

Village of Essex Junction, Vermont

BASIC FINANCIAL STATEMENTS

June 30, 2022

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Certified Public Accountants

Vermont License # 167

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Village of Essex Junction, Vermont
Essex Junction, Vermont

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Essex Junction, Vermont as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Village of Essex Junction, 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 Village of Essex Junction, Vermont, as of June 30, 2022, 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. 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 Village of Essex Junction, 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 Village of Essex Junction, 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 Village of Essex Junction, 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 Village of Essex Junction, 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 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 Village of Essex Junction, Vermont's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules of the enterprise funds 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink, reading "Kittell Branagan Synt". The signature is written in a cursive style with a long horizontal flourish extending to the right.

St. Albans, Vermont
January 20, 2023

**VILLAGE OF ESSEX JUNCTION, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Management of the Village of Essex Junction (the "Village") herein sets forth an overview and analysis of its financial operations for the fiscal year ended June 30, 2022.

FINANCIAL HIGHLIGHTS

- Assets exceeded liabilities and deferred inflows of resources on June 30, 2022 by \$38,215,598 (*net position*). Of this amount, \$8,719,868 (*unrestricted net position*) may be used by the various funds of the Village to meet the Village's ongoing obligations. The balance of net position is made up of \$29,472,097 invested in capital assets net of related debt and \$23,633 restricted for specific purposes.
- The Village's total net position increased by \$1,368,498. Of this amount, net position attributable to governmental activities increased by \$500,398. Net position attributable to business-type activities increased by \$868,100.
- Fund balances of total governmental funds increased by \$603,969 in FY22. The General Fund had \$457,951 of unassigned fund balance at June 30, 2022, which is equal to 7.26% of the approved FY23 General Fund Budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *statement of net position* presents information on all of the Village of Essex Junction's assets and liabilities with the difference between the two reported as net position.

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

Both of the government-wide financial statements combine information from governmental funds (which are supported primarily by tax dollars) with information from enterprise funds which are supported by user fees and charges (*business-type activities*). The governmental activities of the Village of Essex Junction include general government, public works, community development, public safety, and culture and recreation. The business-type activities of the Village include water operations, wastewater treatment, and sanitation lines maintenance. The government-wide financial statements can be found on pages 1 & 2 of the Financial Statements.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village has three types of funds: governmental funds, proprietary funds, and fiduciary funds. The proprietary funds of the Village are all Enterprise Funds. Fund financial statements can be found on pages 3 through 10 of the Financial Statements.

**VILLAGE OF ESSEX JUNCTION, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*. This supplementary information includes combining statements for various funds and budgetary comparison statements for funds other than the Village's general fund. The supplementary information can be found immediately following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary Statement of Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets:						
Cash	\$ 1,181	\$ 2,680	\$ -	\$ -	\$ 1,181	\$ 2,680
Other Assets	10,804,084	8,179,864	7,252,716	6,297,115	18,056,800	14,476,979
Capital Assets	<u>24,164,467</u>	<u>24,273,177</u>	<u>18,918,334</u>	<u>19,661,863</u>	<u>43,082,801</u>	<u>43,935,040</u>
Total Assets	<u>34,969,732</u>	<u>32,455,721</u>	<u>26,171,050</u>	<u>25,958,978</u>	<u>61,140,782</u>	<u>58,414,699</u>
Liabilities:						
Other Liabilities	7,677,935	5,529,995	2,037,662	1,904,791	9,715,597	7,434,786
Noncurrent Liabilities	<u>1,915,248</u>	<u>2,049,575</u>	<u>11,294,339</u>	<u>12,083,238</u>	<u>13,209,587</u>	<u>14,132,813</u>
Total Liabilities	<u>9,593,183</u>	<u>7,579,570</u>	<u>13,332,001</u>	<u>13,988,029</u>	<u>22,925,184</u>	<u>21,567,599</u>
Net Position:						
Net Investment in Capital Assets	22,407,546	22,351,121	7,064,551	7,064,791	29,472,097	29,415,912
Restricted	23,633	27,035	-	-	23,633	27,035
Unrestricted	<u>2,945,370</u>	<u>2,497,995</u>	<u>5,774,498</u>	<u>4,906,158</u>	<u>8,719,868</u>	<u>7,404,153</u>
Total Net Position	<u>\$ 25,376,549</u>	<u>\$24,876,151</u>	<u>\$12,839,049</u>	<u>\$ 11,970,949</u>	<u>\$ 38,215,598</u>	<u>\$ 36,847,100</u>

As stated in the chart titled Summary Statement of Net Position, assets exceeded liabilities by \$38,215,598 at the end of fiscal year 2022. Assets at the end of fiscal year 2021 exceeded liabilities by \$36,847,100.

The largest portion of the Village's net position is in its net investment in capital assets (77.12%). These assets are used to provide services to its citizens (e.g. land, buildings, equipment, and infrastructure). Therefore, these assets are not available for future spending.

An amount of \$23,633 of the Village's net position is subject to restrictions on how it may be used. These funds are restricted for Veterans Memorial Park and for the Senior Center. Unrestricted net assets of \$8,719,868 may be used to meet the government's ongoing obligations to citizens and creditors. Some of the amounts included in unrestricted net position are committed by the Village or assigned by the Board of Trustees for particular purposes (e.g. capital projects).

**VILLAGE OF ESSEX JUNCTION, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 499,012	\$ 400,798	\$10,221,591	\$ 9,728,605	\$ 10,720,603	\$ 10,129,403
Operating Grants & Revenues	1,526,014	1,370,450	393,400	177,863	1,919,414	1,548,313
Capital Grants & Revenues	289,460	1,328,557	587,748	547,149	877,208	1,875,706
General Revenues:						
Property Taxes	3,869,496	3,794,191	-	-	3,869,496	3,794,191
Unrestricted investment earnings	10,258	9,640	11,798	15,393	22,056	25,033
Loss on disposal of equipment	-	(20,876)	-	(540)	-	(21,416)
Other	17,657	18,964	(7,000)	-	10,657	18,964
Total Revenues	6,211,897	6,901,724	11,207,537	10,468,470	17,419,434	17,370,194
Expenses:						
General Government	1,214,378	1,079,542	-	-	1,214,378	1,079,542
Public Safety	482,014	494,849	-	-	482,014	494,849
Highways and Streets	1,965,645	1,852,361	-	-	1,965,645	1,852,361
Culture and Recreation	1,986,161	1,849,565	-	-	1,986,161	1,849,565
Interest on Long-Term Debt	64,801	67,197	-	-	64,801	67,197
Water	-	-	4,072,405	4,002,744	4,072,405	4,002,744
Sanitation	-	-	590,029	629,598	590,029	629,598
Wastewater	-	-	3,093,934	2,963,952	3,093,934	2,963,952
Recreation	-	-	2,581,569	2,390,984	2,581,569	2,390,984
Total Expenses	5,712,999	5,343,514	10,337,937	9,987,278	16,050,936	15,330,792
Change in Net Position before Transfers	498,898	1,558,210	869,600	481,192	1,368,498	2,039,402
Transfers	1,500	-	(1,500)	-	-	-
Increase in Net Position	500,398	1,558,210	868,100	481,192	1,368,498	2,039,402
Beginning Net Position	24,876,151	23,317,941	11,970,949	11,489,757	36,847,100	34,807,698
Ending Net Position	25,376,549	24,876,151	12,839,049	11,970,949	38,215,598	36,847,100

Governmental activities. Governmental activities increased the Village's net position by \$500,398 in FY22. The Village increased its investment in capital assets by \$56,425 and unrestricted net position increased by \$447,375. Restricted net position decreased by \$3,402.

Business-type activities. Business-type activities increased the Village's net position by \$868,100.

Water Fund

The Water Fund had a budgetary net loss of \$31,585 in FY22. Disregarding GlobalFoundries pass through revenues and expenses, Water Fund revenues were \$101,357 more than budget and expenses were \$132,942 over budget. GlobalFoundries Water Sales revenue was significantly higher than budgeted (\$115,212). The Water Fund started preliminary work on the Main St water line replacement.

Sanitation Fund

The Sanitation Fund had a budgetary net income of \$289,862 against a budget of \$192,000 in net income. Sanitation revenues were \$79,848 more than budgeted and expenses were \$18,014 less than budgeted.

**VILLAGE OF ESSEX JUNCTION, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Hook-on fees were \$91,000 more than budgeted. Village customer charges included \$176,500 for the WWTF Refurbishment Bond payment. The Sanitation Fund participates by paying 2/3 of the cost of the Meter Replacement Program as it funds the costs for both the Sanitation Fund (underground piping) and the Wastewater Treatment Fund (wastewater treatment). Meter replacement costs totaled \$39,735 and a pickup truck was purchased in FY22.

Wastewater Treatment Fund

The Wastewater Treatment Fund had budgetary net income of \$122,941 in FY22. Revenues were over budget by \$146,381 while expenses were over budget by \$23,440. At year-end 2014, a reconciliation was done of revenues versus expenses and it was found that each of the Tri-Town communities was responsible for a portion of the surplus. Each community in the Tri-town was designated a portion of the surplus to be a buffer against future losses. These funds have been set aside for each community. This reconciliation has continued annually and the amounts designated to each community as of June 30, 2022 include Essex Junction \$351,063; Town of Essex \$96,635; and Town of Williston \$178,270. Each community determines how much it wants to leave in this rate stabilization fund. Work was completed in FY22 on the Alkalinity Control Installation and Plant Capacitor. Work continued on the PePhloe project.

Recreation Programs Fund

On July 1, 2017 the Essex Junction Recreation and Parks (EJRP) became a department of the Village. EJRP had previously been a department of the school district. EJRP operates the Recreation Programs enterprise fund. The Recreation Programs Fund ended the year with a net position of \$382,770. As an enterprise fund it is expected that program revenues generated will cover the costs of programming. Program revenues came in over budget by \$79,013. Program expenses were under budget by \$131,411. The after school and adult programs, facility and field rental, and concession sales all exceeded budgeted revenue. There were significant savings in personnel related costs and travel.

FINANCIAL ANALYSIS OF MAJOR GOVERNMENTAL FUNDS

The General Fund

The General Fund is the chief operating fund of the Village. The General Fund had a net decrease in fund balance of \$42,160 for the year ended June 30, 2022. The fund balance of the General Fund decreased from \$864,571 at the end of FY21, to \$822,411 at the end of FY22. Of the \$822,411 fund balance, \$208,252 is nonspendable (inventories and prepaid expenses), \$156,208 is assigned (see Note 12 for additional detail) and \$457,951 is unassigned. The unassigned fund balance is equal to 7.26% of the FY23 Budget. To comply with the Governmental Accounting Standards Board Statement 54, the Village has adopted a fund balance policy. Basically, this fund balance policy states that the fund balances of governmental funds are classified as nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors, or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Board of Trustees intended use of the resources); and unassigned. As of June 30, 2022 the Village General Fund has no committed or restricted fund balance. In addition the Village has a policy limiting unassigned fund balance to 15% of the current budget.

The Village budget for the year ended June 30, 2022 passed on the first vote at Village Meeting in April of 2021 and there were no amendments made to the budget during the year.

**VILLAGE OF ESSEX JUNCTION, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

On the revenue side, the Village recorded revenues greater than budget by \$158,233. This was primarily driven by intergovernmental revenues coming in over budget by \$99,699. Intergovernmental revenues are mostly revenues from the Town of Essex. The majority of this overage is a result of payment from the Town to the Village for cancellation of the Unified Manager agreement and other Admin costs.

- General government expenditures were over budget by \$146,471. General government departments include Finance, Administration and Buildings. The majority of this resulted from the separation of management and the Village hiring a Finance Director and HR Director.
- Public safety expenditures were under budget by \$19,094, as a result of deferring building maintenance that was budgeted and an unanticipated savings in workers comp insurance.
- Public works expenditures were over budget by just \$394.
- Community and economic development expenditures were under budget by \$37,507. This was driven by professional services being underspent by \$19,123, Bike Walk Advisory Committee expenditures being underspent by \$10,000, and matching grant funds were not required in the amount of \$20,000.
- Culture and recreation expenditures were over budget by \$101,053 offset partially by the unbudgeted grant revenue in the amount of \$31,181 and a transfer from the Town in the amount of \$97,004 for the cancellation of shared management.

