

TOWN OF RANDOLPH, VERMONT
AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2020

TOWN OF RANDOLPH, VERMONT
 FOR THE YEAR ENDED JUNE 30, 2020
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Batchelder Associates, PC

INDEPENDENT AUDITOR'S REPORT

To the Select Board
Town of Randolph
Randolph, Vermont

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Randolph, Vermont as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Randolph, Vermont, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 on pages 3-8 and 46-50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Randolph, Vermont basic financial statements. The combining fund financial statements and budgetary comparison schedule for the General Fund are presented for purpose of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by "Government Auditing Standards"

In accordance with "Government Auditing Standards", we have also issued our report dated November 18, 2020 on our consideration of the Town of Randolph, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the Town of Randolph, Vermont's internal control over financial reporting and compliance.

Batchelder Associates, PC

Batchelder Associates, PC
License #945
Barre, Vermont
November 18, 2020

TOWN OF RANDOLPH, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020

Our discussion and analysis of the Town of Randolph, Vermont's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2020. This report should be read in conjunction with the Town's financial statements.

Financial Highlights

- The Town's net position increased by \$1,310,457 as a result of this year's operations. Net position of our business-type activities increased by \$367,020 and net position of our governmental activities increased by \$943,437.
- In the Town's business-type activities, revenues and transfers were \$1,769,253 while expenses and transfers were \$1,402,233. Net position at June 30, 2020 totaled \$8,937,519.
- The cost of all the Town's programs was \$6,468,614 this year, with no new programs added.
- The General Fund reported a surplus this year of \$51,725.
- The unassigned fund balance for the General Fund was \$1 as of June 30, 2020. This amount represents the amount of funds available for future budgets.
- The Highway Fund reported a surplus this year of \$20,547 which resulted in a fund balance of \$31,197 as of June 30, 2020.
- The Library Fund reported a surplus this year of \$7,681 which resulted in a fund balance of \$12,832.
- The Police Fund reported a deficit this year of \$17,221, which resulted in a fund balance of \$98,715.
- The Grant Fund reported a deficit this year of \$121,725 which resulted in a fund deficit of \$321,957.
- The Capital Project Funds reported a surplus of \$1,131,446 which increased the cumulative surplus to \$2,405,683.
- The Other Governmental Funds reported a deficit of \$65,241 which decreased the cumulative surplus to \$434,347.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Exhibits A and B) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements start on Exhibit C. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside the government.

Reporting the Town as a Whole

The government-wide financial statements are on Exhibit A and B. One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All the current year's revenues and expenses are considered regardless of when cash is received or paid.

TOWN OF RANDOLPH, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020

These two statements report the Town's net position and changes in them. You can think of the Town's net position – the difference between assets, liabilities, and deferred inflows/outflows – as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the overall health of the Town.

In the Statement of Net Position and the Statement of Activities, we divide the Town into two kinds of activities:

- **Governmental activities** – Most of the Town's basic services are reported here, including the, public safety, highway and streets, sanitation, town hall, community services, cemetery, schools, and general administration. Property taxes and state and federal grants finance most of these activities.
- **Business-type activities** – The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's water and sewer activities are reported here.

Reporting the Town's Most Significant Funds

The fund financial statements begin on page 11 and provide detailed information about the most significant funds – not the Town as a whole. Some funds are required to be established by state law and by bond covenants. However, the Town Select board establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Town's two kinds of funds, governmental and proprietary, use different accounting approaches.

- **Governmental funds** – Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in Exhibits C and D that are included in the financial statements.
- **Proprietary funds** – When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.

TOWN OF RANDOLPH, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020

The Town as a Whole

The Town's combined net position increased by \$1,310,457 from 2019, increasing from a balance of \$16,962,651 (restated) to \$18,273,108. Our analysis below focuses on the net position (Table 1) and changes in net position (Table II) of the Town's governmental and business-type activities.

Table I - Net Position

	Governmental Activities		Business-type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
Current assets	\$ 3,337,879	\$ 4,644,328	\$ 2,903,205	\$ 1,250,133	\$ 6,241,084	\$ 5,894,461
Noncurrent assets	14,302,976	14,401,801	13,647,408	13,983,800	27,950,384	28,385,601
Total Assets	17,640,855	19,046,129	16,550,613	15,233,933	34,191,468	34,280,062
Deferred outflows of resources	682,919	832,009	-	-	682,919	832,009
Long-term liabilities outstanding	7,855,928	9,136,756	7,187,905	6,463,071	15,043,833	15,599,827
Other liabilities	827,502	1,521,180	425,189	406,994	1,252,691	1,928,174
Total Liabilities	8,683,430	10,657,936	7,613,094	6,870,065	16,296,524	17,528,001
Deferred inflows of resources	304,755	1,340,689	-	-	304,755	1,340,689
Net Position						
Invested in capital assets	6,681,038	5,292,452	6,457,513	8,019,320	13,138,551	13,311,772
Nonspendable	107,274	-	-	-	107,274	-
Restricted	(104,636)	4,435,453	-	-	(104,636)	4,435,453
Unassigned	2,651,913	(1,335,753)	2,480,006	551,179	5,131,919	(784,574)
Total Net Position	\$ 9,335,589	\$ 8,392,152	\$ 8,937,519	\$ 8,570,499	\$ 18,273,108	\$ 16,962,651

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, changed from a deficit of \$1,335,753 at June 30, 2019 to a surplus of \$2,651,913 surplus at June 30, 2020 for the governmental activities.

The unrestricted net position of our business-type activities increased to \$2,480,006 compared to \$551,179 in fiscal year 2019. The Town generally can only use these net positions to finance the continuing operations of the landfill, water, and sewer operations. This increase is due to restated fund balances due to debt allocation, which decreased the investment in fixed assets and increased the unrestricted funds.

TOWN OF RANDOLPH, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020

Table II-Change in Net Position

	Governmental Activities		Business-type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
REVENUES:						
Program revenues						
Charges for services	\$ 201,335	\$ 422,155	\$ 1,414,559	\$ 1,420,606	\$ 1,615,894	\$ 1,842,761
Grants and contributions	1,127,551	2,867,430	105,789	1,941,295	1,233,340	4,808,725
Other	537,359	124,826	-	6,656	537,359	131,482
General revenues						
Property taxes	3,802,489	3,957,060	-	-	3,802,489	3,957,060
Other	429,032	405,529	34,108	-	463,140	405,529
Licenses and permits	86,874	-	-	-	86,874	-
Investment income	20,709	73,469	19,266	131,579	39,975	205,048
Transfers in (out)	70,000	767,962	(70,000)	(723,991)	-	43,971
Total revenues	<u>6,275,349</u>	<u>8,618,431</u>	<u>1,503,722</u>	<u>2,776,145</u>	<u>7,779,071</u>	<u>11,394,576</u>
EXPENDITURES:						
General government	1,814,956	4,838,627	-	-	1,814,956	4,838,627
Public safety	821,941	872,954	-	-	821,941	872,954
Highway and streets	1,728,804	1,772,144	-	-	1,728,804	1,772,144
Community Services	231,252	261,543	-	-	231,252	261,543
Culture and recreation	602,753	-	-	-	602,753	-
Interest	132,206	278,474	117,621	125,027	249,827	403,501
Water	-	-	406,154	408,978	406,154	408,978
Sewer	-	-	610,897	689,833	610,897	689,833
Landfill	-	278,474	2,030	2,030	2,030	280,504
Total expenditures	<u>5,331,912</u>	<u>8,302,216</u>	<u>1,136,702</u>	<u>1,225,868</u>	<u>6,468,614</u>	<u>9,528,084</u>
Net Change in Fund Balances	<u>943,437</u>	<u>316,215</u>	<u>367,020</u>	<u>1,550,277</u>	<u>1,310,457</u>	<u>1,866,492</u>
Fund Balances - July 1, 2019, restated	<u>8,392,152</u>	<u>8,075,937</u>	<u>8,570,499</u>	<u>7,020,222</u>	<u>16,962,651</u>	<u>15,096,159</u>
Fund Balances - June 30, 2020	<u>\$ 9,335,589</u>	<u>\$ 8,392,152</u>	<u>\$ 8,937,519</u>	<u>\$ 8,570,499</u>	<u>\$ 18,273,108</u>	<u>\$ 16,962,651</u>

Our analysis below separately considers the operations of governmental and business-type activities.

