u>	<u>2,973,097</u>	<u>2,337,414</u>	<u>14,884,207</u>	<u>13,790,704</u>
Expenses						
Governmental activities:						
General	1,249,456	1,026,977	-	-	1,249,456	1,026,977
Public Safety	3,032,987	2,854,009	-	-	3,032,987	2,854,009
Public Works	2,181,061	1,932,922	-	-	2,181,061	1,932,922
Library	110,000	110,000	-	-	110,000	110,000
Interest on long-term debt	83,610	80,491	-	-	83,610	80,491
Education, recreation, health and welfare	6,203,282	5,774,970	-	-	6,203,282	5,774,970
Business-type activities:						
Water	-	-	949,601	1,051,701	949,601	1,051,701
Sewer	<u>-</u>	<u>-</u>	<u>1,776,261</u>	<u>1,829,294</u>	<u>1,776,261</u>	<u>1,829,294</u>
Total Expenses	<u>12,860,396</u>	<u>11,779,369</u>	<u>2,725,862</u>	<u>2,880,995</u>	<u>15,586,258</u>	<u>14,660,364</u>
Change in net position	(949,287)	(326,079)	247,235	(543,581)	(702,052)	(869,660)
Net position, beginning, as restated	<u>6,847,411</u>	<u>7,275,782</u>	<u>2,641,415</u>	<u>3,184,996</u>	<u>9,488,826</u>	<u>10,460,778</u>
Net position, ending	<u>\$ 5,898,124</u>	<u>\$ 6,949,703</u>	<u>\$ 2,888,650</u>	<u>\$ 2,641,415</u>	<u>\$ 8,786,774</u>	<u>\$ 9,591,118</u>

City of Newport, Vermont  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024

**Business-type activities** – Business-type activities increased the City of Newport's net position by \$247,235 during the current fiscal year. The water fund had a net gain of \$604,536 while the sewer fund had a net loss of \$357,301. Key elements of this change are as follows:

- Water charges and rents decreased revenue by \$55,645 from the previous year and operating expenses decreased by \$102,101. We had an increase in net income of \$582,689 from the prior year in the Water Fund. Most of this increase in income can be attributable to ARPA grant funds used for the water tower construction of \$725,843, compared to \$364,395 in the prior year, the offsetting expenses for the project are capitalized on the statement of net position.
- Sewer charges and rents increased in revenue by \$198,117 and discharge fees increased by \$35,636 from the previous year, while operating expenses decreased by \$53,517. Interest expense decreased by \$4,989 from the prior year. The Sewer Fund has a payable from the General Fund of \$1,321,188, which is an increase of \$510,944 from the prior year's balance due of \$810,244.
- Depreciation expense for the sewer fund is \$486,466 as compared to last year's \$492,483 and \$258,716 from last year's \$251,556 for the water fund.

### **Financial Analysis of the Government's Funds**

The City of Newport uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

At the end of the current fiscal year, the City of Newport's governmental funds reported combined ending fund balances of \$1,300,138, a decrease of \$802,157 in comparison to the prior year. Approximately 93% of the total fund balance (\$1,195,253) constitutes general fund equity, which is available for spending at the government's discretion. The City of Newport has available \$454,633 of this fund balance for various purposes, including capital reserve funds and expenditures in subsequent periods. The City of Newport has committed \$7,224 for specific budget items and \$733,396 is restricted donations to the city.

The general fund is the chief operating fund of the City of Newport. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total general fund expenditures. The unassigned fund balance \$454,633 represents approximately 4% of general fund expenditures (\$12,668,001) while total fund balance \$1,195,253 represents approximately 9% of that same amount.

During the year ending June 30, 2024 the Fund Balance of the City of Newport's general fund decreased by \$807,624 (from \$2,002,877 to \$1,195,253). Key factors in this change are as follows:

- The City had additional unanticipated expenses in its police department as well as administrative legal expenses.

Special revenue funds consist primarily of the Recreation Fund \$109,308 and a deficit in the Mooring Management Fund of (\$4,440). The fund balance of \$109,308 equates to additional fund raising by the Recreation Committee in anticipation of a cash match for the Gardner Park Playground Rehabilitation project. The Recreation Fund is used to ensure that monies donated to the Recreation and Parks Department is solely used to benefit Recreation and Parks. The Mooring Management Fund is used so that the City receives no net income from the Mooring Management of Public Waters. Also, the Mooring Management Fund will insure no net expense over time to City taxpayers.

City of Newport, Vermont  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024

## Capital Asset and Debt Administration

**Capital Assets** – The City of Newport's investment in capital assets, net of depreciation for its governmental activities increased by \$97,292 to a total of \$6,652,848. It is to be noted that we used the exemption allowed under GASB 34 to not include road and bridge investments prior to 1 July 2003. Also, 1.5" asphalt overlays of existing streets are not capitalized. For our business-type activities as of June 30, 2024 our capital investment, net of depreciation increased by \$110,624 to \$6,209,046 (sewer \$2,889,706, water \$3,319,340).

Major capital asset events during the current fiscal year included the following:

- The construction of the East Side Water Tower began and total costs of \$707,200 were incurred, ARPA Funds were used.
- The WWTF purchased a new control panel for the pumps at a cost of \$43,558.
- The WWTF started sewer projects on both Bluff Rd and Spruce Street which incurred total costs of \$70,554 during the year.

Summarized listings of capital assets can be found in Note 4 of the financial statements.

**Long-term debt** – At the end of the current year, the City of Newport had total long-term debt outstanding of \$2,687,728. Of this amount, \$2,415,895 represents low to no-interest loans issued by the State of Vermont, and \$271,833 represents loans with local banks.

The City of Newport's total debt decreased by \$521,866 during the year.

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

Summarized listings of debt can be found in Note 8 of the financial statements.

## Requests for Information

The financial report is designed to provide a general overview of the City of Newport, Vermont's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of City Manager, 222 Main St., Newport, VT 05855.

City of Newport, Vermont  
 GOVERNMENT-WIDE FINANCIAL STATEMENTS  
 STATEMENT OF NET POSITION  
 June 30, 2024

ASSETS AND DEFERRED OUTFLOWS

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>CURRENT ASSETS</b>			
Cash	\$ 976,249	\$ 811,189	\$ 1,787,438
Cash - restricted	-	483,381	483,381
Taxes receivable	398,394	-	398,394
Accounts receivable	-	143,728	143,728
Grant receivable	56,153	-	56,153
Other receivables	199,072	-	199,072
Unbilled revenues	-	378,717	378,717
Due from other funds	1,695,114	-	1,695,114
Prepaid expenses	76,847	-	76,847
<b>TOTAL CURRENT ASSETS</b>	<u>3,401,829</u>	<u>1,817,015</u>	<u>5,218,844</u>
 CAPITAL ASSETS, net of depreciation	 <u>6,691,993</u>	 <u>6,209,046</u>	 <u>12,901,039</u>
 DEFERRED OUTFLOWS	 <u>888,009</u>	 <u>116,445</u>	 <u>1,004,454</u>
 <b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	 <u><b>\$ 10,981,831</b></u>	 <u><b>\$ 8,142,506</b></u>	 <u><b>\$ 19,124,337</b></u>

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

<b>CURRENT LIABILITIES</b>			
Current portion notes and bonds payable	\$ 72,295	\$ 475,972	\$ 548,267
Accounts payable	359,521	463,948	823,469
Accrued liabilities	60	-	60
Accrued wages	78,298	11,457	89,755
Accrued vacation/sick/comp time	152,467	12,827	165,294
Due to other funds	-	1,715,738	1,715,738
Deferred ARPA revenue	-	182,465	182,465
Unearned revenue	132,626	-	132,626
Tax Anticipation Note	1,300,000	-	1,300,000
<b>TOTAL CURRENT LIABILITIES</b>	<u>2,095,267</u>	<u>2,862,407</u>	<u>4,957,674</u>
 <b>LONG-TERM LIABILITIES</b>			
Net pension liabilities	2,646,287	394,791	3,041,078
Accrued vacation/sick/comp time	116,767	-	116,767
Notes and bonds payable	152,377	1,987,084	2,139,461
<b>TOTAL LONG-TERM LIABILITIES</b>	<u>2,915,431</u>	<u>2,381,875</u>	<u>5,297,306</u>
 <b>TOTAL LIABILITIES</b>	 <u>5,010,698</u>	 <u>5,244,282</u>	 <u>10,254,980</u>
 DEFERRED INFLOWS	 <u>73,009</u>	 <u>9,574</u>	 <u>82,583</u>
 <b>NET POSITION</b>			
Net investment in capital assets	6,467,321	3,745,990	10,213,311
Restricted	842,704	-	842,704
Unrestricted	(1,411,901)	(857,340)	(2,269,241)
<b>TOTAL NET POSITION</b>	<u>5,898,124</u>	<u>2,888,650</u>	<u>8,786,774</u>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	 <u><b>\$ 10,981,831</b></u>	 <u><b>\$ 8,142,506</b></u>	 <u><b>\$ 19,124,337</b></u>

See Accompanying Notes to Basic Financial Statements.

City of Newport, Vermont  
 GOVERNMENT-WIDE FINANCIAL STATEMENTS  
 STATEMENT OF ACTIVITIES  
 For the Year Ended June 30, 2024

	Program Revenues				Net (Expense) Revenue & Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants & Revenues	Capital Grants & Revenues	Governmental Activities	Business-Type Activities	
<u>Functions/Programs</u>							
Governmental activities:							
Current:							
General government	\$ 1,249,456	\$ 249,124	\$ -	\$ 29,909	\$ (970,423)	\$ -	\$ (970,423)
Public safety	3,032,987	187,396	462,107	-	(2,383,484)	-	(2,383,484)
Public works	2,181,062	970	174,328	-	(2,005,764)	-	(2,005,764)
Recreation, health, education and welfare	6,203,282	617,869	-	-	(5,585,413)	-	(5,585,413)
Library	110,000	-	-	-	(110,000)	-	(110,000)
Interest on long-term debt	83,610	-	-	-	(83,610)	-	(83,610)
Total governmental activities	<u>12,860,397</u>	<u>1,055,359</u>	<u>636,435</u>	<u>29,909</u>	<u>(11,138,694)</u>	<u>-</u>	<u>(11,138,694)</u>
Business-type activities:							
Water	949,601	757,111	63,679	725,843	-	597,032	597,032
Sewer	1,776,261	1,411,431	-	-	-	(364,830)	(364,830)
Total business-type activities	<u>2,725,862</u>	<u>2,168,542</u>	<u>63,679</u>	<u>725,843</u>	<u>-</u>	<u>232,202</u>	<u>232,202</u>
General Revenues:							
Property taxes, levied for general purposes					10,104,325	-	10,104,325
Unrestricted investment earnings					26,612	15,033	41,645
Gain on Sale of Assets					15,095	-	15,095
Interest Delinquent					11,420	-	11,420
Penalty Delinquent					31,955	-	31,955
Total general revenues and transfers					<u>10,189,407</u>	<u>15,033</u>	<u>10,204,440</u>
Change in Net Position					(949,287)	247,235	(702,052)
Net Position, beginning, as restated					<u>6,847,411</u>	<u>2,641,415</u>	<u>9,488,826</u>
Net Position, ending					<u>\$ 5,898,124</u>	<u>\$ 2,888,650</u>	<u>\$ 8,786,774</u>

See Accompanying Notes to Basic Financial Statements.