Capital Reserve Fund

The Capital Reserve Fund had a fund balance of \$854,320 as of June 30, 2022 and a fund balance of \$625,381 as of June 30, 2021. The Crescent Connector Project progressed for a cost of \$151,319 with federal grant reimbursement in the year of \$377,586, the difference is a result of timing between expenditure recognition and when the Village receives grant revenues. This project is funded by a grant from the US Department of Transportation through the State of Vermont Agency of Transportation and does not require matching funds. Additional major projects during the year included: Densmore Drive Culvert project (\$425,988), and Brickyard Culvert project (\$96,878).

Whitcomb Terrace Loan Fund

In April of 2004, the Village received a grant of up to \$270,000 from the Vermont Agency of Commerce and Community Development. This grant was used in FY05 to construct Whitcomb Terrace, 19 new barrier-free units of affordable housing at 128 West Street in Essex Junction. The grant money was used to provide a deferred loan to Whitcomb Terrace Housing Limited Partnership for the purpose of constructing Whitcomb Terrace. The interest free loan is due to be paid back to the Village on December 17, 2034. The Village has a note receivable that is not likely to be paid back and so is carrying a \$-0- balance for this note.

Rolling Stock Reserve Fund

The Rolling Stock Reserve Fund had fund balance of \$599,941 as of June 30, 2022 and \$380,716 as of June 30, 2021. Debt payments on the fire note were made for \$30,000. This fund received an appropriation from the general fund of \$248,700 and \$1,548 in other revenues.

EJRP Capital Reserve Fund

The EJRP Capital Reserve Fund had a deficit fund balance of \$120,777 as of June 30, 2022 and a deficit fund balance of \$195,876 as of June 30, 2021. There are planned annual transfers in the amount of \$55,000 per year through FY25 to reduce the deficit fund balanced as a result of the replacement of the playground equipment in FY21.

**VILLAGE OF ESSEX JUNCTION, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village of Essex Junction's investment in capital assets for its governmental and business-type activities as of June 30, 2022 totaled \$43,082,801 (net of accumulated depreciation). This is a net decrease of \$852,239 from June 30, 2021 when the total was \$43,935,040. These assets include buildings, roads and bridges, land, machinery and equipment, library books, park facilities, vehicles and distribution and collection systems. Asset additions totaled \$1,377,734 and were concentrated in infrastructure and machinery and equipment categories. These additions were offset by accumulated depreciation which increased by \$2,229,973, to cause the decrease in capital assets net of accumulated depreciation.

The major capital asset transactions during the year for the Governmental Activities were as follows:

- Paving on Park Ave, East St, Waverly St, Lincoln Terrace, Wrisley Ct, Arlington St, North St, South St, Pleasant St, and at the City garage.
- Stormwater improvements on Densmore and Brickyard Rd
- HVAC installation at Park St School

The major capital assets transactions during the year for the enterprise activities were as follows:

- Preliminary work on Main St water line replacement
- Pick up truck replacement
- Began work on digester at wastewater treatment facility
- Water meter purchase and installation is ongoing

A table that shows the values of the Village's capital assets net of depreciation is shown below. Additional information can be found in Note 7 of this report.

Summary of Capital Assets

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Capital Assets:						
Land	\$ 127,876	\$ 127,876	\$ 118,077	\$ 118,077	\$ 245,953	\$ 245,953
Construction in Progress	4,053,873	4,721,985	226,566	102,405	4,280,439	4,824,390
Antiques and Works of Art	7,550	7,550	-	-	7,550	7,550
Buildings and Improvements	4,681,637	4,681,637	15,171,806	15,171,806	19,853,443	19,853,443
Machinery, equipment, and vehicles	8,528,169	8,510,443	5,876,579	5,633,679	14,404,748	14,144,122
Library Books	810,783	810,258	-	-	810,783	810,258
Parks	2,037,631	1,788,059	-	-	2,037,631	1,788,059
Roads, Curbs, Sidewalks, and Storm Sewers	16,583,419	15,172,457	164,182	164,182	16,747,601	15,336,639
Water and Sewer infrastructure	-	-	22,427,806	22,427,806	22,427,806	22,427,806
	36,830,938	35,820,265	43,985,016	43,617,955	80,815,954	79,438,220
Less: Accumulated Depreciation	(12,666,471)	(11,547,088)	(25,066,682)	(23,956,092)	(37,733,153)	(35,503,180)
Total Assets, Net	<u>24,164,467</u>	<u>24,273,177</u>	<u>18,918,334</u>	<u>19,661,863</u>	<u>43,082,801</u>	<u>43,935,040</u>

**VILLAGE OF ESSEX JUNCTION, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

LONG TERM DEBT

Summary of Long Term Debt

	<u>June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2022</u>
Governmental Activities				
General Obligation Bonds	\$ 1,892,056	\$ -	\$ 135,135	\$ 1,756,921
Notes Payable	30,000	-	30,000	-
Business-type Activities				
Water and Sewer Bonds	1,522,944	-	89,865	1,433,079
Notes Payable	11,074,128	-	653,424	10,420,704
Total Government	<u>14,519,128</u>	<u>-</u>	<u>908,424</u>	<u>13,610,704</u>

In FY18 the Village received a loan from People's United Bank for a new Fire Ladder Truck issued for \$150,000 with interest of 1.5% and \$30,000 of principal was paid during the first year. The final payment of \$30,000 was made in FY22.

On April 8, 2014 the Village voters agreed to issue general obligation bonds in an amount not to exceed \$3,300,000. In July 2015 \$3,300,000 was received from the Vermont Municipal Bond Bank for the purpose of performing five infrastructure projects. In FY15 the School St. south Roadway/Water/Sewer line project was completed. In FY16 the Hillcrest Drainage project, the Main St. Drainage, the Maple St. Culvert/Water line were completed and the Briar Lane Roadway/Sidewalk/Water Line projects were continued. The last project, Briar Lane Roadway/Sidewalk and Water Line was completed in FY17. At June 30, 2022 the outstanding principal on this bond is \$2,145,000; with \$1,756,921 in governmental activities and \$388,079 in business-type activities.

In FY10 the Village was awarded a loan of \$566,938 under the American Recovery and Reinvestment Act (ARRA) to fund two projects. The projects funded were for a high efficiency blower for the Wastewater Treatment Facility and a comprehensive rehabilitation of the Village's sanitary sewers. Under the ARRA program half of the loan was forgiven in the form of a grant. Interest is at 0% but there is a 2% administrative fee. The loan was for 20 years and the principal balance due at June 30, 2022 is \$141,501.

In FY11 the Village began two long term projects in the Wastewater Treatment Fund and the Sanitation Fund. In a special meeting on April 12, 2011, the Village voters authorized the Village to issue bonds for \$15,230,000 for improvements to the Wastewater Treatment Facility and \$1,287,000 for the upgrade of Village pump stations. As of June 30, 2016, the High School Pump Station project was complete and the Village had borrowed \$1,212,300 and received a subsidy of \$114,800 from the State Clean Water Revolving Fund in the Sanitation Fund. The principal due on the loan as of June 30, 2022 is \$709,812. As of June 30, 2015 the Village had borrowed \$13,525,000 for the Wastewater Treatment Refurbishment Project from the State Clean Water Revolving Fund and received a subsidy of \$600,000 making the amount due \$12,925,000. The first payment on this loan of was made in FY17 and the principal due on the loan as of June 30, 2022 is \$9,569,391. A bond payable for the Wastewater Treatment Refurbishment Project for \$1,705,000 was assumed from the Town of Bradford. Principal and interest payments were started in FY12. As of June 30, 2022, the principal outstanding on this bond was \$1,045,000. The Wastewater Treatment Facility, while owned by the Village of Essex Junction serves three towns, the Village of Essex Junction, the Town of Essex and the Town of Williston. The debt payments for the Wastewater Treatment Facility are distributed to the Tri-town members according to capacity owned in the Facility.

**VILLAGE OF ESSEX JUNCTION, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Consolidation of Service Delivery Systems

- Starting in FY15 the Town of Essex entered into an agreement with the Village of Essex Junction and the Essex Junction School District to bill and collect their property taxes. This action was an effort to reduce the duplication of services that existed. As part of the agreement the Town assumed the delinquent taxes of the Village and Village School District. The Town of Essex will continue to do the school tax billing for the Essex Westford School District for all residents that reside in the Town of Essex.
- In FY14 the Village and Town entered into an agreement to share the services of the Town Manager as the Municipal Manager for both entities. This arrangement led to the Village sharing the salary costs of the Manager with the Town, thereby reducing the cost to all taxpayers. In FY15 it was determined that this cost sharing was beneficial and efforts should continue to find more areas to cooperate in the delivery of services to be more efficient. This arrangement has resulted in substantial savings for both the Village and Town. In FY18 the current Unified Municipal Manager, Pat Scheidel, who has been Town Manager for 27 retired. A new Unified Municipal Manager, Evan Teich, began employment on February 26, 2018. The decision to hire Mr. Teich was unanimous by both the Village of Essex Junction Trustees and the Town Selectboard.
- FY16 was the first of a three-year commitment to combine the Street budget with the Town of Essex. The Village Trustees adopted the Village Street budget and the Town of Essex voters approved the funding for this budget as part of the Town budget. A Committee was formed in the spring of 2017 to evaluate how successful this arrangement has been so far and whether it should be continued. The Public Works Consolidation Committee came to the following conclusions:
 - Maintain the MOU until June 2018 and do the studies outlined in the report.
 - Extend the MOU from July 1, 2018 until the studies are complete or well underway. The goal is full consolidation eventually.
 - Benchmarks will be established as a result of the studies
 - Cross-train staff in the village and town and identify common best practices
 - Consolidate rolling stock and equipment budgets as well as capital planning.
 - Practice resources management with assets, administration, processes, services.
 - Both the Trustees and the Selectboard approved the report.
- In FY16 the Village and the Town combined accounts payable, accounts receivable, cash receipts and general ledger. Two Village employees were relocated to the Town offices to share this work.
- In FY17 the Village Clerk/Treasurer became the combined Town and Village Clerk/Treasurer when the Town Clerk/Treasurer position became vacant through retirement.
- In FY18 a Human Resources Director was hired as the combined Town and Village Human Resource Director.
- In FY19 the pay rates and practices of both Fire Departments were aligned. A combined Assistant to the Manager position was established which is funded by both entities.
- In FY20, EJRP and the Essex Parks and Recreation Department co-located at 75 Maple Street and began streamlining services at the front desk by co-supervising the Customer Service Specialist, the Program Director – Senior Services, and by contracting for joint Communications Services. The two departments have hosted joint events and have moved to producing one brochure.

**VILLAGE OF ESSEX JUNCTION, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

- In FY 20, the Village Trustees and Town Selectboard met jointly and worked to put together a merger plan for the two entities. The Village voted during the November 2020 election on a plan of merger and it passed 3,453 to 1,205.
- In FY21, The Village Highway and Streets Rolling Stock capital was added to the Highway operating budget, funding for this budget is part of the Town budget.
- The Town of Essex (including Village residents) voted via Australian ballot in March 2021 on Article II, a plan of merger for the Town of Essex and Village of Essex Junction. The article did not pass, 3,737 Yes to 3,756 No. A Special Town Meeting was held in April for a vote to reconsider the plan for merger; that vote also did not pass 4,199 Yes to 4,225 No. The Village of Essex Junction also held an advisory vote in April, asking voters if the Village should pursue separation from the Town in the event the merger did not pass.
- Village voters voted in a special election held November 2, 2021 on whether to adopt a proposed charter for the City of Essex Junction, VT which would effectively separate the Village from the Town of Essex. The vote passed 3,070 to 411.
- The charter for the City of Essex Junction, VT was approved by the state legislature in May 2022, and became effective July 1, 2022. The City will begin working towards full separation from the Town throughout FY23, with the exception of police and assessing services which will remain under new agreements defined by the City and Town.