Governmental Activities

The increase in net position for governmental activities was \$943,437 in 2020. Revenues decreased by 2,343,082 or 27.19% and expenses decreased by \$2,970,304 or 35.78%, compared to 2019. Most of this decrease in revenue is due to the decrease of grant revenue and associated expenses in 2020.

The cost of all governmental activities this year was \$5,331,912, however, as shown in the Statement of Activities on Exhibit B, the amount that our taxpayers ultimately financed for these activities through Town taxes was \$3,465,667. Some of the cost was paid by those who directly benefited from the programs (\$201,335) or by other governments and organizations that subsidized certain programs with grants and contributions (\$1,664,910).

Business-type Activities

The business-type activities net position increased by \$367,020 in 2020. Revenues decreased by \$1,272,423 or 45.83%, and expenses decreased by \$89,166 or 7.27%, compared to 2019. Expected revenue and expenses have impacted this year's results in this comparison for Business-Type Activities.

TOWN OF RANDOLPH, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020

The Town's Funds

As the Town completed the year, its governmental funds (as presented in the Balance Sheet on Exhibit C) reported a combined fund balance of \$2,730,358 which represents an increase of \$430,372 from last year's total of \$1,723,146. Included in this year's total change in fund balance is an increase of \$51,725 in the Town's General Fund.

Schedule III compares actual to budget for the General and Highway Fund. The most significant variances of actual to budget revenue and expenses, excluding transfers between funds, were as follows:

	Budget	Actual	Favorable (Unfavorable)
Revenues:			
General Budget	\$ 2,850,607	\$ 2,954,245	\$ 103,638
Highway Budget	\$ 1,801,211	\$ 1,823,373	\$ 22,162
Expenditures:			
General Budget	\$ 2,769,607	\$ 2,392,421	\$ 377,186
Highway Budget	\$ 1,516,211	\$ 1,402,190	\$ 114,021

Capital Assets and Debt Administration

Capital Assets

At June 30, 2020, the Town had \$26,528,552 invested in a broad range of capital assets, including vehicle, equipment, buildings and sewer lines, net of accumulated depreciation. (See Table III). This amount represents a net decrease (including additions, disposals, and depreciation) of \$705,239 from last year.

Table III
Capital Assets at Year-End
(Net of Accumulated Depreciation)

	Governmental Activities		Business-type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
Land	\$ 654,155	\$ 654,155	\$ 518,689	\$ 518,689	\$ 1,172,844	\$ 1,172,844
Construction in progress	337,415	330,461	198,547	196,802	535,962	527,263
Building and improvements	5,044,638	5,186,181	-	-	5,044,638	5,186,181
Equipment	1,787,004	1,992,702	-	-	1,787,004	1,992,702
Infrastructure	5,057,932	5,086,492	-	-	5,057,932	5,086,492
Water	-	-	3,005,373	3,135,459	3,005,373	3,135,459
Sewer	-	-	9,904,499	10,110,520	9,904,499	10,110,520
Landfill	-	-	20,300	22,330	20,300	22,330
Total Assets	\$ 12,881,144	\$ 13,249,991	\$ 13,647,408	\$ 13,983,800	\$ 26,528,552	\$ 27,233,791

TOWN OF RANDOLPH, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020

Debt Administration

At June 30, 2020, the Town had \$15,904,934 in outstanding debt and long-term liabilities, versus \$17,613,304 at June 30, 2019, a decrease of \$1,708,370 as shown in Table IV.

Table IV
Outstanding Debt at Year-End

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Post closure liability	\$ -	\$ -	\$ 520,000	\$ 585,000	\$ 520,000	\$ 585,000
Bond payable	5,482,032	7,051,567	7,024,157	7,388,896	12,506,189	14,440,463
Note payable	253,771	264,507	-	-	253,771	264,507
Lease payable	464,303	174,345	-	-	464,303	174,345
Pension liability	2,093,468	2,148,989	-	-	2,093,468	2,148,989
Uncompensated balances	67,203	-	-	-	67,203	-
Totals	\$ 8,360,777	\$ 9,639,408	\$ 7,544,157	\$ 7,973,896	\$ 15,904,934	\$ 17,613,304

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials consider many factors when setting the fiscal year 2021 budget, tax rates, and fees.

When adopting the budget for the 2021 year, the Select board considered operational and capital needs of the Town, and the impact of spending on the tax rate.

The Town budgeted no change in fund balance for the fiscal year ending June 30, 2021.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Manager at Town of Randolph, Randolph, Vermont, 05060.

TOWN OF RANDOLPH, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2020

EXHIBIT A

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash	\$ 3,290,435	\$ -	\$ 3,290,435
Investments	2,175,523	-	2,175,523
Accounts receivable, net	175,926	289,923	465,849
Delinquent taxes receivable, net	100,534	-	100,534
Due from trustees	62,680	-	62,680
Due (to)/from other funds	(2,574,493)	2,574,493	-
Prepaid expenses	107,274	12,064	119,338
Inventory	-	26,725	26,725
Noncurrent assets:			
Grant receivable	287,582	-	287,582
Note receivable	1,024,000	-	1,024,000
Interest receivable	110,250	-	110,250
Capital assets:			
Land	654,155	518,689	1,172,844
Construction in progress	337,415	198,547	535,962
Buildings and building improvements	6,613,158	17,258,209	23,871,367
Equipment	4,358,436	-	4,358,436
Infrastructure	6,542,411	-	6,542,411
Accumulated depreciation	(5,624,431)	(4,328,037)	(9,952,468)
Total assets	<u>17,640,855</u>	<u>16,550,613</u>	<u>34,191,468</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows of resources related to the Town's participation in VSERS	682,919	-	682,919
Total deferred outflows of resources	<u>682,919</u>	<u>-</u>	<u>682,919</u>
 <u>LIABILITIES</u>			
Accounts payable	252,305	22,682	274,987
Accrued expenses	70,348	44,297	114,645
Utility overpayments	-	1,958	1,958
Noncurrent liabilities:			
Due within one year	504,849	356,252	861,101
Due in more than one year	5,695,257	7,187,905	12,883,162
Uncompensated balances	67,203	-	67,203
Net pension liability	2,093,468	-	2,093,468
Total liabilities	<u>8,683,430</u>	<u>7,613,094</u>	<u>16,296,524</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Prepaid property taxes	4,829	-	4,829
Town's participation in VSERS	299,926	-	299,926
Total deferred inflows of resources	<u>304,755</u>	<u>-</u>	<u>304,755</u>
 <u>NET POSITION</u>			
Invested in capital assets	6,681,038	6,457,513	13,138,551
Restricted			
Nonspendable	107,274	-	107,274
Expendable	(104,636)	-	(104,636)
Unrestricted	2,651,913	2,480,006	5,131,919
Total net position	<u>\$ 9,335,589</u>	<u>\$ 8,937,519</u>	<u>\$ 18,273,108</u>