City of Newport, Vermont  
 FUND FINANCIAL STATEMENTS  
 BALANCE SHEET - GOVERNMENTAL FUNDS  
 June 30, 2024

ASSETS

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 879,457	\$ -	\$ 96,792	\$ 976,249
Delinquent tax receivables net of reserves of \$213,034	185,360	-	-	185,360
Other receivables	199,072	-	-	199,072
Grant receivables	56,153	-	-	56,153
Due from other funds	1,717,422	17	15,676	1,733,115
Prepaid expenses	<u>76,847</u>	<u>-</u>	<u>-</u>	<u>76,847</u>
 TOTAL ASSETS	 <u>\$ 3,114,311</u>	 <u>\$ 17</u>	 <u>\$ 112,468</u>	 <u>\$ 3,226,796</u>

LIABILITIES AND FUND BALANCE

LIABILITIES				
Accounts payable	\$ 351,921	\$ -	\$ 7,600	\$ 359,521
Accrued expenses	60	-	-	60
Accrued wages	78,298	-	-	78,298
Tax Anticipation Note	1,300,000	-	-	1,300,000
Unavailable grant revenue	56,153	-	-	56,153
Unearned revenue	<u>132,626</u>	<u>-</u>	<u>-</u>	<u>132,626</u>
 TOTAL LIABILITIES	 <u>1,919,058</u>	 <u>-</u>	 <u>7,600</u>	 <u>1,926,658</u>
 FUND BALANCE				
Restricted	733,396	-	109,308	842,704
Committed	7,224	17	-	7,241
Unassigned	<u>454,633</u>	<u>-</u>	<u>(4,440)</u>	<u>450,193</u>
 TOTAL FUND BALANCE	 <u>1,195,253</u>	 <u>17</u>	 <u>104,868</u>	 <u>1,300,138</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 3,114,311</u>	 <u>\$ 17</u>	 <u>\$ 112,468</u>	 <u>\$ 3,226,796</u>

See Accompanying Notes to Basic Financial Statements.



City of Newport, Vermont  
 FUND FINANCIAL STATEMENTS  
 BALANCE SHEET - GOVERNMENTAL FUNDS  
 June 30, 2024

**Total fund balances - governmental funds** \$ 1,300,138

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 as assets in governmental funds.

Capital Assets - Governmental fund expenditures 6,691,993

Capital Assets - From trust funds (38,001)

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Allowance for delinquent tax reserve 213,034

Unavailable grant revenue 56,153

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds:

Accrued vacation/sick/comp-time payable (269,234)

Net pension liability (2,646,287)

Notes and bonds payable (224,672)

Deferred outflows of resources represent the consumption of net position that is applicable to a future reporting period and therefore not reported as assets in the funds. 888,009

Deferred inflows of resources represent the acquisition of net position applicable to a future reporting period and therefore are not reported as liabilities in the funds. (73,009)

\$ 5,898,124

See Accompanying Notes to Basic Financial Statements.

City of Newport, Vermont  
FUND FINANCIAL STATEMENTS  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2024

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes and Special Assessments	\$ 10,067,178	\$ -	\$ -	\$ 10,067,178
General Government	319,369	-	-	319,369
Public Safety	635,981	-	-	635,981
Public Works	161,968	-	-	161,968
Recreation and Culture	592,404	-	12,280	604,684
Investment Income	<u>6,533</u>	<u>-</u>	<u>90</u>	<u>6,623</u>
<b>TOTAL REVENUES</b>	<u>11,783,433</u>	<u>-</u>	<u>12,370</u>	<u>11,795,803</u>
<b>EXPENDITURES</b>				
General	920,143	-	-	920,143
Public Safety	2,785,194	-	-	2,785,194
Public Works	1,441,655	-	-	1,441,655
Culture and Recreation	918,273	-	7,603	925,876
Other Expenses & Appropriations	665,972	-	-	665,972
Capital Outlay	935,761	-	101,591	1,037,352
Debt Service and Sinking Funds	183,150	-	-	183,150
School Appropriations	<u>4,817,853</u>	<u>-</u>	<u>-</u>	<u>4,817,853</u>
<b>TOTAL EXPENDITURES</b>	<u>12,668,001</u>	<u>-</u>	<u>109,194</u>	<u>12,777,195</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<b>(884,568)</b>	<b>-</b>	<b>(96,824)</b>	<b>(981,392)</b>
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from long term debt	159,235	-	-	159,235
Proceeds from sale of asset	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>179,235</u>	<u>-</u>	<u>-</u>	<u>179,235</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(705,333)</b>	<b>-</b>	<b>(96,824)</b>	<b>(802,157)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR, as restated</b>	<u>1,900,586</u>	<u>17</u>	<u>201,692</u>	<u>2,102,295</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 1,195,253</u>	<u>\$ 17</u>	<u>\$ 104,868</u>	<u>\$ 1,300,138</u>

See Accompanying Notes to Basic Financial Statements.

City of Newport, Vermont  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2024

**Net change in fund balances - governmental funds** \$ (802,157)

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

Governmental funds report capital outlays as expenditures while  
 governmental activities report depreciation expense to  
 allocate those expenditures over the life of the assets:

Depreciation	(682,077)
Capital assets purchased	803,420
Gain on sale of assets	15,095

The proceeds from the issuance of long-term debt is a revenue source in the governmental funds, while the issuance increase long-term debt in the Statement of Net Position.	(159,235)
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	132,996
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Revenues in the statement of activities that do not provide current  
 financial resources are not reported as revenues in the funds.

Increase in allowance for delinquent tax reserve	40,115
Increase in the unearned and other unavailable revenue	56,153

Expenses in the statement of activities that do not require the use  
 of current financial resources and are not reported as  
 expenditures in the funds:

Pension expense	(280,709)
Vacation/sick/comp-time earned	<u>(72,889)</u>

**Change in net position of governmental activities** \$ (949,287)

See Accompanying Notes to Basic Financial Statements.

City of Newport, Vermont  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
 June 30, 2024

ASSETS AND DEFERRED OUTFLOWS

	Business Type Activities - Enterprise Funds		
	Sewer Fund	Water Fund	Total
<b>CURRENT ASSETS</b>			
Cash	\$ 382,682	\$ 428,507	\$ 811,189
Cash - restricted	-	483,381	483,381
Fees receivable	78,322	65,406	143,728
Unbilled revenues	231,551	147,166	378,717
<b>TOTAL CURRENT ASSETS</b>	<b>692,555</b>	<b>1,124,460</b>	<b>1,817,015</b>
<b>CAPITAL ASSETS</b>			
Land	4,462	24,800	29,262
Wells	-	629,354	629,354
Buildings	341,645	-	341,645
Improvements other than buildings	13,770,958	5,502,746	19,273,704
Machinery and equipment	1,417,644	590,865	2,008,509
Interlocal waterline project	-	773,757	773,757
Storm water separation	1,019,610	-	1,019,610
Construction in progress	90,131	940,959	1,031,090
	16,644,450	8,462,481	25,106,931
Less: accumulated depreciation	(13,754,744)	(5,143,141)	(18,897,885)
<b>CAPITAL ASSETS, net</b>	<b>2,889,706</b>	<b>3,319,340</b>	<b>6,209,046</b>
<b>DEFERRED OUTFLOWS</b>			
	77,600	38,845	116,445
<b>TOTAL ASSETS</b>	<b>\$ 3,659,861</b>	<b>\$ 4,482,645</b>	<b>\$ 8,142,506</b>

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

<b>CURRENT LIABILITIES</b>			
Due to other funds	\$ 1,321,319	\$ 394,419	\$ 1,715,738
Accounts payable	43,215	420,733	463,948
Accrued wages	7,066	4,391	11,457
Current portion of bonds and notes payable	300,183	175,789	475,972
Accrued vacation/sick/comp.	10,074	2,753	12,827
Deferred ARPA revenue	-	182,465	182,465
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 1,681,857</b>	<b>1,180,550</b>	<b>2,862,407</b>
<b>LONG-TERM LIABILITIES</b>			
Net pension liabilities	263,402	131,389	394,791
Notes and bonds payable	1,040,394	946,690	1,987,084
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>1,303,796</b>	<b>1,078,079</b>	<b>2,381,875</b>
<b>TOTAL LIABILITES</b>	<b>2,985,653</b>	<b>2,258,629</b>	<b>5,244,282</b>
<b>DEFERRED INFLOWS</b>	<b>6,380</b>	<b>3,194</b>	<b>9,574</b>
<b>NET POSITION</b>			
Net investment in capital assets	1,549,129	2,196,861	3,745,990
Unrestricted	(881,301)	23,961	(857,340)
<b>TOTAL NET POSITION</b>	<b>667,828</b>	<b>2,220,822</b>	<b>2,888,650</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<b>\$ 3,659,861</b>	<b>\$ 4,482,645</b>	<b>\$ 8,142,506</b>

See Accompanying Notes to Basic Financial Statements.

City of Newport, Vermont  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES  
 IN NET POSITION - PROPRIETARY FUNDS  
 For the Year Ended June 30, 2024

	Business Type Activities - Enterprise Funds		
	Sewer Fund	Water Fund	Total
OPERATING REVENUES			
Charges and rent	\$ 1,096,692	\$ 757,111	\$ 1,853,803
Derby share	128,277	-	128,277
Discharge fees	186,462	-	186,462
ARPA grant income	-	725,843	725,843
Other grant income	-	63,679	63,679
	<u>1,411,431</u>	<u>1,546,633</u>	<u>2,958,064</u>
TOTAL OPERATING REVENUES			
OPERATING EXPENSES			
Sewer system	211,502	-	211,502
Sewer plant	801,476	-	801,476
Water treatment and pumping	-	376,344	376,344
Water transmitting and distribution	-	98,942	98,942
Administration	104,180	76,170	180,350
Depreciation	486,466	258,716	745,182
Personnel and other expenses	137,621	73,766	211,387
Maintenance expenses	1,821	25,517	27,338
	<u>1,743,066</u>	<u>909,455</u>	<u>2,652,521</u>
TOTAL OPERATING EXPENSES			
GAIN (LOSS) FROM OPERATIONS	<u>(331,635)</u>	<u>637,178</u>	<u>305,543</u>
NON-OPERATING INCOME/(EXPENSES)			
Interest income	7,529	7,504	15,033
Interest expense	(33,195)	(40,146)	(73,341)
	<u>(25,666)</u>	<u>(32,642)</u>	<u>(58,308)</u>
TOTAL NON-OPERATING (EXPENSES)			
CHANGE IN NET POSITION	(357,301)	604,536	247,235
NET POSITION AT BEGINNING OF YEAR	<u>1,025,129</u>	<u>1,616,286</u>	<u>2,641,415</u>
NET POSITION AT END OF YEAR	<u>\$ 667,828</u>	<u>\$ 2,220,822</u>	<u>\$ 2,888,650</u>

See Accompanying Notes to Basic Financial Statements.