FY23 Budgets

The FY23 General Fund budget increased by \$668,737 or 11.9% from the FY22 budget, bringing total budgeted General Fund expenditures to \$6,310,015 from \$5,641,278. The tax rate increased 3.6% from \$0.3343 to \$0.3464. In addition to the General Fund rate, there is a 1 cent tax for Economic Development that was added in FY17.

The Village Water, Wastewater and Sanitation Funds saw a budget increase in total of \$326,813 or 7.8% from an aggregate of \$4,505,616 for the three funds to \$4,178,803. This caused an overall rate increase for FY23 of 7.7% for the average user using 120 gallons per day.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Essex Junction, Vermont's financial condition. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, Village of Essex Junction, 2 Lincoln Street, Essex Junction, VT 05452. The report is available online at www.essexjunction.org.

Village of Essex Junction, Vermont
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
June 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 1,181	\$ -	\$ 1,181
Other accounts receivable	239,256	1,557,609	1,796,865
Due from other funds	-	5,509,595	5,509,595
Due from Town of Essex	10,356,576	-	10,356,576
Inventory	118,010	93,340	211,350
Prepaid expenses	90,242	92,172	182,414
Total Current Assets	<u>10,805,265</u>	<u>7,252,716</u>	<u>18,057,981</u>
Capital assets not being depreciated:			
Land	127,876	118,077	245,953
Construction in progress	4,053,873	226,566	4,280,439
Antiques and works of art	7,550	-	7,550
Capital assets, net of accumulated depreciation			
Buildings	2,920,359	8,480,491	11,400,850
Infrastructure	11,313,083	73,984	11,387,067
Machinery, equipment, and vehicles	5,741,726	2,441,822	8,183,548
Water and sewer infrastructure	-	7,577,394	7,577,394
Capital assets, net	<u>24,164,467</u>	<u>18,918,334</u>	<u>43,082,801</u>
Total Assets	<u>34,969,732</u>	<u>26,171,050</u>	<u>61,140,782</u>
CURRENT LIABILITIES			
Accounts payable	304,492	479,683	784,175
Due to other funds	5,509,595	-	5,509,595
Accrued payroll and benefits payable	83,788	151,693	235,481
Unearned revenue	1,626,271	648,524	2,274,795
Accrued interest	7,799	4,764	12,563
Current portion compensated absences	10,855	1,641	12,496
Current portion notes and bonds payable	135,135	751,357	886,492
Total Current Liabilities	<u>7,677,935</u>	<u>2,037,662</u>	<u>9,715,597</u>
NONCURRENT LIABILITIES			
Accrued compensated absences	293,462	191,913	485,375
Notes and bonds payable	1,621,786	11,102,426	12,724,212
Total Noncurrent Liabilities	<u>1,915,248</u>	<u>11,294,339</u>	<u>13,209,587</u>
Total Liabilities	<u>9,593,183</u>	<u>13,332,001</u>	<u>22,925,184</u>
NET POSITION			
Net investment in capital assets	22,407,546	7,064,551	29,472,097
Restricted	23,633	-	23,633
Unrestricted - designated	-	5,774,498	5,774,498
Unrestricted	2,945,370	-	2,945,370
Total Net Position	<u>\$ 25,376,549</u>	<u>\$ 12,839,049</u>	<u>\$ 38,215,598</u>

See Accompanying Notes to Basic Financial Statements.

Village of Essex Junction, Vermont
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2022

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		Business-Type Activities
Functions/Programs							
Governmental activities							
General government	\$ 1,214,378	\$ 468,752	\$ 10,538	\$ 15,606	\$ (719,482)	\$ -	\$ (719,482)
Public safety	482,014	-	-	-	(482,014)	-	(482,014)
Highways and Stre	1,965,645	3,366	1,469,180	272,228	(220,871)	-	(220,871)
Culture and Recreation	1,986,161	26,894	46,296	1,626	(1,911,345)	-	(1,911,345)
Interest on long-term debt	64,801	-	-	-	(64,801)	-	(64,801)
Total governmental activities	<u>5,712,999</u>	<u>499,012</u>	<u>1,526,014</u>	<u>289,460</u>	<u>(3,398,513)</u>	<u>-</u>	<u>(3,398,513)</u>
Business-type activities:							
Water	4,072,405	4,330,798	-	-	-	258,393	258,393
Sanitation	590,029	849,257	-	-	-	259,228	259,228
Wastewater	3,093,934	2,373,519	-	587,748	-	(132,667)	(132,667)
Recreation	2,581,569	2,668,017	393,400	-	-	479,848	479,848
Total business-type activities	<u>\$ 10,337,937</u>	<u>\$ 10,221,591</u>	<u>\$ 393,400</u>	<u>\$ 587,748</u>	<u>-</u>	<u>864,802</u>	<u>864,802</u>
General Revenues:							
Property taxes, levied for general purposes					3,869,496	-	3,869,496
Unrestricted investment earnings					10,258	11,798	22,056
Transfers					1,500	(1,500)	-
Loss on disposal of equipment					-	(7,000)	(7,000)
Donations					12,000	-	12,000
Other revenues					5,657	-	5,657
Total general revenues and transfers					<u>3,898,911</u>	<u>3,298</u>	<u>3,902,209</u>
Change in Net Position					500,398	868,100	1,368,498
Net position, beginning					<u>24,876,151</u>	<u>11,970,949</u>	<u>36,847,100</u>
Net position, ending					<u>\$ 25,376,549</u>	<u>\$ 12,839,049</u>	<u>\$ 38,215,598</u>

See Accompanying Notes to Basic Financial Statements.

Village of Essex Junction, Vermont
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET - GOVERNMENTAL FUNDS
 June 30, 2022

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Rolling Stock Reserve Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash	\$ 1,081	\$ -	\$ -	\$ 100	\$ 1,181
Other receivables	22,627	216,629	-	-	239,256
Inventory	118,010	-	-	-	118,010
Due from Town of Essex	10,356,576	-	-	-	10,356,576
Due from other funds	-	936,295	599,941	932,356	2,468,592
Prepaid expenses	<u>90,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,242</u>
 Total Assets	 <u>\$ 10,588,536</u>	 <u>\$ 1,152,924</u>	 <u>\$ 599,941</u>	 <u>\$ 932,456</u>	 <u>\$ 13,273,857</u>
LIABILITIES					
Accounts payable	\$ 193,523	\$ 81,975	\$ -	\$ 28,994	\$ 304,492
Accrued payroll and benefits	83,788	-	-	-	83,788
Due to other funds	7,862,543	-	-	115,644	7,978,187
Unearned Revenue	<u>1,626,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,626,271</u>
 Total Liabilities	 <u>9,766,125</u>	 <u>81,975</u>	 <u>-</u>	 <u>144,638</u>	 <u>9,992,738</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable grant revenue	<u>-</u>	<u>216,629</u>	<u>-</u>	<u>-</u>	<u>216,629</u>
FUND BALANCE					
Nonspendable	208,252	-	-	-	208,252
Restricted	-	-	-	23,633	23,633
Committed	-	854,320	599,941	82,748	1,537,009
Assigned	156,208	-	-	802,214	958,422
Unassigned	<u>457,951</u>	<u>-</u>	<u>-</u>	<u>(120,777)</u>	<u>337,174</u>
 Total Fund Balances	 <u>822,411</u>	 <u>854,320</u>	 <u>599,941</u>	 <u>787,818</u>	 <u>3,064,490</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 10,588,536</u>	 <u>\$ 1,152,924</u>	 <u>\$ 599,941</u>	 <u>\$ 932,456</u>	 <u>\$ 13,273,857</u>

See Accompanying Notes to Basic Financial Statements.

Village of Essex Junction, Vermont
 RECONCILIATION OF THE GOVERNMENTAL FUNDS
 BALANCE SHEET TO THE STATEMENT OF NET POSITION
 June 30, 2022

Total fund balances - governmental funds	\$ 3,064,490
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	24,164,467
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	
Unavailable grant revenue	216,629
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 compensated absences	(304,317)
Accrued interest on long-term debt	(7,799)
Notes payable	<u>(1,756,921)</u>
Total net position - governmental activities	<u>\$ 25,376,549</u>

See Accompanying Notes to Basic Financial Statements.

Village of Essex Junction, Vermont
FUND FINANCIAL STATEMENTS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	General Fund	Capital Projects Fund	Rolling Stock Reserve Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Property tax	\$ 3,745,838	\$ -	\$ -	\$ 111,983	\$ 3,857,821
Licenses and permits	38,332	-	-	-	38,332
Intergovernmental revenues	1,638,079	13,795	-	-	1,651,874
Charges for services	300,473	-	-	4,098	304,571
Fines and forfeits	3,769	-	-	-	3,769
Interest income	5,532	1,949	1,098	1,679	10,258
Grant income	31,181	427,922	-	-	459,103
Donations	22,653	15,606	450	-	38,709
Miscellaneous income	13,654	-	-	3,290	16,944
Total Revenues	<u>5,799,511</u>	<u>459,272</u>	<u>1,548</u>	<u>121,050</u>	<u>6,381,381</u>
EXPENDITURES					
Current expenditures:					
General government	902,843	-	-	-	902,843
Public safety	368,093	-	-	-	368,093
Public works	1,107,374	18,397	-	-	1,125,771
Community development	291,583	-	-	10,846	302,429
Culture and recreation	1,707,664	-	-	55,436	1,763,100
Capital Outlay					
General government	-	-	-	30,497	30,497
Public safety	40,736	-	-	-	40,736
Public works	221,800	674,184	-	20,231	916,215
Culture and recreation	93,649	-	-	5,193	98,842
Debt Service					
Principal	135,135	-	30,000	-	165,135
Interest expense	64,228	-	1,023	-	65,251
Total Expenditures	<u>4,933,105</u>	<u>692,581</u>	<u>31,023</u>	<u>122,203</u>	<u>5,778,912</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>866,406</u>	<u>(233,309)</u>	<u>(29,475)</u>	<u>(1,153)</u>	<u>602,469</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	1,500	462,248	248,700	199,118	911,566
Operating transfers out	(910,066)	-	-	-	(910,066)
Total Other Financing Sources (Uses)	<u>(908,566)</u>	<u>462,248</u>	<u>248,700</u>	<u>199,118</u>	<u>1,500</u>
Net Change in Fund Balance	(42,160)	228,939	219,225	197,965	603,969
Fund Balance - July 1, 2021	<u>864,571</u>	<u>625,381</u>	<u>380,716</u>	<u>589,853</u>	<u>2,460,521</u>
Fund Balance - June 30, 2022	<u>\$ 822,411</u>	<u>\$ 854,320</u>	<u>\$ 599,941</u>	<u>\$ 787,818</u>	<u>\$ 3,064,490</u>

See Accompanying Notes to Basic Financial Statements.

Village of Essex Junction, Vermont
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2022

Net change in fund balances - governmental funds \$ 603,969

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

Governmental funds report capital outlays as expenditures. However,
 in the statement of activities, the cost of those assets is allocated
 over their estimated useful lives and reported as depreciation expense.

Depreciation Expense (1,188,523)

Capital Outlay 1,079,813

Revenues in the statement of activities that do not provide current financial
 resources are not reported as revenues in the funds.

decrease in unavailable grant revenue (169,489)

Issuance and repayment of long-term debt are revenue and expenditures in
 the governmental funds, but the Issuance and repayment increase and
 decrease long-term liabilities in the statement of net assets.

Repayment of long-term debt 165,135

Some expenses reported in the statement of activities do not require the use of
 current financial resources and therefore are not reported as expenditures in
 governmental funds.

Accrued interest on long-term debt 450

Accrued compensated absences 9,043

Change in net position of governmental activities \$ 500,398

See Accompanying Notes to Basic Financial Statements.