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

TOWN OF RANDOLPH, VERMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT B

	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 1,814,956	\$ 20,433	\$ 735,501	\$ -	\$ (1,059,022)	\$ -	\$ (1,059,022)
Public safety	821,941	71,300	3,511	537,359	(209,771)	-	(209,771)
Highway and streets	1,728,804	44,611	342,998	-	(1,341,195)	-	(1,341,195)
Community Services	-	4,037	39,984	-	44,021	-	44,021
Culture and recreation	602,753	60,954	5,557	-	(536,242)	-	(536,242)
Community development	231,252	-	-	-	(231,252)	-	(231,252)
Interest on long-term debt	132,206	-	-	-	(132,206)	-	(132,206)
Total governmental activities	<u>5,331,912</u>	<u>201,335</u>	<u>1,127,551</u>	<u>537,359</u>	<u>(3,465,667)</u>	<u>-</u>	<u>(3,465,667)</u>
Business-type activities:							
Water	406,154	462,963	76,716	-	-	133,525	133,525
Sewer	610,897	951,596	29,073	-	-	369,772	369,772
Landfill	2,030	-	-	-	-	(2,030)	(2,030)
Interest on long-term debt	117,621	-	-	-	-	(117,621)	(117,621)
	<u>1,136,702</u>	<u>1,414,559</u>	<u>105,789</u>	<u>-</u>	<u>-</u>	<u>383,646</u>	<u>383,646</u>
Total primary government	<u>\$ 6,468,614</u>	<u>\$ 1,615,894</u>	<u>\$ 1,233,340</u>	<u>\$ 537,359</u>	<u>(3,465,667)</u>	<u>383,646</u>	<u>(3,082,021)</u>
General Revenues:							
Property taxes					3,782,581	-	3,782,581
Property taxes - interest and penalties					19,908	-	19,908
Licenses and permits					86,874	-	86,874
Investment income					20,709	19,266	39,975
Donations					25,000	-	25,000
Miscellaneous					404,032	34,108	438,140
Transfers					70,000	(70,000)	-
Total general revenues and transfers					<u>4,409,104</u>	<u>(16,626)</u>	<u>4,392,478</u>
Change in Net Position					943,437	367,020	1,310,457
Net Position - July 1, 2019, restated					<u>8,392,152</u>	<u>8,570,499</u>	<u>16,962,651</u>
Net Position - June 30, 2020					<u>\$ 9,335,589</u>	<u>\$ 8,937,519</u>	<u>\$ 18,273,108</u>

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

TOWN OF RANDOLPH, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR YEAR ENDED JUNE 30, 2020

EXHIBIT C

	General Fund	Highway Fund	Library Fund	Police Fund	Revolving Loan Fund	Grants Fund	Capital Project Funds	Other Governmental Funds	Total Governmental Funds
ASSETS									
Cash	\$ 3,276,733	\$ -	\$ 160	\$ -	\$ -	\$ -	\$ -	\$ 13,542	\$ 3,290,435
Investments	2,175,523	-	-	-	-	-	-	-	2,175,523
Accounts receivable, net	172,484	3,355	87	-	-	-	-	-	175,926
Delinquent taxes receivable, net	100,534	-	-	-	-	-	-	-	100,534
Grant receivable	-	-	-	-	-	287,582	-	-	287,582
Note receivable	-	-	-	-	1,024,000	-	-	-	1,024,000
Interest receivable	-	-	-	-	110,250	-	-	-	110,250
Due from trustees	32,696	-	29,984	-	-	-	-	-	62,680
Due from other funds	165,739	24,323	-	125,259	-	-	2,405,683	532,331	3,253,335
Prepaid expenses	69,540	31,197	5,873	664	-	-	-	-	107,274
Total assets	\$ 5,993,249	\$ 58,875	\$ 36,104	\$ 125,923	\$ 1,134,250	\$ 287,582	\$ 2,405,683	\$ 545,873	\$ 10,587,539
LIABILITIES									
Accounts payable	\$ 93,440	\$ 27,678	\$ 6,418	\$ 27,208	\$ -	\$ 14,961	\$ -	\$ 82,600	\$ 252,305
Accrued expenses	70,348	-	-	-	-	-	-	-	70,348
Due to other funds	5,533,191	-	16,854	-	-	248,857	-	28,926	5,827,828
Total liabilities	5,696,979	27,678	23,272	27,208	-	263,818	-	111,526	6,150,481
DEFERRED INFLOWS OF RESOURCES									
Prepaid property taxes	4,829	-	-	-	-	-	-	-	4,829
Deferred Taxes	56,161	-	-	-	-	-	-	-	56,161
Deferred note revenue	165,739	-	-	-	1,134,250	-	-	-	1,299,989
Deferred grant revenue	-	-	-	-	-	345,721	-	-	345,721
Total deferred inflows of resources	226,729	-	-	-	1,134,250	345,721	-	-	1,706,700
FUND BALANCES									
Nonspendable	69,540	31,197	5,873	664	-	-	-	-	107,274
Restricted	-	-	-	-	-	(321,957)	25,000	192,321	(104,636)
Committed	-	-	6,959	98,051	-	-	2,380,683	242,026	2,727,719
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	1	-	-	-	-	-	-	-	1
Total fund balances	69,541	31,197	12,832	98,715	-	(321,957)	2,405,683	434,347	2,730,358
Total liabilities, deferred inflows of resources and fund balances	\$ 5,993,249	\$ 58,875	\$ 36,104	\$ 125,923	\$ 1,134,250	\$ 287,582	\$ 2,405,683	\$ 545,873	\$ 10,587,539

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

TOWN OF RANDOLPH, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR END JUNE 30, 2020

EXHIBIT D

	General Fund	Highway Fund	Library Fund	Police Fund	Revolving Loan Fund	Grants Fund	Capital Project Fund	Other Governmental Funds	Governmental Fund
REVENUES:									
Property taxes	\$ 1,817,469	\$ 1,488,761	\$ 252,280	\$ 312,927	\$ -	\$ -	\$ -	\$ -	\$ 3,871,437
Property taxes - interest and penalties	19,908	-	-	-	-	-	-	-	19,908
Grant Income	-	-	-	-	-	196,796	-	-	196,796
Intergovernmental	754,472	200,819	39,984	3,511	-	-	123,208	5,557	1,127,551
Donations	-	-	-	-	-	-	25,000	-	25,000
Charges for services	160,942	36,356	4,037	-	-	-	-	-	201,335
Licenses and fees	69,503	875	-	2,186	-	-	-	14,310	86,874
Investment income	19,346	969	31	-	-	-	347	16	20,709
Other	112,605	95,593	14,075	-	-	-	8,270	1,000	231,543
Total revenues	2,954,245	1,823,373	310,407	318,624	-	196,796	156,825	20,883	5,781,153
EXPENDITURES:									
General government	1,299,905	-	-	-	-	-	1,001	46,777	1,347,683
Public safety	424,745	-	-	323,546	-	16,560	13,108	43,982	821,941
Highway and streets	-	1,265,762	-	-	-	135,653	27,258	-	1,428,673
Community services	-	-	-	-	-	-	-	-	-
Culture and recreation	208,013	-	297,226	-	-	50,099	-	47,415	602,753
Cemetery	-	-	-	-	-	-	-	-	-
Community development	85,120	-	-	-	-	139,584	-	-	224,704
Capital Outlay:									
General government	5,935	-	-	-	-	-	-	-	5,935
Public Safety	6,954	-	-	-	-	-	-	-	6,954
Highway and streets	-	-	-	-	-	-	130,811	-	130,811
Debt service:									
Principal	286,272	87,600	-	-	-	-	118,045	10,736	502,653
Interest	75,477	48,828	-	7,159	-	-	742	-	132,206
Total expenditures	2,392,421	1,402,190	297,226	330,705	-	341,896	290,965	148,910	5,204,313
Excess (Deficiency) of Revenues Over Expenditures	561,824	421,183	13,181	(12,081)	-	(145,100)	(134,140)	(128,027)	576,840
OTHER FINANCING SOURCES (USES)									
Loan proceeds	-	-	-	-	-	-	360,372	-	360,372
Transfers in	103,500	29,464	-	-	-	23,719	909,677	63,100	1,129,460
Transfers out	(613,599)	(430,100)	(5,500)	(5,140)	-	(344)	(4,463)	(314)	(1,059,460)
Total other financing sources (uses)	(510,099)	(400,636)	(5,500)	(5,140)	-	23,375	1,265,586	62,786	430,372
Net Change in Fund Balances	51,725	20,547	7,681	(17,221)	-	(121,725)	1,131,446	(65,241)	1,007,212
Fund Balances - June 30, 2019, restated	17,816	10,650	5,151	115,936	-	(200,232)	1,274,237	499,588	1,723,146
Fund Balances - June 30, 2020	\$ 69,541	\$ 31,197	\$ 12,832	\$ 98,715	\$ -	\$ (321,957)	\$ 2,405,683	\$ 434,347	\$ 2,730,358

The accompanying notes are an integral part of this financial statement

TOWN OF RANDOLPH, VERMONT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

EXHIBIT E

Amounts reported for governmental activities in the statement of net position
(Exhibit A) are different because:

Fund balance - total governmental funds (Exhibit C)		\$ 2,730,358
Government funds report delinquent taxes received after the first sixty days of the next fiscal year as deferred revenue. However, they are reported as revenue in the government-wide financial statements.		56,161
Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.		
Cost of assets	18,505,575	
Accumulated depreciation	<u>(5,624,431)</u>	12,881,144
Long-term assets, including notes receivable and interest are not collectible in the current period, and therefore are reported as deferred		
Note receivable and accrued interest	1,299,989	
Grant revenue	<u>345,721</u>	1,645,710
Long-term liabilities, including bonds and loan payable are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Compensated absences	(67,203)	
Deferred outflows, VSERS	682,919	
Deferred inflows, VSERS	(299,926)	
Net pension liability	(2,093,468)	
Long-term liabilities at year end	<u>(6,200,106)</u>	<u>(7,977,784)</u>
 Net position - governmental activities (Exhibit A)		 <u><u>\$ 9,335,589</u></u>

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

TOWN OF RANDOLPH, 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, 2020

EXHIBIT F

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit D)	\$ 1,007,212
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$143,700) are allocated over their estimated useful life and reported as depreciation expense (\$512,547). This is the amount by which capital outlays exceeded depreciation in the current period.	(368,847)
Property taxes receivable, notes receivable and other receivables are recognized on the accrual basis in the statement of net position, not the modified accrual basis. The decrease in this unearned and unavailable revenue for the year is:	424,196
The issuance of long-term debt provides current financial resources to governmental funds (\$360,372), while the repayment of the principal of long-term debt (\$502,653) Including discounted interest, consumes the current financial resources of governmental funds. This amount is the net effect of these references in the treatment of long-term debt and related items.	142,281
In the statement of activities, accrued compensated absences is measured by the amount incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid.) This year, compensated absences incurred was (greater) / less than the amounts paid.	(67,203)
Governmental funds report employer pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.	<u>(194,202)</u>
Change in net position of governmental activities (Exhibit B)	<u><u>\$ 943,437</u></u>

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

TOWN OF RANDOLPH, VERMONT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
FOR YEAR ENDED JUNE 30, 2020

EXHIBIT G

	Landfill Fund	Water Fund	Water Improvement Fund	Sewer Fund	Sewer Improvement Fund	Total Proprietary Funds
ASSETS						
Current assets:						
Accounts receivable	\$ -	\$ 105,013	\$ -	\$ 184,910	\$ -	\$ 289,923
Prepaid expenses	241	4,761	-	7,062	-	12,064
Inventory	-	-	-	26,725	-	26,725
Due from other funds	1,321,172	-	595,789	-	1,256,241	
Total current assets	1,321,413	109,774	595,789	218,697	1,256,241	328,712
Non-current assets:						
Capital assets	286,508	6,546,597	-	11,142,340	-	17,975,445
Accumulated depreciation	(81,200)	(3,059,599)	-	(1,187,238)	-	(4,328,037)
Total non-current assets	205,308	3,486,998	-	9,955,102	-	13,647,408
Total assets	\$ 1,526,721	\$ 3,596,772	\$ 595,789	\$ 10,173,799	\$ 1,256,241	\$ 13,976,120
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 312	\$ 7,693	\$ -	\$ 14,677	\$ -	\$ 22,682
Accrued expenses	-	5,063	-	39,234	-	44,297
Utility overpayments	-	1,958	-	-	-	1,958
Due to other funds	-	268,185	-	330,524	-	598,709
Current portion accrued postclosure liability	65,000	-	-	-	-	65,000
Current portion of long-term debt	-	66,990	-	224,262	-	291,252
Total current liabilities	65,312	349,889	-	608,697	-	1,023,898
Noncurrent liabilities:						
Accrued postclosure liability	455,000	-	-	-	-	455,000
Long-term debt	-	1,541,784	-	5,191,121	-	6,732,905
Total noncurrent liabilities	455,000	1,541,784	-	5,191,121	-	7,187,905
Total liabilities	520,312	1,891,673	-	5,799,818	-	8,211,803
NET POSITION						
Net investment in capital assets	205,308	1,878,224	-	4,373,981	-	6,457,513
Unrestricted (deficit)	801,101	(173,125)	595,789	-	1,256,241	2,480,006
Total net position	1,006,409	1,705,099	595,789	4,373,981	1,256,241	8,937,519
Total liabilities and net position	\$ 1,526,721	\$ 3,596,772	\$ 595,789	\$ 10,173,799	\$ 1,256,241	\$ 17,149,322

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

TOWN OF RANDOLPH, VERMONT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR YEAR ENDED JUNE 30, 2020

EXHIBIT H

	Landfill Fund	Water Fund	Water Improvement Fund	Sewer Fund	Sewer Improvement Fund	Total Proprietary Funds
OPERATING REVENUES:						
Charges for services	\$ -	\$ 462,963	\$ -	\$ 908,484	\$ 43,112	\$ 1,414,559
Decrease in post-closure costs, net	26,269	-	-	-	-	26,269
Miscellaneous	1,259	4,336	-	2,244	-	7,839
Total operating revenues	27,528	467,299	-	910,728	43,112	1,448,667
OPERATING EXPENSES:						
Depreciation	2,030	141,283	-	237,261	-	380,574
Operations	-	264,060	811	372,681	955	638,507
Total operating expenses	2,030	405,343	811	609,942	955	1,019,081
Total operating income	25,498	61,956	(811)	300,786	42,157	429,586
NON-OPERATING REVENUES (EXPENSES) :						
Intergovernmental	-	76,716	-	29,073	-	105,789
Investment income (loss)	15,007	3,613	-	646	-	19,266
Interest expense	-	(16,048)	-	(101,573)	-	(117,621)
Total nonoperating revenues (expenses)	15,007	64,281	-	(71,854)	-	7,434
Net income (loss) before transfers	40,505	126,237	(811)	228,932	42,157	437,020
Intefund transfers in	-	-	-	-	195,531	195,531
Interfund transfers out	(1,000)	(22,000)	-	(242,531)	-	(265,531)
	(1,000)	(22,000)	-	(242,531)	195,531	(70,000)
Change in Net Position	39,505	104,237	(811)	(13,599)	237,688	367,020
Net Position - July 1, 2019, restated	966,904	1,600,862	596,600	4,387,580	1,018,553	8,570,499
Net Position - June 30, 2020	\$ 1,006,409	\$ 1,705,099	\$ 595,789	\$ 4,373,981	\$ 1,256,241	\$ 8,937,519

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

TOWN OF RANDOLPH, VERMONT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT I

	Landfill Fund	Water Fund	Water Improvement Fund	Sewer Fund	Sewer Improvement Fund	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers and users	\$ 26,528	\$ 462,300	\$ -	\$ 964,942	\$ 43,112	\$ 1,496,882
Other cash receipts	-	4,336	-	2,244	-	6,580
Payments for goods and services	(4,632)	(114,966)	(811)	(315,741)	(955)	(437,105)
Payments for wages and benefits	-	(172,033)	-	(151,784)	-	(323,817)
Net cash provided (used) by operating activities	<u>21,896</u>	<u>179,637</u>	<u>(811)</u>	<u>499,661</u>	<u>42,157</u>	<u>742,540</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers received from other funds					195,531	195,531
Transfers to other funds				(195,531)		(195,531)
Decrease (increase) in due from other funds	28,097		811	-	(237,688)	(208,780)
(Decrease) Increase in due to other funds	-	(86,617)	-	19,999	-	(66,618)
Net cash provided (used) by noncapital and related financing activities	<u>28,097</u>	<u>(86,617)</u>	<u>811</u>	<u>(175,532)</u>	<u>(42,157)</u>	<u>(275,398)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from grants	-	-	-	29,073	-	29,073
Proceeds from long-term debt	-	-	-	-	-	-
Principal paid on bonds payable	-	(143,704)	-	(221,035)	-	(364,739)
Decrease of postclosure liability	(65,000)	-	-	-	-	(65,000)
Interest paid on bonds payable	-	60,013	-	(101,573)	-	(41,560)
Acquisition and construction of capital assets	-	(12,942)	-	(31,240)	-	(44,182)
Net cash provided (used) by capital and related financing activities	<u>(65,000)</u>	<u>(96,633)</u>	<u>-</u>	<u>(324,775)</u>	<u>-</u>	<u>(486,408)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest	15,007	3,613	-	646	-	19,266
Net cash provided (used) by investing activities	<u>15,007</u>	<u>3,613</u>	<u>-</u>	<u>646</u>	<u>-</u>	<u>19,266</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash - July 1, 2019	-	-	-	-	-	-
Cash - June 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Income (loss) from operations	\$ 24,498	\$ 39,956	\$ (811)	\$ 253,786	\$ 42,157	\$ 359,586
Depreciation	2,030	141,283	-	237,261	-	380,574
(Increase) decrease in accounts receivable	0	(663)	-	56,458	-	55,795
(Increase) decrease in prepaid expenses	(241)	(2,929)	-	21,496	-	18,326
(Increase) decrease in inventory	0	-	-	(26,725)	-	(26,725)
(Increase) decrease in investments	-	-	-	-	-	-
Increase (decrease) in accounts payable	(4,391)	1,990	-	(44,312)	-	(46,713)
Increase (decrease) in accrued expenses	0	0	0	1,697	0	1,697
Net cash provided (used) by operating activities	<u>\$ 21,896</u>	<u>\$ 179,637</u>	<u>\$ (811)</u>	<u>\$ 499,661</u>	<u>\$ 42,157</u>	<u>\$ 742,540</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES						
Capital contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Negative interest loan subsidy debt forgiveness	-	76,716	-	-	-	76,716
	<u>\$ -</u>	<u>\$ 76,716</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,716</u>