City of Newport, Vermont  
FUND FINANCIAL STATEMENTS  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
For the Year Ended June 30, 2024

	Business-Type Activities		
	Sewer Fund	Water Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 1,334,563	\$ 716,596	\$ 2,051,159
Payments to suppliers	(1,128,664)	(558,843)	(1,687,507)
Payments for employees and benefits	(111,395)	(57,545)	(168,940)
Other receipts (payments)	<u>-</u>	<u>855,540</u>	<u>855,540</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>94,504</u>	 <u>955,748</u>	 <u>1,050,252</u>
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers to other funds	<u>511,078</u>	<u>31,378</u>	<u>542,456</u>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of property, plant and equipment	(137,490)	(718,318)	(855,808)
Principal payments on debt	(342,304)	(205,802)	(548,106)
Interest payments on debt	<u>(33,195)</u>	<u>(40,146)</u>	<u>(73,341)</u>
 NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	 <u>(512,989)</u>	 <u>(964,266)</u>	 <u>(1,477,255)</u>
 <b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Receipt of interest and dividends	<u>7,529</u>	<u>7,504</u>	<u>15,033</u>
 NET INCREASE IN CASH	 100,122	 30,364	 130,486
 CASH - BEGINNING OF YEAR	 <u>282,560</u>	 <u>398,143</u>	 <u>680,703</u>
 CASH - END OF YEAR	 <u>\$ 382,682</u>	 <u>\$ 428,507</u>	 <u>\$ 811,189</u>
 Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (331,635)	\$ 637,178	\$ 305,543
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	486,466	258,716	745,182
Change in net assets and liabilities:			
Restricted cash	-	791,986	791,986
Receivables, net	(16,825)	(14,573)	(31,398)
Unbilled revenues	(60,044)	(25,942)	(85,986)
Deferred income	-	(725,968)	(725,968)
Accounts Payable	(9,685)	18,130	8,445
Accrued wages	1,793	2,100	3,893
Deferred outflows	907	1,045	1,952
Net pension liability	25,858	12,420	38,278
Deferred inflows	(2,234)	(1,186)	(3,420)
Accrued vacation	<u>(97)</u>	<u>1,842</u>	<u>1,745</u>
 Net cash provided by operating activities	 <u>\$ 94,504</u>	 <u>\$ 955,748</u>	 <u>\$ 1,050,252</u>

See Accompanying Notes to Basic Financial Statements.

City of Newport, Vermont  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF NET POSITION - FIDUCIARY FUNDS  
 June 30, 2024

ASSETS

	<u>Private Purpose Trust Funds</u>
CASH	
Checking	\$ 62,767
Savings and money markets	<u>53,134</u>
TOTAL CASH	<u>115,901</u>
INVESTMENTS	
Trust account	<u>347,407</u>
TOTAL ASSETS	<u>\$ 463,308</u>

LIABILITIES AND NET POSITION

LIABILITIES	
Due to other funds	<u>\$ 17,377</u>
NET POSITION	
Reserved for trust funds	62,000
Unreserved	<u>383,931</u>
TOTAL NET POSITION	<u>445,931</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 463,308</u>

See Accompanying Notes to Basic Financial Statements.

City of Newport, Vermont  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 For the Year Ended June 30, 2024

	<u>Private Purpose Trust Funds</u>
ADDITIONS	
Contributions	\$ 10,325
Grant Income	685
Investment Earnings	
Interest income	9,765
Dividend income	3,475
Net gain/(loss) on investments	<u>25,319</u>
Net Investment Earnings	<u>38,559</u>
TOTAL ADDITIONS	<u>49,569</u>
DEDUCTIONS	
Administrative fees	3,358
Contracted services	6,000
Police expenditures	19,706
Beneficiaries	800
Other	<u>10,085</u>
TOTAL ADDITIONS	<u>39,949</u>
CHANGE IN NET POSITION	9,620
NET POSITION AT BEGINNING OF YEAR	<u>436,311</u>
NET POSITION AT END OF YEAR	<u>\$ 445,931</u>

See Accompanying Notes to Basic Financial Statements.



City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

The City of Newport, Vermont, (herein the "City") operates under a Mayor and City Council form of government and provides the following services, as authorized by its charter: general, public safety (police, fire and rescue), public works, recreation and culture, health and welfare, water and sewer services.

The City, for financial statement purposes, includes all of the funds and account groups relevant to the operations of the City of Newport. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the City of Newport.

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

All operations of the City are controlled by the Mayor and a four-member City Council, elected in City-wide elections, and responsible for all of the City's activities. The financial statements include all of the City's operations controlled by the Mayor and City Council. Based on criteria for determining the reporting entity (separate legal entity and fiscal or financial dependency on other governments), the City is considered to be an independent reporting entity and has no component units.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expense of a given program is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post-employment healthcare benefits, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the City receives cash.

The City reports the following major governmental funds:

- \* The general fund is the City's primary operating fund. It accounts for all the financial resources of the City, except those required to be accounted for in another fund.

Amounts reported as program revenues include 1) charges to individuals and business for fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgetary Data

Budgets are presented on the modified accrual basis of accounting for all governmental funds. Budgets are not adopted on a City level for the financial funds or the special revenue fund. All annual appropriations lapse at fiscal year-end with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- \* During January of each year, the City Manager (CEO or designated Council Member when there is no City Manager) submits to the Council a proposed operating budget for the next fiscal year commencing July 1<sup>st</sup>. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending June 30<sup>th</sup>.
- \* Copies of the proposed budget are made available for public inspection and review by the City's patrons of the City. During February of each year a public hearing is held prior to City Meeting day to discuss the budget.

City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- \* The budget is voted on by taxpayers at March's City Meeting.
- \* Once adopted, the budget can be amended by subsequent Council action. The Council upon recommendation of the City Manager (CEO or designated Council Member when there is no City Manager) can approve reductions in appropriations, but increases in appropriations by fund require a public hearing prior to amending the budget. In accordance with Vermont State law, interim adjustments may be made by administrative transfer of money from one appropriation to another within any given fund.
- \* Expenditures may not legally exceed budgeted appropriations at the fund level.

Encumbrance accounting is employed in the governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Cash and Cash Equivalents

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

Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Capital Assets

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

- (1) The asset is tangible and complete.
- (2) The asset is used in the operation of the City's activities.
- (3) The asset has a value and useful life at the date of acquisition that meets or exceeds the following:
  - \* \$1,000 value and two years of life for software, office equipment, maintenance equipment, and other equipment.
  - \* \$2,000 value and two years of life for vehicles.
  - \* \$5,000 value and two years of life for all capital improvements.
  - \* \$10,000 and three years of life for infrastructure and infrastructure improvements
  - \* All buildings and land as well as computer equipment must be reported regardless of value and useful life at date of acquisition

City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pursuant to GASB Statement Number 34, the City of Newport is not required to retroactively report major general infrastructure assets. Effective July 1, 2004, the City recorded and depreciated infrastructure assets (e.g., roads, bridges, sidewalks and similar items).

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

The straight-line depreciation method will be used over the estimated useful life of each asset.

Long-term Obligations

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

Property Taxes

Property taxes are due and payable on or before November 15 and May 15 and become delinquent on May 16. The City prepares the bills and collects all taxes.

Government-Wide and Proprietary Fund Net Position

Government-wide and Proprietary Fund Net Position are divided into three components:

Net Investment in Capital Assets – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted – consist of net position that is restricted by the City’s creditors, by enabling legislation, by grantors (both federal and state), and/or by contributors.

Unrestricted – all other net position reported in this category.

Governmental Fund Balances

Effective July 1, 2010, the City adopted the provisions of GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.

In the governmental fund financial statements, fund balances are classified as follows:

Restricted – Amounts that can be spent only for specific purposes because of laws, regulations, or externally imposed conditions by grantors or creditors.

Committed – Amounts that can be used only for specific purposes determined by a formal action by the Council.

Assigned – Amounts that are designated by management for a particular purpose.

City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unassigned – All amounts not included in other classifications.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Allowance for Uncollectible Accounts

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

Operating Transfers

Operating transfers are legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended.

Defining Operating Revenues and Expenses

The City of Newport, Vermont’s proprietary funds distinguish between operating and non-operating revenues and expenses. Operating revenues and expenses of the City of Newport, Vermont’s water and sewer funds consists of charges for services (including connection fees) and the costs of providing those services, including depreciation and excluding interest cost. All other revenues and expenses are reported as non-operating.

NOTE 2 CASH

The cash received by the City is placed in the custody of the City Treasurer who is elected. The cash deposits in the City accounts at June 30, 2024 consisted of the following:

	Bank Balance	Book Balance
Insured - FDIC	\$ 874,231	\$ 913,059
Uninsured, Collateralized by U.S. Government Securities, Federal Agency Issued Mortgage Backed Securities and/or General Obligation Vermont Municipal Note and Bonds Held by the Bank’s Trust Department with a Security Interest granted to the City.	959,013	380,464
Uninsured, Right to Offset by Outstanding Debt	1,003,368	1,092,867
Petty Cash	-	330
TOTAL	\$ 2,836,612	\$ 2,386,720

City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 2 CASH (continued)

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

NOTE 3 RECEIVABLES

Receivables on the fund financial statements at June 30, 2024 consist of the following:

	General Fund	Proprietary Funds	Total
Delinquent Taxes, net of \$213,034 reserves	\$ 132,218	\$ -	\$ 132,218
Penalty and Interest	53,142	-	53,142
Grant Receivable	56,153	-	56,153
Other Receivable	199,072	-	199,072
Water Rents - Billed	-	65,406	65,406
Sewer Rents - Billed	-	77,716	77,716
Sewer Derby Share	-	45	45
Sewer Contracted Works	-	561	561
	<u>\$ 440,585</u>	<u>\$ 143,728</u>	<u>\$ 584,313</u>
TOTAL NET RECEIVABLES	<u>\$ 440,585</u>	<u>\$ 143,728</u>	<u>\$ 584,313</u>

NOTE 4 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities:</u>				
Capital assets, not being depreciated				
Land	\$ 414,235	\$ -	\$ -	\$ 414,235
Construction in progress	197,369	193,470	(39,436)	351,403
	<u>611,604</u>	<u>193,470</u>	<u>(39,436)</u>	<u>765,638</u>
Capital assets, being depreciated				
Land improvements	727,675	53,437	-	781,112
Buildings and improvements	4,433,248	25,896	-	4,459,144
Equipment	3,330,607	447,549	-	3,778,156
Vehicles	3,925,860	172,498	(134,128)	3,964,230
Infrastructure	4,548,799	-	-	4,548,799
	<u>16,966,189</u>	<u>699,380</u>	<u>(134,128)</u>	<u>17,531,441</u>
Total capital assets, being depreciated	<u>16,966,189</u>	<u>699,380</u>	<u>(134,128)</u>	<u>17,531,441</u>

City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 4 CAPITAL ASSETS (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental activities: (cont'd)</u>				
Accumulated depreciation for				
Land improvements	(393,107)	(19,122)	-	(412,229)
Buildings and improvements	(1,975,467)	(129,059)	-	(2,104,526)
Equipment	(2,614,486)	(196,998)	-	(2,811,484)
Vehicles	(3,262,048)	(160,807)	99,620	(3,323,235)
Infrastructure	<u>(2,777,521)</u>	<u>(176,091)</u>	<u>-</u>	<u>(2,953,612)</u>
Total accumulated depreciation	<u>(11,022,629)</u>	<u>(682,077)</u>	<u>99,620</u>	<u>(11,605,086)</u>
Total capital assets, being depreciated, net	<u>5,943,560</u>	<u>17,303</u>	<u>(34,508)</u>	<u>5,926,355</u>
Governmental activities, capital assets, net	<u>\$ 6,555,164</u>	<u>\$ 210,773</u>	<u>\$ (73,944)</u>	<u>\$ 6,691,993</u>