Village of Essex Junction, Vermont
FUND FINANCIAL STATEMENTS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2022

	Water Fund	Sanitation Fund	Wastewater Fund	Rec Programs Fund	Total
ASSETS					
Current Assets:					
Accounts receivable, net of allowance	\$ 792,905	\$ 284,001	\$ 377,542	\$ 103,161	\$ 1,557,609
Due from other funds	558,331	1,883,204	2,083,482	984,578	5,509,595
Inventory	-	-	93,340	-	93,340
Prepaid expenses	8,014	8,700	27,198	48,260	92,172
Total Current Assets	<u>1,359,250</u>	<u>2,175,905</u>	<u>2,581,562</u>	<u>1,135,999</u>	<u>7,252,716</u>
Noncurrent Assets:					
Capital assets not being depreciated:					
Land	-	-	118,077	-	118,077
Construction in progress	62,044	-	164,522	-	226,566
Capital assets					
Machinery, equipment, and vehicles	556,995	895,531	19,371,118	224,741	21,048,385
Water and sewer infrastructure	9,374,484	8,503,169	4,714,335	-	22,591,988
Accumulated depreciation	<u>(7,651,098)</u>	<u>(6,507,652)</u>	<u>(10,796,698)</u>	<u>(111,234)</u>	<u>(25,066,682)</u>
Capital assets, net	<u>2,342,425</u>	<u>2,891,048</u>	<u>13,571,354</u>	<u>113,507</u>	<u>18,918,334</u>
Total Noncurrent Assets	<u>2,342,425</u>	<u>2,891,048</u>	<u>13,571,354</u>	<u>113,507</u>	<u>18,918,334</u>
Total Assets	<u>\$ 3,701,675</u>	<u>\$ 5,066,953</u>	<u>\$ 16,152,916</u>	<u>\$ 1,249,506</u>	<u>\$ 26,171,050</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	\$ 341,442	\$ 6,128	\$ 84,099	\$ 48,014	\$ 479,683
Accrued payroll	5,312	5,365	22,386	118,630	151,693
Accrued interest	1,724	-	3,040	-	4,764
Unearned Revenue	-	-	-	648,524	648,524
Current portion compensated absences	-	-	-	1,641	1,641
Current portion long-term debt	29,865	65,373	656,119	-	751,357
Total Current Liabilities	<u>378,343</u>	<u>76,866</u>	<u>765,644</u>	<u>816,809</u>	<u>2,037,662</u>
Noncurrent Liabilities:					
Accrued compensated absences	41,732	23,890	76,364	49,927	191,913
Notes and bonds payable	358,214	765,885	9,978,327	-	11,102,426
Total Noncurrent Liabilities	<u>399,946</u>	<u>789,775</u>	<u>10,054,691</u>	<u>49,927</u>	<u>11,294,339</u>
Total Liabilities	<u>778,289</u>	<u>866,641</u>	<u>10,820,335</u>	<u>866,736</u>	<u>13,332,001</u>
NET POSITION					
Net investment in capital assets	1,954,346	2,059,790	2,936,908	113,507	7,064,551
Unrestricted - designated	969,040	2,140,522	2,395,673	269,263	5,774,498
Total Net Position	<u>2,923,386</u>	<u>4,200,312</u>	<u>5,332,581</u>	<u>382,770</u>	<u>12,839,049</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 3,701,675</u>	<u>\$ 5,066,953</u>	<u>\$ 16,152,916</u>	<u>\$ 1,249,506</u>	<u>\$ 26,171,050</u>

See Accompanying Notes to Basic Financial Statements.

Village of Essex Junction, Vermont
FUND FINANCIAL STATEMENTS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS
For the Year Ended June 30, 2022

	<u>Water Fund</u>	<u>Sanitation Fund</u>	<u>Wastewater Fund</u>	<u>Rec Programs Fund</u>	<u>Total</u>
OPERATING REVENUES					
Charges for services	\$ 4,324,200	\$ 848,864	\$ 2,369,181	\$ 2,665,966	\$ 10,208,211
Other income	<u>6,598</u>	<u>393</u>	<u>4,338</u>	<u>2,051</u>	<u>13,380</u>
 Total Operating Revenues	 <u>4,330,798</u>	 <u>849,257</u>	 <u>2,373,519</u>	 <u>2,668,017</u>	 <u>10,221,591</u>
OPERATING EXPENSES					
Operating, maintenance and general and administrative expenses	4,003,573	468,670	1,896,135	2,557,870	8,926,248
Depreciation	<u>54,783</u>	<u>103,452</u>	<u>955,118</u>	<u>23,699</u>	<u>1,137,052</u>
 Total Operating Expenses	 <u>4,058,356</u>	 <u>572,122</u>	 <u>2,851,253</u>	 <u>2,581,569</u>	 <u>10,063,300</u>
 Operating Income Gain (Loss)	 <u>272,442</u>	 <u>277,135</u>	 <u>(477,734)</u>	 <u>86,448</u>	 <u>158,291</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	1,190	4,275	5,320	1,013	11,798
Interest expense	(14,049)	(17,907)	(242,681)	-	(274,637)
Capital contributions	-	-	587,748	-	587,748
Federal grant revenue	-	-	-	393,400	393,400
Loss on asset disposal	<u>-</u>	<u>(7,000)</u>	<u>-</u>	<u>-</u>	<u>(7,000)</u>
 Total Nonoperating Revenues (Expenses)	 <u>(12,859)</u>	 <u>(20,632)</u>	 <u>350,387</u>	 <u>394,413</u>	 <u>711,309</u>
 Net Income Gain (Loss) Before Transfers	 259,583	 256,503	 (127,347)	 480,861	 869,600
 Transfers	 <u>-</u>	 <u>(178,126)</u>	 <u>176,626</u>	 <u>-</u>	 <u>(1,500)</u>
 Change in Net Position	 259,583	 78,377	 49,279	 480,861	 868,100
 Net Position - July 1, 2021	 <u>2,663,803</u>	 <u>4,121,935</u>	 <u>5,283,302</u>	 <u>(98,091)</u>	 <u>11,970,949</u>
 Net Position - June 30, 2022	 <u>\$ 2,923,386</u>	 <u>\$ 4,200,312</u>	 <u>\$ 5,332,581</u>	 <u>\$ 382,770</u>	 <u>\$ 12,839,049</u>

See Accompanying Notes to Basic Financial Statements.

Village of Essex Junction, Vermont
 FUND FINANCIAL STATEMENTS
 STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
 For the Year Ended June 30, 2022

	Water Fund	Sanitation Fund	Wastewater Fund	Rec Programs Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 4,522,066	\$ 847,590	\$ 2,400,380	\$ 2,684,648	\$ 10,454,684
Payments to suppliers	(4,184,910)	(355,915)	(1,387,546)	(891,260)	(6,819,631)
Payments for employees and benefits	(246,389)	(203,047)	(669,241)	(2,089,120)	(3,207,797)
Net Cash Provided/(Used) by Operating Activities	<u>90,767</u>	<u>288,628</u>	<u>343,593</u>	<u>(295,732)</u>	<u>427,256</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of property, plant and equipment	(47,944)	(33,778)	(221,120)	(98,681)	(401,523)
Proceeds from sale of assets	-	1,000	-	-	1,000
Capital Contributions	-	-	587,748	-	587,748
Interest payments on debt	(14,148)	(17,907)	(242,835)	-	(274,890)
Proceeds from state and federal grants	-	-	-	393,400	393,400
Principal payments on debt	(29,865)	(64,092)	(649,332)	-	(743,289)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(91,957)</u>	<u>(114,777)</u>	<u>(525,539)</u>	<u>294,719</u>	<u>(437,554)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Operating transfers in/(out)	-	(178,126)	176,626	-	(1,500)
Interest income	1,190	4,275	5,320	1,013	11,798
Net Cash Provided (Used) by Investing Activities	<u>\$ 1,190</u>	<u>\$ (173,851)</u>	<u>\$ 181,946</u>	<u>\$ 1,013</u>	<u>\$ 10,298</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income gain (loss)	\$ 272,442	\$ 277,135	\$ (477,734)	\$ 86,448	\$ 158,291
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	54,783	103,452	955,118	23,699	1,137,052
Change in net assets and liabilities:					
Receivables, net	191,268	(1,667)	26,861	(90,400)	126,062
Inventory	-	-	(49,410)	-	(49,410)
Due from other funds	(433,195)	(75,040)	(84,574)	(425,791)	(1,018,600)
Prepaid expenses	(752)	(1,172)	(9,832)	(1,897)	(13,653)
Accounts payable	2,895	(11,629)	12,563	4,222	8,051
Unearned Revenue	-	-	-	107,031	107,031
Accrued payroll	1,392	2,719	6,798	(1,985)	8,924
Accrued compensated absences	1,934	(5,170)	(36,197)	2,941	(36,492)
Net cash provided (used) by operating activities	<u>\$ 90,767</u>	<u>\$ 288,628</u>	<u>\$ 343,593</u>	<u>\$ (295,732)</u>	<u>\$ 427,256</u>

See Accompanying Notes to Basic Financial Statements.

Village of Essex Junction, Vermont
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Essex Junction, Vermont, (herein the "Village") operates under a Board of Trustees-Manager form of government and provides the following services as authorized by its charter: public safety, library, highways and streets, sanitation, health and social services, culture and recreation, community/economic development, public improvements, planning and zoning, water, sanitation, wastewater treatment and general administrative services.

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

Financial Reporting Entity

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

Basis of Presentation

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

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

Village of Essex Junction, Vermont
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information of the Village as a whole. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and Village general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. 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 expenses of a given program are 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, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), and the acquisition or construction of general fixed assets (capital projects). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis is to be financed or recovered primarily through user charges.

Fiduciary Funds are used to account for assets held by the Village as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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 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, sewer usage fees and water usage fees are recognized under the susceptible to accrual concept in accordance with Governmental Accounting Standards Board ("GASB") pronouncements. Revenues received from the State of Vermont are also recognized when susceptible to accrual. Miscellaneous revenues and fees are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Village of Essex Junction, Vermont
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

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 Village 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, are recorded only when payment is due.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

The Village reports the following major governmental funds:

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

Capital Reserve Fund - This fund accounts for the general capital expenditures of the Village.

Rolling Stock Reserve Fund - This fund accounts for general rolling stock (vehicles) purchases of the Village.

The Village reports on the following major enterprise funds:

Water Fund - This fund accounts for the operations of the Water Department.

Sanitation Fund - This fund accounts for the operations of the Sanitation Department.

Wastewater Fund - This fund accounts for the operations of the Wastewater Department.

Recreation Programs Fund – This fund accounts for the operations of the recreation programs.

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
- 3) capital grants and contributions

Village of Essex Junction, Vermont
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property taxes, licenses, ordinance violation fees and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within sixty (60) days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Village.

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

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

Deposits and Investments

The Village'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. The Village utilizes one cash account maintained by the Town general fund to collect money and pay bills for all funds. When money is collected and expended, the Village records a corresponding payable or receivable to the Town. This helps manage cash and eases administrative burdens.

Receivables

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

Unbilled revenues consist of revenues earned as of June 30, but not yet billed as of that date.

Internal Balances

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

Inventories and Prepaid Expenses

Inventory quantities are determined by physical count and are valued at the lower of cost or market. Inventories in the Proprietary Funds consist of chemicals and materials. Inventory in the General Fund consists of salt and calcium chloride.

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

Village of Essex Junction, Vermont
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Capital Assets

Capital assets are reported at actual cost or estimated historical cost based on appraisals or deflated current replacement cost if purchased or constructed. Contributed assets are recorded at their estimated fair value at the time received. Major outlays for capital assets and improvements are capitalized as constructed. Interest incurred during the construction phase for proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of any interest earned on the invested proceeds during the same period. Interest is not capitalized during the construction phase of capital assets used in governmental activities. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. The Village has elected to report major general infrastructure assets constructed since 1990.