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

TOWN OF RANDOLPH, VERMONT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
FOR YEAR ENDED JUNE 30, 2020

EXHIBIT J

	Trustees of Public Funds Fund	Grant Park Fund	Mary Strong Fund	Library Endowment Fund	Gifford Scholarship Fund	Mountain Alliance Fund	Total Proprietary Funds
ASSETS							
Cash	\$ 483,308	\$ -	\$ 1,736	\$ 56,364	\$ 2	\$ 21,569	\$ 562,979
Investments	301,929	63,286	-	629,602	-	-	994,817
Due from other funds	-	-	-	-	-	-	-
Total assets	\$ 785,237	\$ 63,286	\$ 1,736	\$ 685,966	\$ 2	\$ 21,569	\$ 1,557,796
LIABILITIES							
Accounts payable	\$ 89	\$ 645	\$ -	\$ 5,681	\$ -	\$ -	\$ 6,415
Due to others	785,148	62,641	1,736	680,285	2	21,569	1,551,381
Total liabilities	785,237	63,286	1,736	685,966	2	21,569	1,557,796
NET POSITION							
Restricted	-	-	-	-	-	-	-
Total net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

TOWN OF RANDOLPH, VERMONT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR YEAR ENDED JUNE 30, 2020

EXHIBIT K

	Trustees of Public Funds Fund	Grant Park Fund	Mary Strong Fund	Library Endowment Fund	Gifford Scholarship Fund	Mountain Alliance Fund	Total Proprietary Funds
ADDITIONS:							
Investment Income	\$ 20,036	\$ 3,567	\$ -	\$ 42,250	\$ -	\$ 57	\$ 65,910
Donations	-	-	-	8,323	2,972	-	11,295
Miscellaneous	-	-	-	-	-	20,635	20,635
Fundraising	-	-	-	20,518	-	-	20,518
Total additions	<u>20,036</u>	<u>3,567</u>	<u>-</u>	<u>71,091</u>	<u>2,972</u>	<u>20,692</u>	<u>118,358</u>
DEDUCTIONS:							
Loss on investments	-	6,774	-	-	-	-	6,774
Micellaneous	1,720	1,356	-	12,286	2,970	14,230	32,562
Transfer, net	15,686	6,891	-	29,984	-	32,175	84,736
Total deductions	<u>17,406</u>	<u>15,021</u>	<u>-</u>	<u>42,270</u>	<u>2,970</u>	<u>46,405</u>	<u>124,072</u>
CHANGE IN DUE TO OTHERS	<u>\$ 2,630</u>	<u>\$ (11,454)</u>	<u>\$ -</u>	<u>\$ 28,821</u>	<u>\$ 2</u>	<u>\$ (25,713)</u>	<u>\$ (5,714)</u>

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

TOWN OF RANDOLPH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

The Town of Randolph, Vermont (the Town), is organized according to Vermont State Law and Town Charter, under the governance of a five-member Selectboard. The Town provides fire, highway, sanitation, health, social, cultural, recreational, community and economic development, public improvements, planning, zoning, water, sewer and general administrative services as authorized and funded by state government and/or Town voters.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is primarily responsible for establishing GAAP for state and local governments through its pronouncements (including Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Town are discussed below.

Reporting Entity

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

Basic Financial Statements -Government-Wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's General Fund, Highway Fund, Library Fund, Police Fund, Revolving Loan Fund, Grants Fund, Capital Projects Fund and Other Governmental Funds are classified as Governmental. Funds. The Town's water and sewer fund activities are classified as business-type.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reported on the full accrual, economic resources basis, which recognizes all assets deferred outflows of resources, liabilities and deferred inflows of resources. The Town's net position is reported in three parts - net investment in capital assets, restricted net position and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities for which both restricted and unrestricted resources are available.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's governmental functions and business-type activities (water and sewer). The activities are also supported by property taxes, certain intergovernmental revenues, and charges for services. The Statement of Activities reduces gross expenses (including depreciation) by related program revenue, including operating and capital grants. Program revenues must be directly associated with the activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by activity) are normally covered by general revenues (property taxes, intergovernmental revenue, interest income, etc.).

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

TOWN OF RANDOLPH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements - Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows and outflows, fund equity, revenues, and expenditures/expenses. The various funds are reported by major fund within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental category or enterprise type. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenses/expenditures of either fund category/type or the governmental and enterprise funds combined) for the determination of major funds. The General Fund, Highway Fund, Library Fund, Police Fund, Revolving Loan Fund, Grants Fund and Capital Governmental Funds are shown as major funds. All other funds are non-major and are combined in a single column in each of the respective fund financial statements.

The Town reports on the following major governmental funds:

General Fund is the main operating fund of the Town. It is used to account for all financial resources except those accounted for in another fund.

Highway Fund is used to account for financial resources to be used for street, roads, and sidewalks.

Library Fund is used to account for financial resources related to the operations of the library and staff.

Police Fund has been used to account for the cost of policing services for the Town. During FY19, the Town's police departments was disbanded, and policing services were outsourced to the Orange County Sheriff's Department.

Revolving Loan Fund is used to account for notes receivable issued from the Town's community development loan program.

Grants Funds are used to account for the financial resources restricted by various state and federal grant programs the Town administers.

Capital Project Funds are used to account for the financial resources committed for future acquisition or construction of major capital projects or facilities.

Other Governmental Funds are used to account for the financial resources committed to special and unique revenue sources established by the Town.

Proprietary Funds

The focus of proprietary funds measurement is upon determination of operating income, changes in net position, financial position, and cash flows. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the major enterprise funds of the Town:

The Town reports the following major proprietary funds:

Landfill Fund – The Landfill Fund is used to account for the activities of the Town's closed landfill.

Water Fund and Water Improvement Funds – The Water Fund is used to account for the activities of the Town's water system.

Sewer and Sewer Improvement Funds – The Sewer Fund is used to account for the activities of the Town's sewer system.

TOWN OF RANDOLPH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the Town as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The activity presented is only for information purposes and has no impact on the Town's finances.

Measurement Focus

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

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

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis of Accounting

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

Modified Accrual Basis of Accounting

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

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

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs,

TOWN OF RANDOLPH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Cash and Cash Equivalents

The Town has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents.

Budgetary Accounting

The Town approves a budget for the General Fund at an annual Town Meeting and the Selectboard, based on the budget and Grand List, determines the tax rate. Any budgetary changes require voter approval. There were no changes during the year. Formal budgetary accounting is employed as a management control device during the year for the General Fund. The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Building Improvements	10 - 50 years
Equipment, Vehicles and Machinery	5 - 20 years
Utility Plant and Capacity Rights	40 - 50 years
Infrastructure	8 - 20 years

GASB No. 34 requires the Town to report and depreciate new general infrastructure assets starting July 1, 2003. The Town has elected not to record infrastructure prior to this date. General infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc.