Depreciation is allocated in the General Fund as follows:

Public Works	\$ 338,155
Public Safety	280,097
Recreation	61,112
General Government	<u>2,713</u>
TOTAL	<u>\$ 682,077</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-type activities:</u>				
Water utility:				
Capital assets, not being depreciated				
Land	\$ 24,800	\$ -	\$ -	\$ 24,800
Construction in progress	<u>233,759</u>	<u>707,200</u>	<u>-</u>	<u>940,959</u>
Total capital assets, not being depreciated	<u>258,559</u>	<u>707,200</u>	<u>-</u>	<u>965,759</u>
Equipment and vehicles	590,865	-	-	590,865
Water system and improvements	5,491,629	11,117	-	5,502,746
Water lines	773,757	-	-	773,757
Wells	<u>629,354</u>	<u>-</u>	<u>-</u>	<u>629,354</u>
Total capital assets, being depreciated	<u>7,485,605</u>	<u>11,117</u>	<u>-</u>	<u>7,496,722</u>

City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 4 CAPITAL ASSETS (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-type activities (cont'd):</u>				
Accumulated depreciation for				
Equipment and vehicles	(399,804)	(37,163)	-	(436,967)
Water system and improvements	(3,527,664)	(178,694)	-	(3,706,358)
Water lines	(490,019)	(19,340)	-	(509,359)
Wells	(466,939)	(23,518)	-	(490,457)
	<u>(4,884,426)</u>	<u>(258,715)</u>	<u>-</u>	<u>(5,143,141)</u>
Total accumulated depreciation	<u>(4,884,426)</u>	<u>(258,715)</u>	<u>-</u>	<u>(5,143,141)</u>
Total capital assets, being depreciated, net	<u>2,601,179</u>	<u>(247,598)</u>	<u>-</u>	<u>2,353,581</u>
Water utility, capital assets, net	<u>2,859,738</u>	<u>459,602</u>	<u>-</u>	<u>3,319,340</u>
Sewer utility:				
Capital assets, not being depreciated				
Land	4,462	-	-	4,462
Construction in progress	7,268	82,863	-	90,131
	<u>11,730</u>	<u>82,863</u>	<u>-</u>	<u>94,593</u>
Total capital assets, not being depreciated	<u>11,730</u>	<u>82,863</u>	<u>-</u>	<u>94,593</u>
Capital assets, being depreciated				
Buildings	341,645	-	-	341,645
Equipment and vehicles	1,363,019	54,625	-	1,417,644
Sewer system and improvements	13,770,958	-	-	13,770,958
Storm water separation	1,019,610	-	-	1,019,610
	<u>16,495,232</u>	<u>54,625</u>	<u>-</u>	<u>16,549,857</u>
Total capital assets, being depreciated	<u>16,495,232</u>	<u>54,625</u>	<u>-</u>	<u>16,549,857</u>
Accumulated depreciation for				
Buildings	(275,535)	(8,610)	-	(284,145)
Equipment and vehicles	(1,131,161)	(53,535)	-	(1,184,696)
Sewer system and improvements	(11,135,130)	(398,831)	-	(11,533,961)
Storm water separation	(726,452)	(25,490)	-	(751,942)
	<u>(13,268,278)</u>	<u>(486,466)</u>	<u>-</u>	<u>(13,754,744)</u>



City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 4 CAPITAL ASSETS (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-type activities (cont'd):</u>				
Total capital assets, being depreciated, net	3,226,954	(431,841)	-	2,795,113
Sewer utility, capital assets, net	3,238,684	(348,978)	-	2,889,706
Business-type activities, capital assets, net	<u>\$ 6,098,422</u>	<u>\$ 110,624</u>	<u>\$ -</u>	<u>\$ 6,209,046</u>

NOTE 5 UNEARNED REVENUE

Unearned revenue in the General Fund consists of the following at June 30, 2024:

Project D.A.R.E.	\$ 4,577
Reappraisal - Act 60	106,803
Bike Path Grant	<u>21,246</u>
	<u>\$ 132,626</u>

NOTE 6 ACCRUED VACATION/SICK/COMPTIME

It is the policy of the City of Newport to permit employees to accumulate earned but unused vacation with no limits. Employees are allowed to accumulate sick time as follows:

Employees covered under the Police Union Contract can accumulate 240 hours and are vested for 240 hours.

Employees covered under the Public Works Union Contract can accumulate 240 hours but are 100% vested for the first 15 days.

Employees with sick bank balances prior to the institution of the sick pay limitations above are vested in these banked amounts:

City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 6 ACCRUED VACATION/SICK/COMPTIME (continued)

	General	Water/Sewer	
Vacation	\$ 87,686	\$ 2,830	
Comp time	6,397	418	
Sick - Short-Term	58,384	9,579	
	152,467	12,827	
Sick - Long-Term	116,767	-	
	\$ 269,234	\$ 12,827	

NOTE 7 SHORT TERM DEBT

The City had a tax anticipation line of credit with Passumpsic Savings Bank with an available balance of \$1,700,000 at a rate of 5.45% dated April 3, 2024 and due June 30, 2024. During the year ended June 30, 2024, there was one draw on the line for \$1,700,000. The balance on the line was \$1,300,000 at June 30, 2024.

NOTE 8 NOTES AND BONDS PAYABLE

The following is a summary of changes in notes and bonds payable for the year ended June 30, 2024:

	Beginning Balance June 30, 2023	Additions	Deletions	Ending Balance June 30, 2024
<u>Governmental Activities:</u>				
Passumpsic Saving Bank Muni Note issued July 7, 2014 for \$369,916 at 2.46% for ten years pmts due 7/1 for \$42,166. Matured July 2024.	\$ 41,065	\$ -	\$ 41,065	\$ -
Passumpsic Savings Bank - Promissory Note for financing of a 2021 Ford Explorer, principal and 1.49% interest payments of \$1,026 due monthly. Matures November, 2024.	16,257	-	11,135	5,122

City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 8      NOTES AND BONDS PAYABLE (continued)

	Beginning Balance <u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2024</u>
<u>Governmental Activities (cont'd):</u>				
Community First National Bank - Finance Purchase agreement for fire dept equipment, principal and 3.194% interest payments of \$24,646 due annually. Matures July 2026.	91,187	-	24,646	66,541
Passumpsic Savings Bank - Promissory Note for financing of a 2021 Ford Explorer, principal and 1.48% interest payments of \$1,000 due monthly. Matured January 2024.	5,978	-	5,978	-
Passumpsic Savings Bank - Promissory Note for financing of a 2023 Ford Explorer, principal and 4.74% interest payments of \$1,465 due monthly. Matures March 2027.	43,946	-	14,472	29,474
Municipal Leasing Consultants - Finance purchase agreement for fire dept equipment, principal and 5.87% interest payments of \$18,544 due annually. Matures January 2030.	-	110,102	18,544	91,558
Passumpsic Savings Bank - Promissory Note for financing of a 2023 Ford Explorer, principal and 4.59% interest payments of \$1,464 due monthly. Matures July 2026.	<u>-</u>	<u>49,133</u>	<u>17,156</u>	<u>31,977</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>\$ 198,433</u>	<u>\$ 159,235</u>	<u>\$ 132,996</u>	<u>\$ 224,672</u>

City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 8 NOTES AND BONDS PAYABLE (continued)

Anticipated maturities are as follows for the Governmental Funds:

	Principal	Interest	Total
2025	\$ 72,295	\$ 9,713	\$ 82,008
2026	66,960	6,780	73,740
2027	35,731	4,546	40,277
2028	15,627	2,917	18,544
2029	16,544	1,999	18,543
Thereafter	17,515	1,028	18,543
TOTAL	\$ 224,672	\$ 26,983	\$ 251,655

	Beginning Balance June 30, 2023	Additions	Deletions	Ending Balance June 30, 2024
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Sewer Fund:

Note payable to State of Vermont Revolving Loan Fund RFI-075 at 0% interest with a 2% admin. fee with annual principal and admin. fee payments of \$243,832, matures 1/1/2029.

	\$ 1,341,457	\$ -	\$ 212,656	\$ 1,128,801
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Note payable to State of Vermont Revolving Loan Fund RFI-150, at 0% interest with a 2% admin fee, with principal and fee payments of \$13,250, matures 7/1/2034.

	126,135	-	11,520	114,615
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Note payable to Passumpsic Savings Bank 2.27% interest. Payments of \$47,939 due two times annually, matures 12/1/2024.

	140,289	-	93,128	47,161
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Vermont Municipal Bond Bank issued 7/26/01, sewer portion equals \$700,000 with annual installments of \$30,000 plus interest at 4.83%, matures 12/1/25.

	75,000	-	25,000	50,000
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TOTAL SEWER FUND

	1,682,881	-	342,304	1,340,577
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City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 8      NOTES AND BONDS PAYABLE (continued)

	<u>Beginning Balance June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2024</u>
<u>Water Fund:</u>				
Water System Bond issued 5/2/84; principal and interest at 5.0% due in semi-annual installments of \$20,925 payable to GMAC Commercial Mortgage Corp., matured 5/2/24.	35,133	-	35,133	-
State of Vermont Revolving Loan Fund RF3-129 \$2,727,172 available at 1% interest and a 2% admin. fee, due in annual installments of \$155,398, matures 7/1/2032	1,173,539	-	131,972	1,041,567
State of Vermont Revolving Loan Fund RF3-095 \$547,000 available, at 1% interest and 2% admin fee, due in annual installments of \$36,769, matures 7/1/2027.	<u>119,609</u>	<u>-</u>	<u>38,697</u>	<u>80,912</u>
<b>TOTAL WATER FUND</b>	<u>1,328,281</u>	<u>-</u>	<u>205,802</u>	<u>1,122,479</u>
<b>TOTAL BUSINESS-TYPE FUNDS</b>	<u>\$ 3,011,162</u>	<u>\$ -</u>	<u>\$ 548,106</u>	<u>\$ 2,463,056</u>

Anticipated maturities are as follows for the Business- Type Funds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 475,972	\$ 40,080	\$ 516,052
2026	438,651	31,106	469,757
2027	381,439	23,160	404,599
2028	390,511	16,973	407,484
2029	399,806	10,649	410,455
2030-2034	<u>376,677</u>	<u>7,032</u>	<u>383,709</u>
<b>TOTAL</b>	<u>\$ 2,463,056</u>	<u>\$ 129,000</u>	<u>\$ 2,592,056</u>

City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 9 RESTRICTED/COMMITTED/ASSIGNED FUND BALANCES

Restricted fund balances at June 30, 2024 are as follows:

General Fund:

Restricted for Records Restoration	\$ 42,596
Restricted for NBRC Grant Funding Match	240,800
Restricted for Economic Development - Walmart Funds	<u>450,000</u>

Total General Fund	<u>\$ 733,396</u>
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Recreation Fund:

Restricted for use on Playground Equipment	<u>\$ 109,308</u>
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Committed fund balances at June 30, 2024 are as follows:

General Fund:

Committed for:

Tennis Court Sinking Fund	<u>\$ 7,224</u>
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Total General Fund	<u>7,224</u>
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Capital Projects Fund:

Committed for use in the Capital Projects Fund	<u>17</u>
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TOTAL COMMITTED FUND BALANCES	<u>\$ 7,241</u>
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When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City of Newport, Vermont's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City of Newport, Vermont's policy to use the fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

NOTE 10 INVESTMENTS

The trust accounts are carried at market value. The balances at June 30, 2024 are as follows:

	Cost	Market Value
East Main Street Cemetery Fund		
Equities	\$ 36,884	\$ 63,545
Fixed Income	<u>144,706</u>	<u>125,969</u>
Total	<u>181,590</u>	<u>189,514</u>

City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 10 INVESTMENTS (continued)

Perley J. Niles Fund			
Equities	35,601	61,396	
Fixed Income	111,469	96,497	
Total	147,070	157,893	
TOTAL	\$ 328,660	\$ 347,407	

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All investments are valued using quoted market prices (Level 1 inputs).