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

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

	<u>Capitalization Threshold</u>	<u>Estimated Service Life</u>
Land	\$ 1,000	Not Depreciated
Antiques and Works of Art	\$ 1,000	Not Depreciated
Buildings and Building Improvements	\$ 5,000	40 Years
Vehicles, Machinery, Equipment, Furniture and Traffic Signals	\$ 5,000	8-20 Years
Wastewater Treatment Facility Equipment	\$ 5,000	8-20 Years
Library Books	\$ 1	7 Years
Parks	\$ 5,000	20-100 Years
Infrastructure	\$ 5,000	30-50 Years
Water, Sanitation and Wastewater Distribution and Collection System	\$ 5,000	60-100 Years

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

Village of Essex Junction, Vermont
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation and comp time benefits. Employees who leave employment in good standing shall have sick time paid out depending on age and length of service, a scale used for payment eligible is included in Note 11. The Village evaluates all employees who have reached ten (10) years of service or age 57 and, depending on accrued leave time at that point, determines if they will likely meet the eligibility threshold. The accrual for unused compensated absences time, based on current pay rates, is recorded in the government-wide and proprietary fund financial statements. The liability for unused compensated absences is not reported in the governmental fund type financial statements.

Payments for unused compensated absences are recorded as expenditures in the year they are paid.

Long-term Obligations

Noncurrent liabilities are comprised of notes payable and compensated absences. Noncurrent liabilities are reported in the government-wide and proprietary fund financial statements. Governmental fund type financial statements do not include any noncurrent liabilities as those statements use the current financial resources measurement focus and only include current liabilities on their balance sheets.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, "deferred outflows of resources", represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. The Village did not have any items that qualified for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, "deferred inflows of resources", represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village has one (1) type of item which qualifies under the modified accrual basis of accounting. The governmental funds report deferred inflows of resources from one (1) source: unavailable grant revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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 – consists of net position that is restricted by the Village's creditors, by enabling legislation, by grantors (both federal and state) and/or by contributors.

Unrestricted – all other net position reported in this category

Village of Essex Junction, Vermont
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Fund Balances

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

Nonspendable – Amounts that cannot be spent because they are not spendable in form or are legally or contractually required to be maintained intact.

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 Village.

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

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.

Operating Transfers

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

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

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

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

Village of Essex Junction, Vermont
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

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

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

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The General Fund Budget is approved at the annual Village Meeting in April. Budget transfers between departments can be made upon the approval of the Trustees during the last three (3) months of the year without increasing the total appropriated amount.

Enterprise fund budgets are approved by the Board of Trustees.

Fund Balance Policy

At the April, 2011 annual meeting, the Voters approved maintaining an unassigned fund balance of no more than ten percent (10%) of the prior year's budget.

NOTE 4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30, 2022 consisted of the following:

	Book Balance	Bank Balance
Insured by the FDIC	\$ 1,031	\$ 1,031
Petty Cash	150	-
Total Deposits	\$ 1,181	\$ 1,031

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

Village of Essex Junction, Vermont
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 4 CASH AND CASH EQUIVALENTS (continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counter-party (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. The Village's policy only allows deposits in banks that are FDIC insured and agree to collateralize amounts in excess of FDIC limits. The Village does not have investments subject to credit risk in fiscal year 2021.

Interest Rate Risk

Interest rate risk is the risk that changes in market rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village has no investments subject to interest rate risk disclosure

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Village's policy does not allow investment in securities that are subject to credit risk unless issued by the Federal Government.

Concentration of Credit Risk

The Village has no limit on the amount that they may invest with any one issuer. As of June 30, 2022, the Village is not exposed to concentration of credit risk.

NOTE 5 RECEIVABLES

Receivables at June 30, 2022, as reported in the statement of net position, net of applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-Type Activities	Total
Billed Services	\$ -	\$ 400,143	\$ 400,143
Unbilled Services	-	1,157,466	1,157,466
Grants	216,629	-	216,629
Other	22,627	-	22,627
	\$ 239,256	\$ 1,557,609	\$ 1,796,865

Management has evaluated all receivables and believes all are collectible, so no allowance for doubtful accounts has been recorded.

Village of Essex Junction, Vermont
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 6 NOTE RECEIVABLE

The Village has a note receivable as follows:

Note Receivable- Whitcomb Terrace Housing Limited Partnership, Principal Deferred Until December 17, 2034, at which Time the Note is Due, Interest 0%, Secured by a 2nd Position on Building	\$ 260,000
Allowance for Doubtful Note Receivable	<u>(260,000)</u>
Net Note Receivable	<u><u>\$ -</u></u>

NOTE 7 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 127,876	\$ -	\$ -	\$ 127,876
Construction in Progress	4,721,985	777,099	(1,445,211)	4,053,873
Antiques and Works of Art	<u>7,550</u>	<u>-</u>	<u>-</u>	<u>7,550</u>
Total capital assets not being depreciated	<u>4,857,411</u>	<u>777,099</u>	<u>(1,445,211)</u>	<u>4,189,299</u>
Other capital assets:				
Buildings and Improvements	4,681,637	-	-	4,681,637
Vehicles, Machinery, Equipment, Furniture and Traffic Signals	8,510,443	17,726	-	8,528,169
Library Books	810,258	69,665	(69,140)	810,783
Parks	1,788,059	249,572	-	2,037,631
Roads, Curbs, Sidewalks, and Storm Sewers	<u>15,172,457</u>	<u>1,410,962</u>	<u>-</u>	<u>16,583,419</u>
Total other capital assets	<u>30,962,854</u>	<u>1,747,925</u>	<u>(69,140)</u>	<u>32,641,639</u>

Village of Essex Junction, Vermont
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 7 CAPITAL ASSETS (continued)

<u>Governmental Activities (cont'd)</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Less accumulated depreciation for:				
Buildings and Improvements	(1,643,187)	(118,091)	-	(1,761,278)
Vehicles, Machinery, Equipment, Furniture and Traffic Signals	(3,384,509)	(390,570)	-	(3,775,079)
Library Books	(601,239)	(58,614)	69,140	(590,713)
Parks	(1,217,352)	(51,713)	-	(1,269,065)
Roads, Curbs, Sidewalks, and Storm Sewers	(4,700,801)	(569,535)	-	(5,270,336)
 Total accumulated depreciation	 (11,547,088)	 (1,188,523)	 69,140	 (12,666,471)
 Total capital assets being depreciated, net	 19,415,766	 559,402	 -	 19,975,168
 Governmental Activities - Capital Assets, Net	 <u>\$ 24,273,177</u>	 <u>\$ 1,336,501</u>	 <u>\$ (1,445,211)</u>	 <u>\$ 24,164,467</u>

Depreciation expense was charged to functions, as follows:

General Government	\$ 23,410
Public Safety	113,720
Highways and Streets	833,399
Culture and Recreation	216,817
Community Development	<u>1,177</u>
 TOTAL	 <u>\$ 1,188,523</u>

<u>Business-Type Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 118,077	\$ -	\$ -	\$ 118,077
Construction in progress	102,405	191,081	(66,920)	226,566
 Total capital assets not being depreciated	 <u>220,482</u>	 <u>191,081</u>	 <u>(66,920)</u>	 <u>344,643</u>
Capital assets being depreciated:				
Buildings and Improvements	15,171,806	-	-	15,171,806
Vehicles, Machinery, Equipment and Furniture	5,633,679	277,361	(34,461)	5,876,579
Infrastructure	164,182	-	-	164,182
Distribution and Collection Systems	22,427,806	-	-	22,427,806
 Total Capital assets being depreciated	 <u>43,397,473</u>	 <u>277,361</u>	 <u>(34,461)</u>	 <u>43,640,373</u>

Village of Essex Junction, Vermont
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 7 CAPITAL ASSETS (continued)

<u>Business-Type Activities (cont'd)</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Less accumulated depreciation for:				
Buildings and Improvements	(6,179,535)	(511,780)		(6,691,315)
Vehicles, Machinery, Equipment and Furniture	(3,109,205)	(352,014)	26,462	(3,434,757)
Infrastructure	(81,989)	(8,209)		(90,198)
Distribution and Collection Systems	<u>(14,585,363)</u>	<u>(265,049)</u>	<u>-</u>	<u>(14,850,412)</u>
 Total accumulated depreciation	 <u>(23,956,092)</u>	 <u>(1,137,052)</u>	 <u>26,462</u>	 <u>(25,066,682)</u>
 Total capital assets being depreciated, net	 <u>19,441,381</u>	 <u>(859,691)</u>	 <u>(7,999)</u>	 <u>18,573,691</u>
 Business-Type Activities - Capital Assets, Net	 <u>\$ 19,661,863</u>	 <u>\$ (668,610)</u>	 <u>\$ (74,919)</u>	 <u>\$ 18,918,334</u>

Depreciation expense was charged as follows:

Water Fund	\$ 54,783
Sanitation Fund	103,452
Wastewater Fund	955,118
Recreation Fund	<u>23,699</u>
TOTAL	<u>\$ 1,137,052</u>

NOTE 8 INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances at June 30, 2022 is as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ -	\$ 7,862,543
Capital Projects Fund	936,295	-
Rolling Stock Reserve Fund	599,941	-
Water Fund	558,331	-
Sanitation Fund	1,883,204	-
Wastewater Fund	2,083,482	-
Recreation Fund	984,578	-
Memorial Park Fund	3,674	-
Senior Center Fund	19,966	-
EJRP Capital Reserve Fund	-	115,644
Building Maintenance Fund	253,992	-

Village of Essex Junction, Vermont
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 8 INTERFUND BALANCES AND ACTIVITY (continued)

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Economic Development Fund	571,976	-
Land Acquisition Reserve Fund	<u>82,748</u>	<u>-</u>
	<u>\$ 7,978,187</u>	<u>\$ 7,978,187</u>

NOTE 9 TRANSFERS

The interfund transfers during the year ended June 30, 2022 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Rolling Stock Reserve Fund	\$ 248,700	Annual Appropriation
General Fund	Capital Reserve	462,248	Annual Appropriation
General Fund	Building Maintenance Fund	75,000	Annual Appropriation
General Fund	Building Maintenance Fund	10,538	2 Lincoln St. Renovation
Wastewater Fund	General Fund	(1,500)	Mowing
EJRP	EJRP Capital Reserve Fund	<u>113,580</u>	Annual Appropriation
	Total Governmental Activities	<u>\$ 908,566</u>	

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
Sanitation Fund	Wastewater Fund	\$ 301,963	Bond Debt Service
Wastewater Fund	Sanitation Fund	123,837	WWTF Upgrade
Wastewater Fund	General Fund	<u>1,500</u>	Mowing
	Total Proprietary Funds	<u>\$ 427,300</u>	

NOTE 10 UNEARNED REVENUE AND DEFERRED INFLOWS OF RESOURCES

Unearned Revenue in the General Fund consists of \$8,124 in recreation fees paid in advance a \$200 grant that was paid in advance and \$1,032 in donation revenue received in advance and \$1,616,815 in ARPA grant funding received in advance. Unavailable Revenue in the General Fund consists of \$0 in grant receivables not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities.

The Capital Projects Fund has deferred inflows of resources in the amount of \$216,629. This consists of grant receivables not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities.

Village of Essex Junction, Vermont
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE 11 LONG-TERM LIABILITIES

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

General obligation bonds are direct obligations and pledge the full faith and credit of the Village. New bonds generally are issued as 10 to 30 year bonds. Refunding bonds are issued for various terms based on the debt service of the debt refunded.

Notes Payable - The Village has notes payable to finance various capital projects and purchases through local banks.

No-Interest Revolving Loans - The State of Vermont offers a number of no and low interest revolving loan programs to utilize for predetermined purposes. The Village has borrowed money from the Vermont Special Environmental Revolving Fund for sanitation and wastewater projects.