Accrued Compensated Absences

Government-Wide Financial Statements

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

Fund Financial Statements

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

Net Position

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

TOWN OF RANDOLPH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances

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

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

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

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

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

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

Nonspendable is defined by the definitions of "nonspendable" contained in GASB Statement No. 54. Fund balances that are committed and assigned are so designated by action of the voters or the Selectboard, respectively. Special revenue funds are by definition, created only to report a revenue source that is restricted or committed. In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, the Town's policy is to consider the most constrained fund balances to be expended first.

Excess of Expenditures Over Appropriations

For the year ended June 30, 2020, the Town expended \$382,095 less than appropriated in the General Fund, with transfers greater than budgeted of \$378,474, due to approved voting of general and highway fund surpluses to other Town funds. Revenue exceeded budget by \$48,104.

Investments

Investments are stated at fair value, (quoted market price, or the best available estimate).

Inter-fund Balances

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

TOWN OF RANDOLPH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pension

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

Deferred Outflows of Resources

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

Deferred Inflows of Resources

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

Use of Estimates

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

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

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

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

TOWN OF RANDOLPH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 - EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS 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 expense as an expense. Further, governmental funds report the proceeds for the sale of capital assets as revenue, whereas government-wide statements report the gain or loss from the sale of capital assets as revenue or expense.

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

	Total Governmental Funds	Long-term Revenues/ Expenses	Capital- Related Items	Long-term Debt Transactions	Elimination of Due To/From	Statement of Net Position Total
ASSETS						
Cash	\$ 3,290,435	\$ -	\$ -	\$ -	\$ -	\$ 3,290,435
Investments	2,175,523	-	-	-	-	2,175,523
Accounts receivable, net	175,926	-	-	-	-	175,926
Delinquent taxes receivable	100,534	-	-	-	-	100,534
Grant receivable	287,582	-	-	-	-	287,582
Note receivable	1,024,000	-	-	-	-	1,024,000
Interest receivable	110,250	-	-	-	-	110,250
Due from trustees	62,680	-	-	-	-	62,680
Due from other funds	(2,574,493)	-	-	-	-	(2,574,493)
Prepaid expenses	107,274	-	-	-	-	107,274
Capital assets	-	-	12,881,144	-	-	12,881,144
Total assets	<u>4,759,711</u>	<u>-</u>	<u>12,881,144</u>	<u>-</u>	<u>-</u>	<u>17,640,855</u>
DEFERRED OUTFLOWS						
VSERS	-	682,919	-	-	-	682,919
Total Assets & Deferred Outflow	<u>\$ 4,759,711</u>	<u>\$ 682,919</u>	<u>\$ 12,881,144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,323,774</u>
LIABILITIES						
Accounts payable	252,305	-	-	-	-	252,305
Accrued expenses	70,348	67,203	-	-	-	137,551
Net pension liability	-	2,093,468	-	-	-	2,093,468
Non-current obligations	-	-	-	6,200,106	-	6,200,106
Total Liabilities	<u>322,653</u>	<u>2,160,671</u>	<u>-</u>	<u>6,200,106</u>	<u>-</u>	<u>8,683,430</u>
DEFERRED INFLOWS OF RESOURCES						
Prepaid property taxes	4,829	-	-	-	-	4,829
Deferred taxes	56,161	(56,161)	-	-	-	-
Deferred note revenue	1,299,989	(1,299,989)	-	-	-	-
Deferred grant revenue	345,721	(345,721)	-	-	-	-
VSERS	-	299,926	-	-	-	299,926
Total Deferred Inflows and resources	<u>1,706,700</u>	<u>(1,401,945)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>304,755</u>
FUND BALANCES						
Invested in capital assets	-	-	12,881,144	(6,200,106)	-	6,681,038
Nonspendable	107,274	-	-	-	-	107,274
Restricted	(104,636)	-	-	-	-	(104,636)
Committed	2,727,719	(75,807)	-	-	-	2,651,912
Assigned	-	-	-	-	-	-
Unassigned	1	-	-	-	-	1
	<u>2,730,358</u>	<u>(75,807)</u>	<u>12,881,144</u>	<u>(6,200,106)</u>	<u>-</u>	<u>9,335,589</u>
Total Liabilities & Net Assets	<u>\$ 4,759,711</u>	<u>\$ 682,919</u>	<u>\$ 12,881,144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,323,774</u>

TOWN OF RANDOLPH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

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

	Total Governmental Funds	Long-term Revenues/ Expenses	Capital- Related Items	Long-term Debt Transactions	Statement of Net Assets Total
REVENUES					
Property Taxes	\$ 3,871,437	\$ (88,856)	\$ -	\$ -	\$ 3,782,581
Property Tax penalties and interest	19,908	-	-	-	19,908
Grant Income	196,796	340,563	-	-	537,359
Intergovernmental	1,127,551	-	-	-	1,127,551
Donations	25,000	-	-	-	25,000
Charges for current services	201,335	-	-	-	201,335
Licenses and Permits	86,874	-	-	-	86,874
Investment income	20,709	-	-	-	20,709
Miscellaneous	231,543	172,489	-	-	404,032
Total Revenues	<u>5,781,153</u>	<u>424,196</u>	<u>-</u>	<u>-</u>	<u>6,205,349</u>
EXPENDITURES					
General government	1,347,683	239,214	228,059	-	1,814,956
Public safety	821,941	-	-	-	821,941
Highway and streets	1,428,673	15,643	284,488	-	1,728,804
Sanitation	-	-	-	-	-
Community Services	-	-	-	-	-
Culture and recreation	602,753	-	-	-	602,753
Community development	224,704	6,548	-	-	231,252
Capital outlay:					
General government	5,935	-	(5,935)	-	-
Public Safety	6,954	-	(6,954)	-	-
Highways and streets	130,811	-	(130,811)	-	-
Debt service:					
Principal	502,653	-	-	(502,653)	-
Interest	132,206	-	-	-	132,206
Total expenditures	<u>5,204,313</u>	<u>261,405</u>	<u>368,847</u>	<u>(502,653)</u>	<u>5,331,912</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>576,840</u>	<u>162,791</u>	<u>(368,847)</u>	<u>502,653</u>	<u>873,437</u>
OTHER FINANCING SOURCES (USES)					
Loan proceeds	360,372	-	-	(360,372)	-
Transfers in	1,129,460	-	-	-	1,129,460
Transfers out	(1,059,460)	-	-	-	(1,059,460)
Total Other Financing Sources (Uses)	<u>430,372</u>	<u>-</u>	<u>-</u>	<u>(360,372)</u>	<u>70,000</u>
Net Change in Fund Balances	<u>\$ 1,007,212</u>	<u>\$ 162,791</u>	<u>\$ (368,847)</u>	<u>\$ 142,281</u>	<u>\$ 943,437</u>

TOWN OF RANDOLPH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 – CASH AND INVESTMENTS

Cash and Investments

The Town's cash and investments as of June 30, 2020 are as follows:

	Governmental Activities	Business - Type Activities	Total
Cash:			
Cash on Hand	\$ 380	\$ -	\$ 380
Deposits with Financial Institutions	3,290,055	-	3,290,055
Total Cash	<u>3,290,435</u>	<u>-</u>	<u>3,290,435</u>
Investments:			
Mutual Funds and Corporate Bonds	2,175,523	-	2,175,523
Total Cash and Investments	<u>\$ 5,465,958</u>	<u>\$ -</u>	<u>\$ 5,465,958</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have any policy to limit the exposure to interest rate risk.

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations reflects the distribution of the Town's investments by maturity.

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. Presented below are the actual ratings as of June 30, 2020. The ratings are provided by Standard & Poor's. The Town does not have any policy to limit the exposure to credit risk.

Concentration of Credit Risk

The Town does not have any limitations on the amount that can be invested in any one issuer.