NOTE 11 DEFERRED COMPENSATION PLAN

All full-time permanent employees with the City are eligible to participate in a 457 deferred compensation plan administered by Copeland, a member of Citigroup. Employees may defer up to \$15,000 (\$22,000 if 50 or older) per year. The City does not contribute to this plan but does absorb the costs of administering the plan.

NOTE 12 PENSION PLAN

Information Required Under GASB Statement No. 68

Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions requires employers participating in a cost-sharing, multiple-employer defined benefit pension plan to recognize their proportional share of total pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The schedules below have been prepared to provide City of Newport, Vermont's proportional share of the overall amounts of the VMERS plan. City of Newport, Vermont's portion has been allocated based on City of Newport, Vermont's proportional share of employer contributions to the total contributions to VMERS during the fiscal year.

Reporting Date, Measurement Date, and Valuation Date

Net pension liabilities, deferred pension outflows of resources, deferred pension inflows of resources, and pension expense are all presented as of the City of Newport, Vermont's reporting date June 30, 2024 and for the City of Newport, Vermont's reporting period (the year ended June 30, 2024). These amounts are measured as of the measurement date and for the measurement period (the period between the prior and current measurement dates). GASB Statement No. 68 requires that the current measurement date be no earlier than the end of the employer's prior fiscal year. For the reporting date of City of Newport, Vermont, the State has chosen to use the end of the prior fiscal year (June 30, 2022) as the measurement date, and the year ended June 30, 2021, as the measurement period.

City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 12 PENSION PLAN (continued)

The total pension liability is determined by an actuarial valuation performed as of the measurement date, or by the use of update procedures to roll forward to the measurement date amounts from an actuarial valuation as of a date no more than 30 months and 1 day earlier than the employer's most recent fiscal year-end. The State has elected to apply update procedures to roll forward amounts from an actuarial valuation performed as of June 30, 2021, to the measurement date of June 30, 2022.

**Schedule A – Employer Allocations as of June 30, 2022**

Fiscal Year Ended June 30, 2022						
Employer Contributions	Employer Proportion	Net Pension Liability	Total Deferred Outflows	Total Deferred Inflows	Net Pension Liability 1% Decrease (6.00% Disc Rate)	Net Pension Liability 1% Increase (8.00% Disc Rate)
\$ 229,396	0.91686%	\$ 2,781,490	\$ 829,928	\$ 120,759	\$ 4,167,940	\$ 1,641,076

**Schedule B – Employers' Allocation as of June 30, 2023**

Fiscal Year Ended June 30, 2023						
Employer Contributions	Employer Proportion	Net Pension Liability	Total Deferred Outflows	Total Deferred Inflows	Net Pension Liability 1% Decrease (6.00% Disc Rate)	Net Pension Liability 1% Increase (8.00% Disc Rate)
\$ 270,631	0.94946%	\$ 3,041,078	\$ 701,733	\$ 82,583	\$ 4,577,288	\$ 1,778,367

**Schedule C – Employers' Allocation of Pension Amounts as of June 30, 2023**

Deferred Outflows of Resources							
Employer Proportion	Net Pension Liability	Difference Between Expected and Actual Experience	Changes in Assumptions	Changes in Benefits	Difference Between Projected and Actual Investment Earnings	Changes in Proportional Share of Contributions and Proportionate Share of Contributions	Total Deferred Outflows
0.94946%	\$ 3,041,078	\$ 190,720	\$ 99,123	\$ -	\$ 345,984	\$ 65,906	\$ 701,733



City of Newport, Vermont  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2024

NOTE 12 PENSION PLAN (continued)

Deferred Inflows of Resources					
Difference Between Expected and Actual Experience	Changes in Assumptions	Changes in Benefits	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows
\$ -	\$ -	\$ -	\$ -	\$ 82,582	\$ 82,582

Pension Expense Recognized		
Proportionate Share of Pension Plan Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total
\$ 626,685	\$ (6,446)	\$ 620,239

**Schedule D – Employers’ Allocation of Recognition of Deferred Outflows/Inflows as of June 30, 2023**

Fiscal Year Ending June 30,					
2024	2025	2026	2027	2028	Thereafter
\$ 222,839	\$ 74,476	\$ 328,995	\$ (7,159)	\$ -	\$ -

For entities with a reporting date in 2023, the amounts shown will be recognized in the expense for plan years ending in 2024, 2025, 2026 and 2027.

**Schedule E – Contributions History for Fiscal Years 2021-2023**

FY 2023	FY 2022	FY 2021
\$ 270,631	\$ 229,396	\$ 207,630

The full report containing the schedules of all employers in the VMERS plan will be available on the State of Vermont Treasurer's website at:

<http://www.vermonttreasurer.gov/content/retirement/vmers/financial-reports>

City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 12 PENSION PLAN (continued)

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

<http://finance.vermont.gov/reports-and-publications/annual-compenhensive-financial-report>

Plan Description

The Vermont Municipal Employees' Retirement System 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 school districts and other municipal employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. During the year ended June 30, 2022, the retirement system consisted of 357 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.

Summary of System Provisions

Membership	Full time employees of participating municipalities. Municipality elect's coverage under Groups A, B, C or D provisions.
Creditable service	Service as a member plus purchased service.
Average Final Compensation (AFC)	Group A – average annual compensation during highest 5 consecutive years.

City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 12 PENSION PLAN (continued)

Groups B and C – average annual compensation during highest 3 consecutive years.

Group D – average annual compensation during highest 2 consecutive years.

Service Retirement Allowance

Eligibility

Group A – The earlier of age 65 with 5 years of service or age 55 with 35 years of service.

Group B – The earlier of age 62 with 5 years of service or age 55 with 30 years of service.

Groups C and D – Age 55 with 5 years of service.

Amount

Group A – 1.4% of AFC x service

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

Group C – 2.5% of AFC x service as a Group C member plus percentage earned as a Group A or B member x AFC

Group D – 2.5% of AFC x service as a Group D member plus percentage earned as a Group A, B or C member x AFC

Maximum benefit is 60% of AFC for Groups A and B and 50% of AFC for Groups C and D. The above amounts include the portion of the allowance provided by member contributions.

Early Retirement Allowance

Eligibility

Age 55 with 5 years of service for Groups A and B; age 50 with 20 years of service for Group D.

Amount

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

City of Newport, Vermont  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2024

NOTE 12 PENSION PLAN (continued)

Vested Retirement Allowance

Eligibility	5 years of service.
Amount	Allowance beginning at normal retirement age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on "Post-Retirement Adjustments" described below.

Disability Retirement Allowance

Eligibility	5 years of service and disability as determined by Retirement Board.
Amount	Immediate allowance based on AFC and service to date of disability; 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	Death after 5 years of service.
Amount	For Groups A, B and C, reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor's benefit under disability annuity computed as a date of death. For Group D, 70% of the unreduced accrued benefit plus children's benefit.

Optional Benefit and Death  
after Retirement

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

Refund of Contribution

Upon termination, if the member so elects or if no other benefit is payable, the member's accumulated contributions are refunded.

Post-Retirement Adjustments

Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in consumer price index but not more than 2% for Group A and 3% for Groups B, C and D.

City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 12 PENSION PLAN (continued)

Retirement Stipend	\$25 per month payable at the option of the Board of retirees.	
Member Contributions	For Fiscal Year Ended June 30, 2023	Effective July 1, 2023
	Group A – 3.50%	3.75%
	Group B – 5.87%	6.125%
	Group C – 11.00%	11.25%
	Group D – 12.35%	12.60%
Employer Contributions	Group A – 5.00%	5.25%
	Group B – 6.50%	6.75%
	Group C – 8.25%	8.50%
	Group D – 10.85%	11.10%

Significant Actuarial Assumptions and Methods

Investment Rate of Return: 7%, net of pension plan investment expenses, including inflation

Salary Increases: Varying service-based rates from 0-10 years of service, then a single rate of 4.5% (individuals assumed inflation rate of 2.3%) for all subsequent year.

Mortality:

*Pre-Retirement:*

Groups A, B – 60% PubG-2010 General Employee Amount-Weighted below-median and 40% of PubG-2010 General Employee, 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, B – 104% of 40% PubG-2010 General Healthy Retiree Amount-Weighted below median table with credibility adjustments of 90% to 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.

City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 12 PENSION PLAN (continued)

Group D - PubS-2010 Public Safety Retiree Amount-Weighted Below-Median Table, with generational projection using Scale MP-2021.

*Healthy Post-Retirement – Beneficiaries:*

Groups A, B, C, D – Pub-2010 Contingent Survivor Amount-Weighted Below-Median Table, with generational projection using scale MP-2021.

*Disabled Post-Retirement:*

Groups A, B, C – PubNS-2010 Non-Safety Disable 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-2010.

Spouse's Age: Females three years younger than males

Cost-of-Living Adjustments: 1.10% per annum for Group A members and 1.20% per annum for Groups B, C and D members. The January 1, 2024, COLA is expected to be 1.10% for Group A and 1.10% for Groups B, C and D. The January 1, 2023, COLAs were 2.00% for Group A members and 3.00% for Groups B, C and D members.

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

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

Inflation: 2.30 per year%

Long-term expected rate of return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2022, is summarized in the following table:

City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 12 PENSION PLAN (continued)

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

Discount Rate:

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

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates set by the Board (employers) and statute (members). For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included.

Discount Rate (continued): Projected employer contributions that are intended to fund the service cost 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 plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

1% Decrease (6%)	Discount Rate (7%)	1% Increase (8%)
\$ 4,577,288	\$ 3,041,078	\$ 1,778,367

City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 13 PROPERTY TAXES

Property taxes are levied by August 15 and are due in full on May 15. All unpaid taxes become delinquent on May 16. Interest is assessed at 1% per month and an 8% penalty is assessed when the taxes become delinquent. The City bills and collects its own property taxes. City property tax revenues are recognized when levied. For the year ended June 30, 2024, the tax rate is as follows:

	<u>Non-Residential</u>	<u>Residential</u>
City	\$ 1.4220	\$ 1.4220
School	<u>1.6808</u>	<u>1.6672</u>
TOTAL	<u>\$ 3.1028</u>	<u>\$ 3.0892</u>

NOTE 14 INTERFUND RECEIVABLE AND PAYABLE BALANCES

Individual Fund Interfund Receivable and Payable balances are as follows at June 30, 2024:

	<u>Interfund Receivables</u>	<u>Interfund Payable</u>
General Fund	\$ 1,717,422	\$ -
Capital Projects Fund	17	-
Other Governmental Funds	15,676	-
Sewer Fund	-	1,321,319
Water Fund	-	394,419
Private-Purpose Trust Funds	<u>-</u>	<u>17,377</u>
Total Fund Financial Statement Balances	<u>\$ 1,733,115</u>	<u>\$ 1,733,115</u>

The City of Newport, Vermont generally maintains one cash account in the General Fund to pay expenditures and receive payments for efficiency. All interfund balances resulted from the time lag between the dates that (1) reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) repayments between funds are made.