Compensated Absences - Unused vacation time can be accumulated up to 240 hours as of an employee's anniversary date. Compensatory time for hourly employees can be accrued up to 200 hours. Employees who leave employment in good standing shall have sick time paid out in accordance to the following charts based on age at the time of termination and years of service:

Age 55+		No Age Requirement	
Years of Service	Max Hours	Years of Service	Max Hours
20	800	20	400
19	700	19	350
18	600	18	300
17	500	17	250
16	400	16	200
15	300	15	150
14	200	14	100
13	100	13	50
12	75	12	37.5
11	50	11	25
10	25	10	12.5

Village of Essex Junction, Vermont
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 11 LONG -TERM LIABILITIES (continued)

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Principal Reduction</u>	<u>Ending Balance</u>
<u>Notes Payable</u>				
Note Payable- People's United Bank, Fire Ladder Truck				
Purchase, Interest at 2.75%, \$60,000				
Due July 24,2021, the Village Intends to				
Renew the Note Annually and Pay down				
\$30,000 Plus Interest Annually				
	\$ 30,000	\$ -	\$ (30,000)	\$ -
Bond Payable - Vermont Municipal Bond				
Bank, Infrastructure Projects, Net Interest				
cost of 3.403% semi-annual Interest				
Payments Due June 1, and Dec 1,				
Due in full December 2035.				
	<u>1,892,056</u>	<u>-</u>	<u>(135,135)</u>	<u>1,756,921</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 1,922,056</u>	<u>\$ -</u>	<u>\$ (165,135)</u>	<u>\$ 1,756,921</u>

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 135,135	\$ 60,415	\$ 195,550
2024	135,135	56,344	191,479
2025	135,135	52,070	187,205
2026	135,135	47,646	182,781
2027	135,135	43,082	178,217
2028-2032	675,675	142,874	818,549
2033-2035	<u>405,571</u>	<u>24,106</u>	<u>429,677</u>
TOTAL	<u>\$ 1,756,921</u>	<u>\$ 426,537</u>	<u>\$ 2,183,458</u>

<u>Business-Type Funds</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Principal Reduction</u>	<u>Ending Balance</u>
Note Payable- State of Vermont Special				
Environmental Revolving Fund, Sanitation				
and Wastewater Improvements, Authorized to				
\$566,938 but was Eligible for 50% Forgiveness,				
Interest at 0% an Administration fee of 2% is				
Assessed Annually, Annual Payments of				
\$17,336, Due October 2030.				
	\$ 155,723	\$ -	\$ (14,222)	\$ 141,501

Village of Essex Junction, Vermont
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 11 LONG-TERM LIABILITIES (continued)

<u>Business-Type Funds (continued)</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Principal Reduction</u>	<u>Ending Balance</u>
Note Payable- State of Vermont Special Environmental Revolving Fund, Wastewater Improvements, Authorized to \$13,525,000 but Eligible for \$600,000 Subsidy. Interest at 0%, Administration Fee of 2% is Assessed Annually; Payments of \$790,451, Due July 2035.	10,156,708	-	(587,317)	9,569,391
Note Payable- State of Vermont Special Environmental Revolving Fund, Sanitation Pump Station Improvements, Authorized \$1,212,300 but Eligible for \$114,800 Subsidy Leaving a Total Repayment Amount of \$1,097,500, Interest at 0%, an Administration fee of 2% is Assessed Annually, Payments of \$67,120 Due May 2034.	761,697	-	(51,885)	709,812
Bond Payable- Vermont Municipal Bond Bank, Water Improvements, Net Interest Cost of 3.403%, \$30,031 due Annually on November 1, Semi-Annual Interest Payments Due May and November 1, Due November 2034.	417,944	-	(29,865)	388,079
Bond Payable- Vermont Municipal Bond Bank Series 2010-5 New Money (Recovery Zone Economic Development Bond) Wastewater Improvements, Annual Principal Payments Ranging from \$55,000 to \$60,000 Due December 1, Semi-Annual Interest Payments Due June 1 and December 1, Net Interest Cost of 3.345% 30 Year Bond Assumed from the Town of Bradford Due December 2040	<u>1,105,000</u>	<u>-</u>	<u>(60,000)</u>	<u>1,045,000</u>
	<u>\$ 12,597,072</u>	<u>\$ -</u>	<u>\$ (743,289)</u>	<u>\$ 11,853,783</u>

Village of Essex Junction, Vermont
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 11 LONG-TERM LIABILITIES (continued)

Additionally, in April 2022 the Village voted to approve a bond in the amount of \$3,070,000 for improvements relating to the Main St. Water Line. The construction for this project has not yet begun and no funds have been drawn down on this bond as of January 20, 2023.

Year Ending June 30,	Principal	Interest	Total
2023	\$ 751,357	\$ 257,394	\$ 1,008,751
2024	764,687	241,466	1,006,153
2025	778,283	225,188	1,003,471
2026	792,152	208,544	1,000,696
2027	806,298	191,505	997,803
2028-2032	4,236,440	686,947	4,923,387
2033-2037	3,504,733	225,735	3,730,468
2038-2041	219,833	15,968	235,801
	<u>\$ 11,853,783</u>	<u>\$ 2,052,747</u>	<u>\$ 13,906,530</u>

NOTE 12 NET POSITION/FUND BALANCES

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

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

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

Amounts constrained to stabilization will be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. However, stabilization is regarded as a specified purpose only if the circumstances or conditions that signal the need for stabilization (a) are identified in sufficient detail and (b) are not expected to occur routinely. Governments are required to disclose key information about their stabilization arrangements, including the authority by which they were established, provisions for additions to the stabilization amount, and circumstances under which those amounts may be spent. The Village does not have any stabilization arrangements.

Village of Essex Junction, Vermont
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 12 NET POSITION/FUND BALANCES (continued)

Some governments create stabilization-like arrangements by establishing formal minimum fund balance policies. Because users are interested in information about those minimum fund balance policies and how governments comply with them, governments are required to explain their minimum fund balance policies, if they have them, in notes to the financial statements. The Village does not have a minimum fund balance policy. The Village does have a maximum fund balance policy which is to maintain an unassigned fund balance which is no greater than ten percent (10%) of the prior year's budget.

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

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

Fund Balance and Net Position classifications at June 30, 2022 are as follows:

GENERAL FUND

Nonspendable for:

Inventories	\$ 118,010
Prepaid Expenses	<u>90,242</u>
Total Nonspendable Fund Balance	<u><u>\$ 208,252</u></u>

Assigned for:

Library Book Replacement	\$ 7,938
Termination Benefits	76,809
Health Reimbursement Arrangement Expenses	10,000
Salary Study	15,000
FY 2023 Tax Reduction	43,461
Conservation	<u>3,000</u>
Total Assigned Fund Balance	<u><u>\$ 156,208</u></u>

CAPITAL RESERVE FUND

Committed for:

Capital Reserve Fund Expenditures	<u><u>\$ 854,320</u></u>
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ROLLING STOCK RESERVE FUND

Committed for:

Rolling Stock Reserve Fund Expenditures	<u><u>\$ 599,941</u></u>
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Village of Essex Junction, Vermont
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 12 NET POSITION/FUND BALANCES (continued)

NON MAJOR FUNDS

Restricted for:

Veterans Memorial Park by Donation	\$ 3,674
Senior Center	<u>19,959</u>
Total Restricted Fund Balance	<u><u>\$ 23,633</u></u>

Committed for:

Land Acquisition Capital Reserve Fund Expenditures	<u>\$ 82,748</u>
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Assigned for:

Economic Development	\$ 554,263
Building Maintenance	<u>247,951</u>
Total Assigned Fund Balance	<u><u>\$ 802,214</u></u>

WATER, SANITATION, WASTEWATER AND RECREATION PROGRAMS FUNDS

Designated for:

Water Fund Expenses	\$ 235,160
Water Fund Capital Expenses	<u>733,880</u>
Total Water Designated Fund Balance	<u><u>\$ 969,040</u></u>

Sanitation Fund Expenses	\$ 594,541
Sanitation Fund Capital Expenses	553,878
Sanitation Wastewater Treatment Facility Upgrades	<u>992,103</u>

Total Sanitation Designated Fund Balance	<u><u>\$ 2,140,522</u></u>
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Wastewater Fund Capital Expenses	\$ 1,680,910
Wastewater Expenses- Attributable to the Village of Essex Juncti	383,010
Wastewater Expenses- Attributable to the Town of Essex	158,029
Wastewater Expenses- Attributable to the Town of Williston	84,928
Wastewater Fund Expenses- General	<u>88,796</u>

Total Wastewater Designated Fund Balance	<u><u>\$ 2,395,673</u></u>
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Recreation Programs Fund - General	<u><u>\$ 269,263</u></u>
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Village of Essex Junction, Vermont
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 13 BENEFIT PLANS

The Village offers a 401(a) pension plan to all full time employees hired before October 2021 with 100% vesting after three (3) years of service. When a participant in a 401(a) plan has been separated from service for a period of at least three years or withdraws his or her entire account balance, whichever is earlier, any non-vested employer contributions are forfeited by the participant and transferred to the plan-level forfeiture account. This plan qualifies, according to the Internal Revenue Service, as a defined contribution pension plan for governmental organizations exempt from income taxes. The plan requires a 5% contribution of base pay from the employee with a 10% match of base pay by the Village for all employees. The International City/County Management Association "ICMA" Retirement Corporation administers the Plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All of the investments are self-directed by each employee. The total payroll for the year was \$3,991,805 while the covered payroll was \$1,916,476. Pension expenses for the years ended June 30, 2022, 2021 and 2020 were \$191,648, \$246,028 and \$232,480 respectively. Forfeiture funds in the amount of \$8,948 were used in FY22.

The Village also offers its employees a deferred compensation plan through the International City/County Management Association "ICMA" Retirement Corporation in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Village has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. All of the investments are self-directed by each employee. The balance of the assets in the plan, at fair market value, as of June 30, 2022 was \$764,904.

The Village began participating in the Vermont Municipal Employees' Retirement System (VMERS) in October 2021 for all full time employees hired October 2021 or after. For the year ended June 30, 2022, the covered payroll totaled \$1,142,836 and pension expense totaled \$70,206.

The Village also offers its employees a Cafeteria Plan in accordance with Internal Revenue Code Section 125. This allows employees to pay for health benefits and dependent care pre-tax and pre-social security.

All full-time Village employees receive a group life insurance policy for two and a half their annual salary up to a maximum of \$100,000.

NOTE 14 CONCENTRATION OF REVENUE/EXPENSES

The Village receives a major portion of its revenue from GlobalFoundries. For the year ended June 30, 2022, the Village received 7.12% of total property taxes from GlobalFoundries and received 85% of total water sales from GlobalFoundries.

The Village purchased a major portion of their water from Champlain Water District "CWD" for the year ended June 30, 2022. The Village purchased \$3,461,933 in water from CWD.

Village of Essex Junction, Vermont
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 15 PROPERTY TAXES

The Town of Essex is responsible for assessing and collecting Village property taxes, as well as education property taxes for the State. Property taxes are assessed based on property valuations as of April 1, the approved budgets and the State education property tax liability. The Town remits 100% of the taxes billed to the Village in two (2) installments in October and April. Any delinquencies are absorbed by the Town. The Village tax rates for fiscal year 2022 included Village General Fund \$0.3345 and Village Economic Development \$0.0100.

NOTE 16 RISK MANAGEMENT

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

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

NOTE 17 CONTINGENT LIABILITIES

The Village is a participating member in the Chittenden Solid Waste District (CSWD) and Champlain Water District (CWD). The Village could be subject to a portion of the two district's debt if the districts experience financial problems.

Village of Essex Junction, Vermont
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 18 OTHER INFORMATION

The Village finished refurbishing its Wastewater Treatment Facility. The Village owns the facility, however, the facility serves three municipalities; the Village of Essex Junction, the Town of Essex and the Town of Williston. The Village has an agreement with the Towns to provide capacity and treatment rights in exchange for an annual fee and for their share of the improvements. The cost of the project was \$15,230,000 paid for with borrowed funds from the State of Vermont Special Environmental Revolving Fund, a general obligation bond and from capital reserves. The debt service cost is shared amongst all three municipalities based upon the capacity owned by each. At the end of fiscal year 2022, the Village owns 33.94%, the Town of Essex owns 33.33% and the Town of Williston owns 32.73%.