Custodial Credit Risk

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

TOWN OF RANDOLPH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 – CASH AND INVESTMENTS (Continued)

Custodial Credit Risk (continued)

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

	Book Balance	Bank Balance
Governmental Activities	\$ 5,875,653	\$ 5,875,031
Business-Type Activities	-	-
Insured by FDIC	\$ 5,875,653	\$ 5,875,031

NOTE 4 - RECEIVABLES

Receivables and the allowance for uncollectible accounts as of June 30, 2020 are as follows:

	Receivables	Allowance for Uncollectible Accounts	Net Receivables
General Fund			
Accounts receivable			
General fund	\$ 172,484	\$ -	\$ 172,484
Highway fund	3,355	-	3,355
Library fund	87	-	87
Delinquent taxes receivable	100,534	-	100,534
Enterprise Funds			
Water Fund	105,013	-	105,013
Sewer Fund	184,910	-	184,910
Net Receivables	\$ 566,383	\$ -	\$ 566,383

NOTE 5 - NOTES RECEIVABLES

The Town, through various federal loan programs, has received grants and advanced funds to encourage community development. These loans, generally secured by subordinated collateral positions, are recorded as notes receivable. Notes receivable, including accrued interest, in the Revolving Loan Fund as of June 30, 2020 are as follows:

Branchwood Housing Partnership, interest at 1.5%, due February 2034, secured by mortgage on property. Included in balance is \$110,250 of accrued interest.	\$ 560,250
Salisbury Square, with no interest, due February 2041, secured by mortgage on property.	574,000
	\$ 1,134,250

TOWN OF RANDOLPH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 – INTERFUND RECEIVABLE AND PAYABLES

Interfund receivable and payable balances, due to the pooling of cash for cash receipts and disbursements, as of June 30, 2020 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental funds:		
General Fund	\$ 165,739	\$ 5,533,191
Highway Fund	24,323	-
Library Fund	-	16,854
Police Fund	125,259	-
Revolving Loan Fund	-	
Grants Fund	-	248,857
Capital Projects Fund	2,405,683	-
Other Governmental Funds	<u>532,331</u>	<u>28,926</u>
	<u>3,253,335</u>	<u>5,827,828</u>
Proprietary funds:		
Landfill Fund	1,321,172	-
Water Fund	-	268,185
Water Improvement Fund	595,789	-
Sewer Fund	-	330,524
Sewer Improvement Fund	<u>1,256,241</u>	<u>-</u>
	<u>3,173,202</u>	<u>598,709</u>
Fiduciary Funds:		
Total	<u>6,426,537</u>	<u>6,426,537</u>

TOWN OF RANDOLPH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 - CAPITAL ASSETS

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 654,155	\$ -	\$ -	\$ 654,155
Construction in progress	330,461	6,954	-	337,415
	<u>984,616</u>	<u>6,954</u>	<u>-</u>	<u>991,570</u>
Capital assets being depreciated:				
Buildings and building improvements	6,613,158	-	-	6,613,158
General and fire department equipment	2,089,308	5,935	-	2,095,243
Highway department equipment	2,263,193	-	-	2,263,193
Infrastructure	6,411,600	130,811	-	6,542,411
	<u>17,377,259</u>	<u>136,746</u>	<u>-</u>	<u>17,514,005</u>
Total capital assets, being depreciated				
	<u>17,377,259</u>	<u>136,746</u>	<u>-</u>	<u>17,514,005</u>
Less Accumulated Depreciation:				
Buildings and building improvements	1,426,977	141,543	-	1,568,520
General and fire department equipment	660,610	86,516	-	747,126
Highway department equipment	1,699,189	125,117	-	1,824,306
Infrastructure	1,325,108	159,371	-	1,484,479
	<u>5,111,884</u>	<u>512,547</u>	<u>-</u>	<u>5,624,431</u>
Being Depreciated, Net	<u>12,265,375</u>	<u>(375,801)</u>	<u>-</u>	<u>11,889,574</u>
	<u>12,265,375</u>	<u>(375,801)</u>	<u>-</u>	<u>11,889,574</u>
Net Assets	<u>\$ 13,249,991</u>	<u>\$ (368,847)</u>	<u>\$ -</u>	<u>\$ 12,881,144</u>
	<u>\$ 13,249,991</u>	<u>\$ (368,847)</u>	<u>\$ -</u>	<u>\$ 12,881,144</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 518,689	\$ -	\$ -	\$ 518,689
Construction in progress	196,802	1,745	-	198,547
	<u>715,491</u>	<u>1,745</u>	<u>-</u>	<u>717,236</u>
Capital assets being depreciated:				
Water	6,053,773	11,197	-	6,064,970
Sewer	11,060,500	31,240	-	11,091,740
Landfill	101,500	-	-	101,500
	<u>17,215,773</u>	<u>42,437</u>	<u>-</u>	<u>17,258,210</u>
Total capital assets, being depreciated				
	<u>17,215,773</u>	<u>42,437</u>	<u>-</u>	<u>17,258,210</u>
Less Accumulated Depreciation				
Water	2,918,314	141,283	-	3,059,597
Sewer	949,980	237,261	-	1,187,241
Landfill	79,170	2,030	-	81,200
	<u>3,947,464</u>	<u>380,574</u>	<u>-</u>	<u>4,328,038</u>
Being Depreciated, Net	<u>13,268,309</u>	<u>(336,392)</u>	<u>-</u>	<u>12,930,172</u>
	<u>13,268,309</u>	<u>(336,392)</u>	<u>-</u>	<u>12,930,172</u>
Net Assets	<u>\$ 13,983,800</u>	<u>\$ (336,392)</u>	<u>\$ -</u>	<u>\$ 13,647,408</u>
	<u>\$ 13,983,800</u>	<u>\$ (336,392)</u>	<u>\$ -</u>	<u>\$ 13,647,408</u>

TOWN OF RANDOLPH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

General government	
General government	\$ 228,059
Highway	284,488
	<u>512,547</u>
Business-type activities	
Water	\$ 141,283
Sewer	237,261
Landfill	2,030
	<u>\$ 380,574</u>

NOTE 8 – DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources in the Governmental Activities consists of \$268,472 from the difference between the expected and actual experience, \$78,970 from changes in assumptions, \$80,227 from the difference between the projected and actual investment earnings, \$68,041 from the changes in the Town's proportional share of contributions related to the Town's participation in the Vermont State Employee Retirement System (VSERS) and \$187,209 of required employer pension contributions made subsequent to the measurement date, as further described in Note 13. Total deferred outflows of resources in the Governmental Activities is \$682,919.

NOTE 9 – DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources in the Governmental Activities consists of \$18,126 from changes in assumptions, \$281,800 resulting from the differences between the employer contributions, and the proportionate share of total contributions related to the Town's participation in the Vermont State Employee Retirement System (VSERS), as further described in Note 13. There is also \$4,829 of prepaid taxes. Total deferred inflows of resources in the Governmental Activities is \$304,755.

Deferred inflows of resources in the Governmental Funds consists of \$56,161 of delinquent property taxes (including penalties and interest on those taxes) that were not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities, \$4,829 of prepaid taxes, \$1,299,989 of deferred note receivable and \$345,721 of deferred grant revenue. Total deferred inflows of resources in the Governmental Fund are \$1,706,700.

NOTE 10 – SHORT-TERM LIABILITIES

The Town had a line of credit during the fiscal year 2020, of which expired and was not renewed as of September 2019.

TOWN OF RANDOLPH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – LONG-TERM LIABILITIES

Landfill closure and post-closure care costs

The Town landfill ceased operation in 1997. State and federal laws and regulations require that the Town perform certain maintenance and monitoring functions at the landfill site for 30 years after closure and to report monitoring results to the state regulatory agency. An estimated liability of \$585,000 has been recognized as a long-term obligation for the future post-closure care costs. The Town is required to annually appropriate funds to finance post-closure care of the facility.

The estimate is based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of June 30, 2020. However, the actual cost of post-closure care may be higher (or lower) due to inflation, changes in technology, or changes in landfill laws and regulations. During the year, the estimated liability for post-closure care costs decreased by \$65,000. However, there were \$41,762 in post-closure care costs, which resulted in a net decrease in post-closure care costs for the year ended June 30, 2020 of \$23,238 reported as revenue in the Statement of Revenues, Expenses and Change in Net Position. The Town also maintains investments set aside to fund future post-closure care expenses. The balance of these investments at June 30, 2020 was \$2,175,523.