NOTE 15 RISK MANAGEMENT

The City of Newport 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.



City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 15 RISK MANAGEMENT (continued)

The City of Newport 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 City of Newport maintains insurance coverage through the Vermont League of Cities and City's 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 City of Newport. Settled claims have not exceeded this coverage in any of the past three fiscal years. The City must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving sixty days' notice. Fund underwriting and rate setting policies have been established after 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.

NOTE 16 DEFERRED LOAN – CDBG EXPENDABLE TRUST FUND

On August 28, 2008, the City obtained a grant in the amount of \$191,500. This money was used to provide a deferred loan with no interest to Newport Senior Housing Limited Partnership, the owner of the property. All of the funds were drawn down and disbursed in 2008. The entire amount of \$191,500 is due August 1, 2049.

On August 08, 2013, the City obtained a grant in the amount of \$590,000. This money was used to provide a deferred loan with no interest to Newport Family Housing Limited Partnership, the owner of the property. All of the funds were drawn down and disbursed in 2013. The entire amount of \$590,000 is due July 16, 2042.

NOTE 17 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures exceeded appropriations in the General Fund by \$1,1265,318. The excess was caused by expenditures from budgeted capital expenditures that were previously committed or assigned for in previous periods. Additionally, a portion of this excess was covered by grants that were not previously budgeted for as they were not anticipated during previous budget periods. Overall, total revenues and other financing sources in the General Fund were in excess of amounts budgeted by \$559,985.

NOTE 18 CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT

On January 1, 2023, the City of Newport implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It established requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. These changes were incorporated in the City of Newport's June 30, 2024, financial statements. The City of Newport recognized \$102,291 in the ambulance contract on January 1, 2023, due to the implementation of GASB Statement No. 87; however, this entire amount was adjusted through the General fund equity.

City of Newport, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 19 DEPARTMENT OF CORRECTIONS NOTE RECEIVABLE

As of June 30, 2024, the City is in negotiations with the Vermont Department of Corrections on a true up bill for the water and sewer fund. As of year-end the amount of the adjusted billing had not been determined and therefore a receivable has not been booked. The true up will be adjusted and posted into the year that it is determined, once the amount agreed upon to be paid by the State is known.

NOTE 20 SUBSEQUENT EVENTS

In accordance with Accounting Standards, the City has evaluated subsequent events through February 11, 2025, which is the date these basic financial statements were available to be issued. All subsequent events requiring recognition as June 30, 2024, have been incorporated into these basic financial statements herein.

On July 1, 2024, the City signed a tax anticipation line of credit with Passumpsic Savings Bank for \$2,000,000 at an interest rate of 4.72%, due June 30, 2025. On October 1, 2024, the note was updated and increased for an amount of \$2,800,000 with all other terms remaining consistent to the originally signed agreement.

On July 1, 2024, the City signed a municipal note with Passumpsic Savings Bank for \$200,000 at an interest rate of 5.09% with principal and interest payments of \$3,783 due monthly through July 1, 2029.

On September 16, 2024, the City signed a municipal note with Community National Bank for \$55,023 at an interest rate of 4.82% with principal and interest payments of \$1,645 due monthly through September, 2027 for the purchase of a new police cruiser.

On October 7, 2024, the City signed a construction line of credit with Passumpsic Bank for \$2,400,000 at an interest rate of 5.06% which matures on October 7, 2025. The line is for the construction of a water tower and will be paid off upon the issuance of a bond that the residence of the City have already voted on and approved.

REQUIRED SUPPLEMENTARY INFORMATION

City of Newport, Vermont  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
<b>TAXES</b>				
Property Taxes	\$ 9,370,360	\$ 9,370,360	\$ 9,229,952	\$ (140,408)
Appropriations	169,818	169,818	169,818	-
Fish & Wildlife Taxes	200	200	-	(200)
Payments in Lieu of Taxes	620,700	620,700	667,408	46,708
<b>TOTAL TAXES</b>	<b>10,161,078</b>	<b>10,161,078</b>	<b>10,067,178</b>	<b>(93,900)</b>
<b>GENERAL GOVERNMENT</b>				
City Clerk/Treasurer:				
Reimbursements	22,800	22,800	34,132	11,332
Licenses and Fees	61,600	61,600	59,806	(1,794)
Interest/penalties on Delinquent Taxes	64,000	64,000	63,363	(637)
Corrections Contract	90,000	90,000	103,311	13,311
Miscellaneous Revenues	63,500	63,500	58,757	(4,743)
<b>TOTAL GENERAL GOVERNMENT</b>	<b>301,900</b>	<b>301,900</b>	<b>319,369</b>	<b>17,469</b>
<b>PUBLIC SAFETY</b>				
Police Department:				
Traffic Court Fines	10,500	10,500	4,837	(5,663)
Police Department Services	217,500	217,500	218,715	1,215
Other Public safety grants	61,500	61,500	354,776	293,276
Miscellaneous	200	200	165	(35)
Total Police Department	289,700	289,700	578,493	288,793
Fire Department:				
Labor and Materials	42,500	42,500	30,488	(12,012)
USDA Grant	-	-	27,000	27,000
Total Fire Department	42,500	42,500	57,488	14,988
<b>TOTAL PUBLIC SAFETY</b>	<b>332,200</b>	<b>332,200</b>	<b>635,981</b>	<b>303,781</b>
<b>PUBLIC WORKS</b>				
Street Department:				
Street Dept. St. Aid to Highway	145,000	145,000	159,245	14,245
Street Dept. Labor and Materials	-	-	(3,941)	(3,941)
Other Income	-	-	970	970
Public works grants	5,500	5,500	5,694	194
<b>TOTAL PUBLIC WORKS</b>	<b>150,500</b>	<b>150,500</b>	<b>161,968</b>	<b>11,468</b>

See Accompanying Notes to Basic Financial Statements.

City of Newport, Vermont  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>CULTURE AND RECREATION</b>				
Prouty Beach:				
Camping	177,000	177,000	226,681	49,681
Tennis	50,000	50,000	46,294	(3,706)
Electric fees	5,000	5,000	3,618	(1,382)
Aquatic Grant	-	-	8,082	8,082
Swing Project	1,500	1,500	120	(1,380)
Miscellaneous	<u>13,400</u>	<u>13,400</u>	<u>15,465</u>	<u>2,065</u>
Total Prouty Beach	<u>246,900</u>	<u>246,900</u>	<u>300,260</u>	<u>53,360</u>
Miscellaneous Recreation:				
Miscellaneous	56,250	56,250	60,862	4,612
Summer Programs	5,000	5,000	1,575	(3,425)
Gym Rental	5,000	5,000	8,035	3,035
Annual Events	<u>25,000</u>	<u>25,000</u>	<u>34,055</u>	<u>9,055</u>
Total Miscellaneous Recreation	<u>91,250</u>	<u>91,250</u>	<u>104,527</u>	<u>13,277</u>
Gardner Park:				
Miscellaneous	-	-	40,131	40,131
Rental	<u>10,000</u>	<u>10,000</u>	<u>8,021</u>	<u>(1,979)</u>
Total Gardner Park	<u>10,000</u>	<u>10,000</u>	<u>48,152</u>	<u>38,152</u>
Senior Center:				
Salary reimbursement	<u>3,000</u>	<u>3,000</u>	<u>3,129</u>	<u>129</u>
Waterfront:				
Gasoline Sales	45,000	45,000	59,423	14,423
Boatslip Rentals	37,000	37,000	46,726	9,726
Miscellaneous Rentals	5,830	5,830	5,860	30
Miscellaneous	3,000	3,000	3,152	152
Gateway Center	<u>7,500</u>	<u>7,500</u>	<u>21,175</u>	<u>13,675</u>
Total Waterfront	<u>98,330</u>	<u>98,330</u>	<u>136,336</u>	<u>38,006</u>
<b>TOTAL CULTURE AND RECREATION</b>	<u>449,480</u>	<u>449,480</u>	<u>592,404</u>	<u>142,924</u>
<b>INVESTMENT INCOME</b>	<u>7,525</u>	<u>7,525</u>	<u>6,533</u>	<u>(992)</u>
<b>TOTAL REVENUES</b>	<u>11,402,683</u>	<u>11,402,683</u>	<u>11,783,433</u>	<u>380,750</u>

See Accompanying Notes to Basic Financial Statements.

City of Newport, Vermont  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
City Council	14,311	14,311	20,448	(6,137)
City Manager Department	99,964	99,964	153,410	(53,446)
Delinquent Tax Collector	5,995	5,995	11,742	(5,747)
Election Expense	9,900	9,900	5,236	4,664
City Treasurer	110,263	110,263	123,146	(12,883)
Audit and City Report	45,200	45,200	49,224	(4,024)
Tax Listing	42,350	42,350	75,281	(32,931)
City Clerk Department	117,328	117,328	121,375	(4,047)
Legal Expense	15,500	15,500	173,197	(157,697)
Planning & Zoning	67,025	67,025	49,011	18,014
Reappraisal	8,900	8,900	9,053	(153)
Municipal Building	<u>140,140</u>	<u>140,140</u>	<u>129,020</u>	<u>11,120</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>676,876</u>	<u>676,876</u>	<u>920,143</u>	<u>(243,267)</u>
<b>PUBLIC SAFETY</b>				
<b>Police Department</b>				
Administration	193,314	193,314	214,007	(20,693)
Patrol	1,433,441	1,433,441	1,757,204	(323,763)
Dispatch Services	434,066	434,066	515,674	(81,608)
Operation Stonegarden	-	-	97,913	(97,913)
Animal Control	1,050	1,050	725	325
Police Contracted Services	-	-	18,260	(18,260)
Total Police Department	<u>2,061,871</u>	<u>2,061,871</u>	<u>2,603,783</u>	<u>(541,912)</u>
<b>Fire Department</b>				
Fire Fighting	141,460	141,460	113,658	27,802
Fire Training	3,000	3,000	2,752	248
Fire Communications	9,500	9,500	12,484	(2,984)
Fire Station	16,000	16,000	14,080	1,920
Fire Trucks & Equipment	<u>29,000</u>	<u>29,000</u>	<u>38,437</u>	<u>(9,437)</u>
Total Fire Department	<u>198,960</u>	<u>198,960</u>	<u>181,411</u>	<u>17,549</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>2,260,831</u>	<u>2,260,831</u>	<u>2,785,194</u>	<u>(524,363)</u>

See Accompanying Notes to Basic Financial Statements.