NOTE 19 AUTHORIZED BORROWING

In June, 2011, the Village voters authorized the borrowing of up to \$3,200,000 contingent upon other Federal and State aid for the purpose of making public improvements to the Village highways and sidewalks. The total estimated cost of such improvements is \$11,531,000. No action has taken place as of June 30, 2022.

NOTE 20 RELATED PARTY

In July 2014 the Village entered into an agreement with the Town of Essex to bill and collect property taxes. Under the terms of the agreements, the Town purchased the outstanding delinquent taxes, penalty and interest receivables as of July 1, 2014, and assumes liability for the collection of those balances due and future taxes. All penalties and interest that accrues on delinquent balances shall belong to the Town. Effective July 2015, the accounting departments of the Village and the Town of Essex merged and operate under one accounting system and maintain one operating cash account; the operating account balance is reported entirely on the financial statements of the Town of Essex. At June 30, 2022 \$10,356,576 of the balance in the operating account belonged to the Village, this is reported as Due from Town of Essex in the accompanying financial statements.

NOTE 21 TAX ABATEMENT

The Village has four tax stabilization agreements that qualify as tax abatements per GASB Statement no. 77 Tax Abatement Disclosures. The Village, under the authority of the Board of Trustees, has agreed to exclude the value of two structures on a parcel of farmland in exchange for the land to continue to be open to residents for non-motorized recreational purposes. In FY2022, the amount of taxes abated totaled \$1,883.

Village of Essex Junction, Vermont
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 21 TAX ABATEMENT (continued)

The Village has two active agreements in FY2022 under the authority of the Village of Essex Junction Commercial Tax Stabilization Policy. One is a standard commercial tax stabilization where the Village has agreed to abate 70% of the municipal taxes for the first year of the agreement. The percentage of abated taxes decreases to 50% in year 2, and 30% in year 3. For FY2022 \$5,535 was abated. The second falls under the historic building stabilization schedule where the Village has agreed to abate 70% of the municipal taxes for the first year of the agreement. The percentage of abated taxes decreases by 10% annually until year 6 when the property is fully taxable. For FY2022 \$384 was abated.

These agreements apply to Village taxes only and have no impact on Town of Essex property taxes or Educational property taxes.

NOTE 22 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures exceeded appropriations in the General Fund by \$191,355. This was due primarily to overspending in general government, public works and culture and recreation. These amounts were offset by unbudgeted grant revenues, fund balance assignments for related purposes and a decrease in unassigned fund balance.

NOTE 23 DISCLOSURE OF SUBSEQUENT EVENTS

The charter for the City of Essex Junction, VT was approved by the state legislature in May 2022, and became effective July 1, 2022. Formerly the Village of Essex Junction, VT, the municipality effective July 1, 2022 will be known as the City of Essex Junction, VT. The City is in the process of working towards full separation from the Town in fiscal year 2023.

In accordance with professional accounting standards, the Village has evaluated subsequent events through January 20, 2023, which is the date the financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2022, have been incorporated into the financial statements herein.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Essex Junction, Vermont
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS - GENERAL FUND
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property tax	\$ 3,745,866	\$ 3,745,866	\$ 3,745,838	\$ (28)
Licenses and permits	28,000	28,000	38,332	10,332
Intergovernmental revenues	1,538,380	1,538,380	1,638,079	99,699
Charges for services	310,812	310,812	300,473	(10,339)
Fines and forfeits	2,000	2,000	3,769	1,769
Interest income	3,000	3,000	5,532	2,532
Grant revenues	-	-	31,181	31,181
Donations	-	-	22,653	22,653
Other income	13,220	13,220	13,654	434
	<u>5,641,278</u>	<u>5,641,278</u>	<u>5,799,511</u>	<u>158,233</u>
Total Revenues				
EXPENDITURES				
Current:				
General government	756,372	756,372	902,843	(146,471)
Public safety	427,923	427,923	408,829	19,094
Public works	1,328,780	1,328,780	1,329,174	(394)
Community development	329,090	329,090	291,583	37,507
Culture and recreation	1,700,260	1,700,260	1,801,313	(101,053)
Debt Service:				
Principal	135,135	135,135	135,135	-
Interest expense	64,190	64,190	64,228	(38)
	<u>4,741,750</u>	<u>4,741,750</u>	<u>4,933,105</u>	<u>(191,355)</u>
Total Expenditures				
Excess of Revenues Over Expenditures	<u>899,528</u>	<u>899,528</u>	<u>866,406</u>	<u>(33,122)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	1,500	1,500
Operating transfers out	(899,528)	(899,528)	(910,066)	(10,538)
	<u>(899,528)</u>	<u>(899,528)</u>	<u>(908,566)</u>	<u>(9,038)</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (42,160)</u>	<u>\$ (42,160)</u>

See Accompanying Notes to Basic Financial Statements.

OTHER SUPPLEMENTARY INFORMATION

Village of Essex Junction, Vermont
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2022

	Special Revenue Fund		Capital Project Fund				Total
	Veteran Memorial Park Fund	Senior Center Fund	Land Acquisition Capital Reserve Fund	Economic Development	EJRP Capital Reserve Fund	Building Maintenance	
ASSETS							
Cash	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ 100
Prepaid expenses	-	-	-	-	-	-	-
Due from other funds	<u>3,674</u>	<u>19,966</u>	<u>82,748</u>	<u>571,976</u>	<u>-</u>	<u>253,992</u>	<u>932,356</u>
Total Assets	<u>\$ 3,674</u>	<u>\$ 20,066</u>	<u>\$ 82,748</u>	<u>\$ 571,976</u>	<u>\$ -</u>	<u>\$ 253,992</u>	<u>\$ 932,456</u>
LIABILITIES							
Accounts Payable	\$ -	\$ 107	\$ -	\$ 17,713	\$ 5,133	\$ 6,041	\$ 28,994
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,644</u>	<u>-</u>	<u>115,644</u>
Total Liabilities	<u>-</u>	<u>107</u>	<u>-</u>	<u>17,713</u>	<u>120,777</u>	<u>6,041</u>	<u>144,638</u>
FUND BALANCE							
Restricted	3,674	19,959	-	-	-	-	23,633
Committed	-	-	82,748	-	-	-	82,748
Assigned	-	-	-	554,263	-	247,951	802,214
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(120,777)</u>	<u>-</u>	<u>(120,777)</u>
Total Fund Balances	<u>3,674</u>	<u>19,959</u>	<u>82,748</u>	<u>554,263</u>	<u>(120,777)</u>	<u>247,951</u>	<u>787,818</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,674</u>	<u>\$ 20,066</u>	<u>\$ 82,748</u>	<u>\$ 571,976</u>	<u>\$ -</u>	<u>\$ 253,992</u>	<u>\$ 932,456</u>

Village of Essex Junction, Vermont
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2022

	Special Revenue Fund		Capital Project Fund				Total
	Veteran Memorial Park Fund	Senior Center Fund	Land Acquisition Capital Reserve Fund	Economic Development	EJRP Capital Reserve Fund	Building Maintenance	
REVENUES							
Charges for Service	\$ -	\$ 4,098	\$ -	\$ -	\$ -	\$ -	\$ 4,098
Property Tax	-	-	-	111,983	-	-	111,983
Miscellaneous Income	-	3,290	-	-	-	-	3,290
Interest	5	51	193	1,237	(377)	570	1,679
	<u>5</u>	<u>7,439</u>	<u>193</u>	<u>113,220</u>	<u>(377)</u>	<u>570</u>	<u>121,050</u>
Total Revenue							
	5	7,439	193	113,220	(377)	570	121,050
EXPENDITURES							
Program Expense	-	10,846	-	-	38,104	17,332	66,282
Capital Outlay	-	-	-	20,231	-	35,690	55,921
	<u>-</u>	<u>10,846</u>	<u>-</u>	<u>20,231</u>	<u>38,104</u>	<u>53,022</u>	<u>122,203</u>
Total Expenditures							
	-	10,846	-	20,231	38,104	53,022	122,203
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5</u>	<u>(3,407)</u>	<u>193</u>	<u>92,989</u>	<u>(38,481)</u>	<u>(52,452)</u>	<u>(1,153)</u>
OTHER FINANCING SOURCES							
Transfer	-	-	-	-	113,580	85,538	199,118
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,580</u>	<u>85,538</u>	<u>199,118</u>
Net Change in Fund Balance	5	(3,407)	193	92,989	75,099	33,086	197,965
Fund Balance - July 1, 2021	<u>3,669</u>	<u>23,366</u>	<u>82,555</u>	<u>461,274</u>	<u>(195,876)</u>	<u>214,865</u>	<u>589,853</u>
Fund Balance - June 30, 2022	<u>\$ 3,674</u>	<u>\$ 19,959</u>	<u>\$ 82,748</u>	<u>\$ 554,263</u>	<u>\$ (120,777)</u>	<u>\$ 247,951</u>	<u>\$ 787,818</u>

Village of Essex Junction, Vermont
STATEMENT OF REVENUE AND EXPENSES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
WATER FUND
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Water Sales - Village	\$ 1,237,418	\$ 1,215,984	\$ (21,434)
Water Sales - GF	2,865,970	2,981,182	115,212
Water Sales - Large Users	114,093	111,276	(2,817)
Penalties	5,000	6,308	1,308
Hook on Fees	7,000	9,450	2,450
Vac-Truck rental	-	75	75
Interest Earnings	1,000	1,190	190
Miscellaneous	150	6,523	6,373
	<u>4,230,631</u>	<u>4,331,988</u>	<u>101,357</u>
Total Operating Revenues			
OPERATING EXPENSES			
Salaries - Regular	127,344	130,113	(2,769)
Salaries - Overtime	14,408	9,409	4,999
Salaries - Part time	9,906	3,342	6,564
Social security	11,672	10,823	849
Unemployment insurance	175	239	(64)
Workers compensation insurance	10,300	6,126	4,174
Health insurance	77,998	77,286	712
Other employee benefits	875	-	875
Retirement	12,734	12,377	357
Liability and property insurance	6,225	2,212	4,013
Supplies	13,500	3,652	9,848
Telephone	2,500	2,422	78
Postage	3,500	2,659	841
Gas, oil and grease	3,000	1,908	1,092
Meters and parts	8,000	-	8,000
Computer expenses	3,655	2,371	1,284
Water and sewer charges	200	160	40
Training and conferences	3,000	693	2,307
Electrical services	1,000	1,053	(53)
Heat	3,000	2,830	170
Maintenance	2,500	27,901	(25,401)
Water line maintenance - breaks	16,000	25,103	(9,103)
Uniforms and boots	1,350	1,370	(20)

Village of Essex Junction, Vermont
STATEMENT OF REVENUE AND EXPENSES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
WATER FUND
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OPERATING EXPENSES (CONTINUED)			
Contracted services	123,556	120,808	2,748
Other professional services	1,000	621	379
Audit services	4,500	5,581	(1,081)
Right of way agreements	150	100	50
Water purchases - Village	540,613	582,557	(41,944)
Water purchases - GF	2,865,970	2,948,533	(82,563)
Printing and advertising	2,000	1,456	544
Transfer to capital reserve	360,000	360,000	-
Capital outlay	<u>-</u>	<u>19,868</u>	<u>(19,868)</u>
 Total Operating Expenses	 <u>4,230,631</u>	 <u>4,363,573</u>	 <u>(132,942)</u>
 Operating Income (loss)	 <u>\$ -</u>	 <u>\$ (31,585)</u>	 <u>\$ (31,585)</u>

**RECONCILIATION OF BUDGETARY
BASIS TO GAAP BASIS**

Change in Net Position - Budgetary Basis	\$ <u>(31,585)</u>
Adjustments for non-budget:	
Bond Interest	(14,049)
Capital Contributions	360,000
Depreciation	<u>(54,783)</u>
 Change in Net Position - Budgetary Basis	 \$ <u>259,583</u>