City of Newport, Vermont  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>PUBLIC WORKS</b>				
Public Works Administration	317,097	317,097	293,617	23,480
Street Maintenance	255,720	255,720	344,791	(89,071)
Winter Maintenance	411,790	411,790	347,799	63,991
Garage and Facilities	56,355	56,355	35,882	20,473
City Property	94,126	94,126	107,453	(13,327)
Storm Maintenance	79,650	79,650	64,723	14,927
Traffic Maintenance	175,940	175,940	171,230	4,710
City Landscaper	<u>88,108</u>	<u>88,108</u>	<u>76,160</u>	<u>11,948</u>
<b>TOTAL PUBLIC WORKS</b>	<u>1,478,786</u>	<u>1,478,786</u>	<u>1,441,655</u>	<u>37,131</u>
<b>CULTURE AND RECREATION</b>				
Administration	140,711	140,711	172,900	(32,189)
Senior Citizens	7,959	7,959	8,377	(418)
Prouty Beach and Swimming	182,319	182,319	195,632	(13,313)
Recreational Programs	109,593	109,593	101,482	8,111
Gardner Park	141,479	141,479	271,231	(129,752)
Waterfront	<u>120,678</u>	<u>120,678</u>	<u>168,651</u>	<u>(47,973)</u>
<b>TOTAL CULTURE AND RECREATION</b>	<u>702,739</u>	<u>702,739</u>	<u>918,273</u>	<u>(215,534)</u>
<b>OTHER EXPENSES &amp; APPROPRIATIONS</b>				
Conservation & Development	24,200	24,200	5,368	18,832
Health & Welfare	4,157	4,157	1,426	2,731
Recycling Project	74,484	74,484	61,423	13,061
County Tax	52,000	52,000	57,458	(5,458)
Renaissance Project	30,000	30,000	30,000	-
General Insurance	14,000	14,000	17,302	(3,302)
Claims and Damages	1,500	1,500	-	1,500
Employment Practices Insurance	11,000	11,000	14,142	(3,142)
Public Official Liability	6,000	6,000	6,621	(621)
Miscellaneous	500	500	72,667	(72,167)
NCIC Grant Administration	30,000	30,000	7,020	22,980
Newport Ambulance, Inc.	204,583	204,583	222,727	(18,144)
Adult Learning Center- Appropriations	3,000	3,000	3,000	-
Area Agency on Aging- Appropriations	7,000	7,000	7,000	-
Frontier Animal Society- Appropriations	2,000	2,000	2,000	-
Goodrich Memorial Library- Appropriations	110,000	110,000	110,000	-
Cornucipia- Appropriations	8,500	8,500	8,500	-
Home Health Agency- Appropriations	17,500	17,500	17,500	-

See Accompanying Notes to Basic Financial Statements.

City of Newport, Vermont  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
OTHER EXPENSES & APPROPRIATIONS (Continued)				
N.E.K. Mental Health- Appropriations	4,818	4,818	4,818	-
Orleans County Historical Society- Appropriations	4,000	4,000	4,000	-
Orleans County Citizens- Appropriations	2,000	2,000	2,000	-
Rural Community Transit- Appropriations	11,000	11,000	11,000	-
<b>TOTAL OTHER EXPENSES &amp; APPROPRIATIONS</b>	<u>622,242</u>	<u>622,242</u>	<u>665,972</u>	<u>(43,730)</u>
CAPITAL OUTLAY				
Street Repairs and Maintenance	274,000	274,000	392,750	(118,750)
Public Works Vehicles	160,000	160,000	178,284	(18,284)
VISTA Traffic Lights	80,000	80,000	65,748	14,252
Bridge Repairs	25,000	25,000	-	25,000
Municipal Building Remodel	15,000	15,000	-	15,000
Tech Equipment Fleet Replacement	5,000	5,000	-	5,000
Dispatch Equipment	10,000	10,000	9,860	140
Bullet Proof Vest	5,000	5,000	16,616	(11,616)
Fire Station Repairs & Maintenance	5,000	5,000	4,740	260
Fire Vehicles and Equipment	65,000	65,000	118,341	(53,341)
Police Vehicles	-	-	49,134	(49,134)
Prouty Beach Improvements	15,000	15,000	2,497	12,503
Gardner Park Improvements	32,500	32,500	70,186	(37,686)
Gateway Maintenance	36,000	36,000	27,562	8,438
Dock Improvements	-	-	43	(43)
Rec Maintenance Vehicles	10,000	10,000	-	10,000
<b>TOTAL CAPITAL OUTLAY</b>	<u>737,500</u>	<u>737,500</u>	<u>935,761</u>	<u>(198,261)</u>
DEBT SERVICE & SINKING FUNDS				
Debt Principal Payments	96,904	96,904	114,453	(17,549)
Interest on Notes	4,012	4,012	3,061	951
Interest on Bonds	-	-	1,985	(1,985)
Interest on Line of Credit - TAN	-	-	41,966	(41,966)
Capital Sinking Fund	3,500	3,500	3,141	359
Muni Building Sinking Fund	-	-	18,544	(18,544)
Tennis Court Sinking Funds	1,440	1,440	-	1,440
<b>TOTAL DEBT SERVICE &amp; SINKING FUNDS</b>	<u>105,856</u>	<u>105,856</u>	<u>183,150</u>	<u>(77,294)</u>
SCHOOL APPROPRIATION	<u>4,817,853</u>	<u>4,817,853</u>	<u>4,817,853</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>11,402,683</u>	<u>11,402,683</u>	<u>12,668,001</u>	<u>(1,265,318)</u>

See Accompanying Notes to Basic Financial Statements.



City of Newport, Vermont  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DEFICIENCY OF REVENUES				
UNDER EXPENDITURES	-	-	(884,568)	(884,568)
OTHER FINANCING SOURCES				
Proceeds from Long Term Debt	-	-	159,235	159,235
Proceeds from Sale of Asset	-	-	20,000	20,000
TOTAL OTHER FINANCING SOURCES	-	-	179,235	179,235
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (705,333)</u>	<u>\$ (705,333)</u>

See Accompanying Notes to Basic Financial Statements.

City of Newport, Vermont  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
For the Year Ended June 30, 2024

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	0.0949%	0.9169%	0.9339%	1.0263%	0.9776%	0.9725%	0.9213%	0.9655%	0.9631%	0.9864%
City's proportionate share of the net pension liability (asset)	<u>\$ 3,041,074</u>	<u>\$ 2,781,490</u>	<u>\$ 1,374,500</u>	<u>\$ 2,596,189</u>	<u>\$ 1,696,098</u>	<u>\$ 1,368,089</u>	<u>\$ 1,116,156</u>	<u>\$ 1,242,572</u>	<u>\$ 742,473</u>	<u>\$ 90,028</u>
City's covered-employee payroll	<u>\$ 3,042,901</u>	<u>\$ 2,679,401</u>	<u>\$ 2,524,084</u>	<u>\$ 2,650,053</u>	<u>\$ 2,397,093</u>	<u>\$ 2,233,566</u>	<u>\$ 2,141,622</u>	<u>\$ 2,102,427</u>	<u>\$ 1,966,262</u>	<u>\$ 1,917,963</u>
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	99.94%	103.81%	54.46%	97.97%	70.76%	61.25%	52.12%	59.10%	35.32%	4.58%
Plan fiduciary net position as a percentage of the total pension liability	74.01%	73.60%	86.29%	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%

*Significant Actuarial Assumptions and methods are described in Note 12 to the financial statements.  
No changes in actuarial assumptions and methods since the last measurement date.*

See Accompanying Notes to Basic Financial Statements.

City of Newport, Vermont  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
For the Year Ended June 30, 2024

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contributions (Actuarially Determined)	<u>\$ 270,631</u>	<u>\$ 229,396</u>	<u>\$ 207,630</u>	<u>\$ 212,698</u>	<u>\$ 187,835</u>	<u>\$ 170,342</u>	<u>\$ 150,450</u>	<u>\$ 146,742</u>	<u>\$ 134,620</u>	<u>\$ 127,244</u>
Contributions in Relation to the Actuarially Determined Contributions	<u>\$ 270,631</u>	<u>\$ 229,396</u>	<u>\$ 207,630</u>	<u>\$ 212,698</u>	<u>\$ 187,835</u>	<u>\$ 170,342</u>	<u>\$ 150,450</u>	<u>\$ 146,742</u>	<u>\$ 134,620</u>	<u>\$ 127,244</u>
Covered Employee Payroll	<u>\$ 3,042,901</u>	<u>\$ 2,679,401</u>	<u>\$ 2,524,084</u>	<u>\$ 2,650,053</u>	<u>\$ 2,397,093</u>	<u>\$ 2,233,566</u>	<u>\$ 2,141,622</u>	<u>\$ 2,102,427</u>	<u>\$ 1,966,262</u>	<u>\$ 1,917,963</u>
Contributions as a Percentage of Covered Employee Payroll	8.89%	8.56%	8.23%	8.03%	7.84%	7.63%	7.03%	6.98%	6.85%	6.63%

*Significant Actuarial Assumptions and methods are described in Note 12 to the financial statements. No changes in actuarial assumptions and methods since the last measurement date.*

See Accompanying Notes to Basic Financial Statements.

## OTHER SUPPLEMENTARY INFORMATION

City of Newport, Vermont  
 OTHER SUPPLEMENTARY INFORMATION  
 COMBINING BALANCE SHEET -  
 NON-MAJOR GOVERNMENTAL FUNDS  
 June 30, 2024

ASSETS

	Special Revenue		
	Recreation	Mooring	Total
	Fund	Management Fund	Non-Major Governmental Funds
ASSETS			
Cash	\$ 96,792	\$ -	\$ 96,792
Due from other funds	20,116	-	20,116
TOTAL ASSETS	\$ 116,908	\$ -	\$ 116,908

LIABILITIES AND FUND BALANCES

LIABILITIES			
Due to other funds	\$ -	\$ 4,440	\$ 4,440
Accounts Payable	7,600	-	7,600
TOTAL LIABILITIES	7,600	4,440	12,040
FUND BALANCES			
Restricted	109,308	-	109,308
Unassigned	-	(4,440)	(4,440)
TOTAL FUND BALANCE	109,308	(4,440)	104,868
TOTAL LIABILITIES AND FUND BALANCES	\$ 116,908	\$ -	\$ 116,908

City of Newport, Vermont  
OTHER SUPPLEMENTARY INFORMATION  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE -  
NON-MAJOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2024

	<u>Special Revenue</u>		
	<u>Recreation Fund</u>	<u>Mooring Management Fund</u>	<u>Total Non-Major Governmental Funds</u>
REVENUES			
Recreation and Culture	\$ 5,465	\$ 6,815	\$ 12,280
Investment Income	90	-	90
	<u>5,555</u>	<u>6,815</u>	<u>12,370</u>
TOTAL REVENUES			
EXPENDITURES			
Culture and Recreation	6,505	1,098	7,603
Capital Outlay	<u>101,591</u>	<u>-</u>	<u>101,591</u>
	<u>108,096</u>	<u>1,098</u>	<u>109,194</u>
TOTAL EXPENDITURES			
CHANGE IN FUND BALANCE	(102,541)	5,717	(96,824)
FUND BALANCE AT BEGINNING OF YEAR	<u>211,849</u>	<u>(10,157)</u>	<u>201,692</u>
FUND BALANCE AT END OF YEAR	<u>\$ 109,308</u>	<u>\$ (4,440)</u>	<u>\$ 104,868</u>