Village of Essex Junction, Vermont
STATEMENT OF REVENUE AND EXPENSES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
SANITATION FUND
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Sanitation billing	\$ 685,061	\$ 680,776	\$ (4,285)
Sanitation penalty	2,500	3,597	1,097
Essex pump station fees	30,123	27,591	(2,532)
Two party agreement revenue	15,000	15,000	-
Hook on fees	30,000	121,000	91,000
Interest earnings	8,000	4,275	(3,725)
Vac-Truck rental	-	900	900
Miscellaneous	3,000	393	(2,607)
	<u>773,684</u>	<u>853,532</u>	<u>79,848</u>
Total Operating Revenues			
OPERATING EXPENSES			
Salaries - Regular	113,186	102,089	11,097
Salaries - Overtime	16,977	11,362	5,615
Salaries - Part time	9,906	3,342	6,564
Social security	10,482	9,667	815
Unemployment insurance	175	247	(72)
Workers compensation insurance	8,850	5,545	3,305
Health insurance	58,478	58,416	62
Other employee benefits	840	-	840
Retirement	11,318	9,928	1,390
Liability and property insurance	5,750	1,712	4,038
Insurance Deductibles	1,000	-	1,000
Supplies	1,000	31	969
Tech Subs & Licenses	616	616	-
Postage	5,500	4,847	653
Gas, oil and grease	4,000	3,603	397
Computer expenses	3,000	2,487	513
Water and sewer charges	500	452	48
Training and conferences	200	410	(210)
Electrical services	14,000	10,216	3,784
Heating/natural gas	2,000	1,123	877
Maintenance	2,000	4,629	(2,629)
Pump station maintenance	14,000	6,437	7,563
Sanitation line maintenance	6,000	2,828	3,172
Meter Replacement Program	-	39,735	(39,735)

Village of Essex Junction, Vermont
STATEMENT OF REVENUE AND EXPENSES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
SANITATION FUND
For the Year Ended June 30, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING EXPENSES (continued)			
Susie Wilson pump station costs	12,480	10,037	2,443
West St. pump station costs	13,520	12,010	1,510
Uniforms and boots	1,350	661	689
Contracted services	157,856	155,108	2,748
Right-Of-Way Agreements	1,700	1,779	(79)
Other professional services	1,000	3,030	(2,030)
Audit services	2,500	2,852	(352)
Printing and advertising	1,500	-	1,500
Machinery and Equipment	5,000	-	5,000
Capital reserve fund contributions	95,000	95,000	-
Capital outlay	-	3,471	(3,471)
	<u>581,684</u>	<u>563,670</u>	<u>18,014</u>
Total Operating Expenses	<u>581,684</u>	<u>563,670</u>	<u>18,014</u>
Operating Income	<u>\$ 192,000</u>	<u>289,862</u>	<u>\$ 97,862</u>

**RECONCILIATION OF BUDGETARY
BASIS TO GAAP BASIS**

Change in Net Position - Budgetary Basis	\$	289,862
Adjustments for non-budget:		
Admin Fee on ARRA Loan		(2,673)
RF1-157 Loan Admin Fee		(15,234)
Capital Reserve Fund Transfer		95,000
Transfers from WWTF Fund for Debt		123,837
Transfer to WWTF for Upgrade		(301,963)
Loss on sale of Fixed Assets		(7,000)
Depreciation		(103,452)
Change in Net Position - Budgetary Basis	<u>\$</u>	<u>78,377</u>

Village of Essex Junction, Vermont
STATEMENT OF REVENUE AND EXPENSES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
WASTEWATER FUND
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Village user charges	\$ 775,461	\$ 852,940	\$ 77,479
Village user penalties	3,500	4,537	1,037
Wastewater charge - Essex	560,055	560,055	-
Wastewater charge - Williston	818,542	818,542	-
Pump station maintenance fee	34,300	34,300	-
Village septage discharge income	20,000	64,790	44,790
Shared septage revenue	20,000	32,395	12,395
Village leachate revenues	500	1,031	531
Share leachate revenues	100	516	416
Interest Earnings	-	5,320	5,320
Vac-Truck rental	-	75	75
Miscellaneous	-	4,338	4,338
	<u>2,232,458</u>	<u>2,378,839</u>	<u>146,381</u>
Total Operating Revenues	<u>2,232,458</u>	<u>2,378,839</u>	<u>146,381</u>
OPERATING EXPENSES			
Salaries - Regular	355,183	375,309	(20,126)
Salaries - Overtime	50,000	39,797	10,203
Salaries - Part-time	34,193	9,586	24,607
Social security	29,924	37,113	(7,189)
Workers comp insurance	27,800	17,449	10,351
Unemployment insurance	450	626	(176)
Health insurance	135,055	120,011	15,044
Other employee benefits	1,809	-	1,809
Retirement	35,519	39,951	(4,432)
Liability and property insurance	36,610	41,765	(5,155)
Supplies	9,000	20,204	(11,204)
Supplies - Laboratory	18,000	20,373	(2,373)
Chemicals	300,000	332,648	(32,648)
Gas, grease and oil	4,500	4,386	114
Water and sewer charge	4,000	3,926	74
Training and conference	7,500	4,793	2,707
Techs, Subs and Licenses	1,737	4,510	(2,773)
Telephone services	6,000	11,225	(5,225)
Electrical service	150,000	149,299	701
Heating	25,000	21,395	3,605

Village of Essex Junction, Vermont
STATEMENT OF REVENUE AND EXPENSES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
WASTEWATER FUND
For the Year Ended June 30, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING EXPENSES (continued)			
Maintenance - other	130,000	110,079	19,921
Rental of Equipment	-	1,301	(1,301)
Vehicles maintenance - travel	4,000	1,121	2,879
Uniforms, boots, etc.	5,000	4,462	538
Contract laboratory services	36,000	29,722	6,278
Contract services	61,778	60,404	1,374
Legal services	4,000	14,649	(10,649)
Grit Disposal	16,000	15,970	30
Sludge dewatering	165,000	187,759	(22,759)
Sludge management	160,000	154,921	5,079
Other professional services	4,000	5,163	(1,163)
Audit	4,500	5,556	(1,056)
WWTF Annual permit fee	9,900	10,425	(525)
Capital reserve fund contributions	400,000	400,000	-
Total Operating Expenses	2,232,458	2,255,898	(23,440)
Operating Income	\$ -	122,941	\$ 122,941

**RECONCILIATION OF BUDGETARY
BASIS TO GAAP BASIS**

Change in Net Position - Budgetary Basis	\$ 122,941
Adjustments for non-budget:	
Bond Interest	(39,106)
Admin Fee on Bonds	(203,575)
Capital Reserve Fund Transfer	400,000
Town of Essex Bond Contribution	296,567
Town of Williston Bond Contribution	291,181
Essex Junction Debt Payment	301,963
Capital Outlay	(40,237)
Transfer to General Fund	(1,500)
Transfer to Sanitation Fund	(123,837)
Depreciation	(955,118)
Change in Net Position - Budgetary Basis	\$ 49,279

Village of Essex Junction, Vermont
STATEMENT OF REVENUE AND EXPENSES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
ESSEX JUNCTION RECREATION AND PARKS
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Pool day admission	\$ 53,795	\$ 55,394	\$ 1,599
Pool memberships	32,151	35,496	3,345
Swim lessons	42,327	43,646	1,319
Concession sales	-	19,370	19,370
Facility and field rental	12,549	35,293	22,744
Youth programs	293,162	224,190	(68,972)
Adult programs	87,585	124,096	36,511
Childcare - AS	1,087,910	1,141,154	53,244
Childcare- PS	390,475	358,082	(32,393)
Childcare- DC	478,920	494,133	15,213
Shared staffing contract	104,193	122,012	17,819
Memorial day parade	-	13,100	13,100
Interest earnings	-	1,013	1,013
Sponsorship	6,950	2,051	(4,899)
	<u>2,590,017</u>	<u>2,669,030</u>	<u>79,013</u>
OPERATING EXPENSES			
Administration			
Salaries - Regular	-	4,258	(4,258)
Salaries - Part-time	4,840	453	4,387
Health insurance and other benefits	-	2,048	(2,048)
Social security	370	258	112
Workers compensation insurance	40,552	35,570	4,982
Retirement	-	224	(224)
Other professional services	3,750	2,413	1,337
Equipment rentals	2,135	3,973	(1,838)
Training, conferences, dues	10,250	10,523	(273)
Postage	4,478	1,956	2,522
Printing and advertising	12,860	6,901	5,959
Credit card processing fees	-	61,018	(61,018)
Recreation Programs			
Salaries - Regular	13,820	14,203	(383)
Salaries- Part-time	4,369	6,974	(2,605)
Health insurance and other benefits	7,965	-	7,965
Social security	1,398	1,611	(213)

Village of Essex Junction, Vermont
STATEMENT OF REVENUE AND EXPENSES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
ESSEX JUNCTION RECREATION AND PARKS
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
OPERATING EXPENSES (continued)			
Retirement	1,382	-	1,382
Other professional services	256,513	275,899	(19,386)
Water and sewer charges	800	-	800
Maintenance- buildings/grounds	200	-	200
Rental	600	-	600
Equipment rentals	1,400	-	1,400
Training, conferences, dues	700	2,401	(1,701)
Printing and advertising	200	-	200
Supplies	24,024	37,929	(13,905)
Memorial Day parade	-	9,318	(9,318)
After School Care			
Salaries - Regular	462,544	412,007	50,537
Salaries- Part-time	354,015	274,151	79,864
Overtime wages	6,115	4,646	1,469
Health insurance and other benefits	131,661	76,741	54,920
Social security	64,003	52,866	11,137
Retirement	46,289	41,025	5,264
Other professional services	32,524	25,888	6,636
Interest Expense	12,638	-	12,638
Training, conferences, dues	21,146	9,186	11,960
Telephone	7,260	8,331	(1,071)
Travel	67,412	8,029	59,383
Supplies	58,634	82,024	(23,390)
Gas, grease, oil	1,900	2,951	(1,051)
Preschool			
Salaries- Regular	193,272	206,516	(13,244)
Salaries- Part-time	41,109	41,520	(411)
Salaries - Overtime	-	311	(311)
Health insurance and other benefits	100,252	87,030	13,222
Social security	18,038	18,920	(882)
Retirement	19,327	20,535	(1,208)
Other professional services	3,114	2,376	738
Training, conferences, dues	8,902	2,768	6,134
Travel	1,728	-	1,728
Supplies	4,500	10,623	(6,123)

Village of Essex Junction, Vermont
STATEMENT OF REVENUE AND EXPENSES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
ESSEX JUNCTION RECREATION AND PARKS
For the Year Ended June 30, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING EXPENSES (continued)			
Summer Day Camps			
Salaries- Regular	50,310	24,023	26,287
Salaries- Part-time	293,123	317,369	(24,246)
Salaries - Overtime	-	22,518	(22,518)
Social security	26,273	27,706	(1,433)
Other professional services	9,290	21,898	(12,608)
Travel	51,399	78,163	(26,764)
Supplies	31,631	28,228	3,403
Gas, grease and oil	100	-	100
Pool			
Maintenance- buildings/grounds	25,315	22,738	2,577
Supplies	5,950	12,528	(6,578)
Aquatics			
Salaries- Part-time	105,427	105,363	64
Social security	8,065	8,086	(21)
Other professional services	6,046	3,280	2,766
Communications	1,320	636	684
Parks & Facilities			
Salaries- Part-time	7,922	6,139	1,783
Social security	606	470	136
Other professional services	2,500	7,181	(4,681)
Equipment rental	7,200	1,089	6,111
Training, conferences, dues	3,500	3,925	(425)
Parks and facilities supplies	4,315	156	4,159
 Total Operating Expenses	 2,689,281	 2,557,870	 131,411
 Operating Income Gain (loss)	 \$ (99,264)	 \$ 111,160	 \$ 210,424

**RECONCILIATION OF BUDGETARY
BASIS TO GAAP BASIS**

Change in Net Position - Budgetary Basis	\$ 111,160
Adjustments for non-budget:	
Federal Grant Revenue	393,400
Depreciation	(23,699)