City of Newport, Vermont  
OTHER SUPPLEMENTARY INFORMATION  
COMBINING STATEMENT OF NET POSITION -  
PRIVATE-PURPOSE TRUST FUNDS  
June 30, 2024

ASSETS

	<u>Police Public Safety Fund</u>	<u>East Main Street Cemetery Fund</u>	<u>Community Development Block Grant Fund</u>	<u>Perley J. Niles Fund</u>	<u>Total</u>
<b>CASH</b>					
Checking	\$ 22,630	\$ 9,410	\$ -	\$ 30,727	\$ 62,767
Savings and money markets	<u>-</u>	<u>21,334</u>	<u>31,800</u>	<u>-</u>	<u>53,134</u>
TOTAL CASH	<u>22,630</u>	<u>30,744</u>	<u>31,800</u>	<u>30,727</u>	<u>115,901</u>
<b>DUE FROM OTHER FUNDS</b>	<u>6,604</u>	<u>-</u>	<u>18</u>	<u>-</u>	<u>6,622</u>
<b>INVESTMENTS</b>					
Trust Account	<u>-</u>	<u>189,514</u>	<u>-</u>	<u>157,893</u>	<u>347,407</u>
TOTAL ASSETS	<u>\$ 29,234</u>	<u>\$ 220,258</u>	<u>\$ 31,818</u>	<u>\$ 188,620</u>	<u>\$ 469,930</u>

LIABILITIES AND NET POSITION

<b>LIABILITIES</b>					
Due to other Funds	\$ -	\$ 23,005	\$ -	\$ 994	\$ 23,999
<b>NET POSITION</b>					
Reserved for trust funds	-	-	-	62,000	62,000
Unreserved	<u>29,234</u>	<u>197,253</u>	<u>31,818</u>	<u>125,626</u>	<u>383,931</u>
TOTAL NET POSITION	<u>29,234</u>	<u>197,253</u>	<u>31,818</u>	<u>187,626</u>	<u>445,931</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 29,234</u>	<u>\$ 220,258</u>	<u>\$ 31,818</u>	<u>\$ 188,620</u>	<u>\$ 469,930</u>

City of Newport, Vermont  
OTHER SUPPLEMENTARY INFORMATION  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION OF  
PRIVATE-PURPOSE TRUST FUNDS  
For the Year Ended June 30, 2024

	Police Safety Fund	Public Cemetery Fund	East Main Street Cemetery Fund	Community Development Block Grant Fund	Perley J. Niles Fund	Total
<b>ADDITIONS</b>						
Contributions	\$ -	\$ 10,325	\$ -	\$ -	\$ -	\$ 10,325
Grant Income	685	-	-	-	-	685
Investment Earnings						
Interest Income	32	5,298	36	4,399		9,765
Dividend Income	-	1,823	-	1,652		3,475
Net gain/(loss) from investments	-	14,595	-	10,724		25,319
Net Investment Earnings	32	21,716	36	16,775		38,559
<b>TOTAL ADDITIONS</b>	<b>717</b>	<b>32,041</b>	<b>36</b>	<b>16,775</b>		<b>49,569</b>
<b>DEDUCTIONS</b>						
Administrative Fees	-	1,844	-	1,514		3,358
Contracted Services	-	6,000	-	-		6,000
Police Expenditures	19,648	-	-	58		19,706
Beneficiaries	-	-	-	800		800
Other	-	10,000	-	85		10,085
<b>TOTAL DEDUCTIONS</b>	<b>19,648</b>	<b>17,844</b>	<b>-</b>	<b>2,457</b>		<b>39,949</b>
<b>CHANGE IN NET POSITION</b>	<b>(18,931)</b>	<b>14,197</b>	<b>36</b>	<b>14,318</b>		<b>9,620</b>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<b>48,165</b>	<b>183,056</b>	<b>31,782</b>	<b>173,308</b>		<b>436,311</b>
<b>NET POSITION AT END OF YEAR</b>	<b>\$ 29,234</b>	<b>\$ 197,253</b>	<b>\$ 31,818</b>	<b>\$ 187,626</b>		<b>\$ 445,931</b>



## SINGLE AUDIT REPORT

City of Newport Vermont  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended June 30, 2024

<u>Award Information</u>	<u>AL/other #</u>	<u>Pass-Through</u>	<u>Pass-Through Entity #</u>	<u>Federal Expenditures (\$)</u>
<b>Community Facilities Loans and Grants Cluster-Cluster</b>				
United States Department of Agriculture				
Community Facilities Loans and Grants (Community Programs)				
Community Facilities Loans and Grants (Community Programs)	10.780			\$ 7,365
Total Community Facilities Loans and Grants (Community Programs)				<u>7,365</u>
Total United States Department of Agriculture				<u>7,365</u>
<b>Total Community Facilities Loans and Grants Cluster-Cluster</b>				<u>7,365</u>
<b>CDBG - Entitlement Grants-Cluster</b>				
Department of Housing and Urban Development				
Community Development Block Grants/Entitlement Grants				
Community Development Block Grants/Entitlement Grants	14.218	VCDP	ENV-2018-C-033	29,909
Total Community Development Block Grants/Entitlement Grants				<u>29,909</u>
Total Department of Housing and Urban Development				<u>29,909</u>
<b>Total CDBG - Entitlement Grants-Cluster</b>				<u>29,909</u>
<b>Highway Safety Cluster-Cluster</b>				
Department of Transportation				
State and Community Highway Safety				
		Chittenden County Sheriff's		
State and Community Highway Safety	20.600	Department Chittenden County Sheriff's		10,547
State and Community Highway Safety		Department		
	20.600	Chittenden County Sheriff's Department		4,520
Total State and Community Highway Safety				<u>15,067</u>
Total Department of Transportation				<u>15,067</u>
<b>Total Highway Safety Cluster-Cluster</b>				<u>15,067</u>
<b>Other Programs (Treated individually for major program determination)</b>				
Department of the Interior				
Total Department of the Interior				
United States Department of Justice				
Bulletproof Vest Partnership Program				
Bulletproof Vest Partnership Program	16.607			4,377
Total Bulletproof Vest Partnership Program				<u>4,377</u>
Equitable Sharing Program Justice				
Equitable Sharing Program Justice	16.922			17,371
Total Equitable Sharing Program Justice				<u>17,371</u>
Total United States Department of Justice				<u>21,748</u>
Department of the Treasury				
Equitable Sharing Treasury				
Equitable Sharing Treasury	21.016			2,343
Total Equitable Sharing Treasury				<u>2,343</u>
<b>CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS</b>				
		State of Vermont, Administration		
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	Agency	SLFRFVT0155	725,968
Total CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS				<u>725,968</u>
Total Department of the Treasury				<u>728,311</u>
<b>Various Agencies – 2</b>				
Northern Border Regional Development				
		Northern Border Regional		
Northern Border Regional Development	90.601	Commission	NBRC19GVT10	12,722
Total Northern Border Regional Development				<u>12,722</u>
Total Various Agencies – 2				<u>12,722</u>

City of Newport Vermont  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended June 30, 2024

<u>Award Information</u>	<u>AL/other #</u>	<u>Pass-Through</u>	<u>Pass-Through Entity #</u>	<u>Federal Expenditures (\$)</u>
Department of Homeland Security Homeland Security Grant Program		State of VT		
Homeland Security Grant Program	97.067	Dept of Public Safety	02140-7H20220-104	6,566
Homeland Security Grant Program	97.067	State of VT Dept of Public Safety	02140-7H21232-105	5,131
Homeland Security Grant Program	97.067	State of VT Dept of Public Safety	02140-7H21220-104	84,861
Homeland Security Grant Program	97.067	State of VT Dept of Public Safety	02140-7H21131-107	92,242
Total Homeland Security Grant Program				<u>188,800</u>
Total Department of Homeland Security				<u>188,800</u>
Total Other Programs (Treated individually for major program determination)				<u>951,581</u>
<b>Total Expenditures of Federal Awards</b>				<b>\$ <u>1,003,922</u></b>

The accompanying notes are an integral part of this schedule

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of the City of Newport, Vermont under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operation of the City of Newport, Vermont, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Newport, Vermont.

The City of Newport has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant and costs contract activity of the City of Newport, Vermont and is presented on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.



**Kittell Branagan & Sargent**

*Certified Public Accountants*

Vermont License # 167

**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**

To the Honorable Mayor and City Council  
City of Newport  
Newport, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Newport, Vermont, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City of Newport, Vermont's basic financial statements, and have issued our report thereon dated February 11, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Newport, 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 City of Newport, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Newport, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of finding and questioned costs as item 2024-1 that we consider to be material weaknesses. See Report 4.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Newport, 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*.

City of Newport's Responses to Findings

*Government Auditing Standards* require the auditor to perform limited procedures on the City of Newport Vermont's response to the findings identified in our audit and described in the accompanying schedule of finding and questioned costs. The City of Newport, Vermont's responses was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



St. Albans, Vermont  
February 11, 2025



**Kittell Branagan & Sargent**

*Certified Public Accountants*

Vermont License # 167

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and City Council  
City of Newport  
Newport, Vermont

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Newport, Vermont's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of City of Newport, Vermont's major federal programs for the year ended June 30, 2024. City of Newport, Vermont's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Newport, Vermont complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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



### Responsibilities of Management for Compliance

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

### Auditor's Responsibilities for the Audit of Compliance

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

reasonable user of the report on compliance about City of Newport, Vermont's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

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

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

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

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



St. Albans, VT  
February 11, 2025



City of Newport, Vermont  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2024

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the City of Newport, Vermont were prepared in accordance with GAAP.
2. There was one significant deficiency disclosed during the audit of the financial statements that was determined to be a material weaknesses noted below as 2024-1
3. No instances of noncompliance material to the financial statements of the City of Newport, Vermont, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. There were no significant deficiencies in internal control over major federal award programs disclosed during the audit. No material weaknesses are reported.
5. The auditor's report on compliance for the major federal award programs for the City of Newport Vermont expresses an unmodified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with 2 CRF Section 200.516(a)
7. The program tested as major programs was:

AL #21.027 – Coronavirus State and Local Fiscal Recovery Funds
8. The threshold for distinguishing between Type A and B programs was \$750,000.
9. The City of Newport, Vermont was not determined to be a low-risk auditee.

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

**2024 –1 Multiple material changes to year end numbers as a result of audit procedures-** During the course of our audit multiple areas required a significant number of journal entries to correct balances, of which several were material to the financial statements as a whole that having not been made would have resulted in the financial statements not being in accordance with Generally Accepted Accounting Procedures.

Criteria: Management should verify all accounts are reconciled on an ongoing basis throughout the year and accurately reflected prior to the audit and that accurate cutoff at year end is achieved.

Cause: Policies that need updating and staff turnover

Effect: Unrecorded activity and inaccurate balances were noted

Recommendation: All balance sheet accounts should be reconciled timely to ensure balances reflected properly and cutoff procedures performed to ensure activity is recorded in the proper period

Management Response: Management will reconcile all balance sheet accounts timely and properly reflected at year end and that proper cutoff procedures are done to ensure recording activity to the proper period

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

- There were no findings or questioned costs related to the major federal award programs.