The allocation of long-term debt between governmental and business-type activities is based on budgeted debt service for future payments. This allocation may not be the same as the original use of the debt proceeds. Outstanding long-term debt as of June 30, 2020 is as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Governmental activities -				
General obligation note, Vermont Municipal Bond Bank (Originally \$525,000) - 1995 Series 1, refunded by 2004 Series 2, refunded by 2015 Series 1. Annual principal payment ranging from \$20,000 to \$40,000. Matures August 2025, interest ranging from 3.5 to 5.95% .	\$ 225,000	\$ -	\$ 25,000	\$ 200,000
General obligation note, Vermont Municipal Bond Bank (Original \$1,650,000) - 2005 Series 1, refunded by 2014 Series 2, various interest rates. Annual principal payment ranging from \$80,000 to \$85,000. Matures November 2025.	\$ 560,000	\$ -	\$ 80,000	\$ 480,000
General obligation note, Vermont Municipal Bond Bank (Original \$500,000) - 2007 Series 1, refunded by 2015 Series 1, various interest rates. Annual principal payment of \$25,000. Matures November 2027.	\$ 225,000	\$ -	\$ 25,000	\$ 200,000
General obligation note, Vermont Municipal Bond Bank (Original \$750,000) - 2009 Series 1, refunded by 2015 Series 5, average interest rate 4.173%. Annual principal payment ranging from \$35,000 to \$40,000. Matures November 2029.	\$ 390,000	\$ -	\$ 40,000	\$ 350,000
General obligation note, Vermont Municipal Bond Bank (Original \$3,000,000) - 2016 Series 1, average interest 2.997%. Annual principal payment of \$100,000. Matures November 2046. Reallocated to Water (\$540,000) and Wastewater (\$378,000)	\$ 2,800,000	\$ -	\$ 1,018,000	\$ 1,782,000

TOWN OF RANDOLPH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – LONG-TERM LIABILITIES (Continued)

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
General obligation note, Vermont Municipal Bond Bank (Original \$2,400,000) - 2017 Series 3, average interest 3.62%. Annual principal payment of \$80,000. Matures November 2047.	\$ 2,320,000	\$ -	\$ 80,000	\$ 2,240,000
General obligation note, State of Vermont Special Environmental Revolving Fund (Original \$1,343,000) - RFI-091, interest at 2%. Annual payments of \$82,133, due May 2026. Reallocated to Wastewater (\$230,032)	\$ 531,567	\$ -	\$ 301,535	\$ 230,032
Note payable, Mascoma Bank (Original \$275,000). Monthly payments of \$1,491, including interest at 2.75%. Balloon payment of \$221,191 in June of 2023. Principal paid from Fund 151, Interest in Fund 210. Matures June 2023.	\$ 264,507	\$ -	\$ 10,736	\$ 253,771
Community Bank Capital Lease, Fire Truck-Tanker (Original \$199,974), Matures July, 2020	\$ 82,877	\$ -	\$ 40,849	\$ 42,028
Community Bank Capital Lease, Dump Truck (Original \$150,677), Matures September, 2021	\$ 91,468	\$ -	\$ 29,565	\$ 61,903
Municipal Leasing Consultants, LLC, 2021 Freightliners, Dated May, 2020 (Original \$360,375), Matures April, 2025	\$ -	\$ 360,372	\$ -	\$ 360,372
Total governmental activities	<u>\$ 7,490,419</u>	<u>\$ 360,372</u>	<u>\$ 1,650,685</u>	<u>\$ 6,200,106</u>

Governmental Funds:

Years ending	Principal	Interest	Total
June 30, 2021	504,849	181,754	686,603
June 30, 2022	466,391	168,623	635,014
June 30, 2023	657,331	155,529	812,860
June 30, 2024	433,399	137,380	570,779
June 30, 2025	435,875	125,637	561,512
June 30, 2026-2030	1,140,261	515,000	1,655,261
June 30, 2031-2035	730,000	330,305	1,060,305
June 30, 2036-2040	730,000	161,884	891,884
June 30, 2041-2045	730,000	85,150	815,150
June 30, 2046-2051	372,000	14,132	386,132
Total	<u>\$ 6,200,106</u>	<u>\$ 1,875,394</u>	<u>\$ 8,075,500</u>

TOWN OF RANDOLPH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – LONG-TERM LIABILITIES (Continued)

Business-type activities:	Balance <u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2020</u>
Water:				
General obligation note, Vermont Municipal Bond Bank (Original \$3,000,000) - 2016 Series 1, average interest rate 2.997% . Annual principal payment of \$100,000. Matures November 2046.	\$ 560,000	\$ -	\$ 20,000	\$ 540,000
General obligation note, State of Vermont Special Environmental Revolving Fund - RF3-018, interest at 0% . Annual payment of \$6,441. Matures October 2029.	\$ 70,855	\$ -	\$ 6,441	\$ 64,414
General obligation note, State of Vermont Special Environmental Revolving Fund (Original \$774,314) - RF3-056, interest at -3% . Annual payment of \$15,551. Matures February 2035.	\$ 325,537	\$ -	\$ 92,266	\$ 233,271
General obligation note, State of Vermont Drinking Water State Revolving Fund (Original \$1,244,641.12) - RF3-241, interest at 0% . Annual payment of \$24,997. Matures August 2042.	\$ 599,939	\$ -	\$ 24,997	\$ 574,942
General obligation note, State of Vermont Local Assistance State Reveolving Fund (Original \$221,000, however, used \$196,146) - WPL-262, interest at 0% . Annual payment of \$48,200 beginning December 2023. Matures December 2027.	<u>\$ 196,147</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,147</u>
Total Business-type activities - Water	<u>\$ 1,752,478</u>	<u>\$ -</u>	<u>\$ 143,704</u>	<u>\$ 1,608,774</u>
Wastewater:				
General obligation note, Vermont Municipal Bond Bank (Original \$3,000,000) - 2016 Series 1, average interest rate 2.997% . Annual principal payment of \$100,000. Matures November 2046.	\$ 392,000	\$ -	\$ 14,000	\$ 378,000
General obligation note, State of Vermont Special Environmental Revolving Fund (Original \$1,343,000) - RFI-091, interest at 2% . Split with Fund 320. Annual payments of \$82,133, due May 2026.	\$ 265,784	\$ -	\$ 35,752	\$ 230,032
General obligation bond, United States Department of Agriculture (Original \$5,023,000), interest at 1.875% . Annual payment of \$219,708. Matures January 2046.	\$ 4,637,483	\$ -	\$ 133,377	\$ 4,504,106
General obligation note, State of Vermont Pollution Control Reveolving Fund - RF1-140, interest at 0% . Annual payment of \$37,906 beginning March 2018. Matures March 2027.	<u>\$ 341,151</u>	<u>\$ -</u>	<u>\$ 37,906</u>	<u>\$ 303,245</u>
Total Business-type activities - Wastewater	<u>\$ 5,636,418</u>	<u>\$ -</u>	<u>\$ 221,035</u>	<u>\$ 5,415,383</u>

TOWN OF RANDOLPH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – LONG-TERM LIABILITIES (Continued)

Business-Type Activities:

Years ending	Principal	Interest	Total
June 30, 2021	291,252	114,018	405,270
June 30, 2022	294,541	110,096	404,637
June 30, 2023	297,893	106,064	403,957
June 30, 2024	345,509	101,924	447,433
June 30, 2025	348,990	97,701	446,691
June 30, 2026-2030	1,441,219	425,971	1,867,190
June 30, 2031-2035	1,223,040	297,714	1,520,754
June 30, 2036-2040	1,185,953	76,450	1,262,403
June 30, 2041-2045	1,155,454	-	1,155,454
June 30, 2046-2051	440,306	-	440,306
Total	<u>\$ 7,024,157</u>	<u>\$ 1,329,938</u>	<u>\$ 8,354,095</u>

NOTE 12 - FUND BALANCE/NET POSITION CATEGORIES

The fund balances/net position of the Town are categorized as follows:

	Individual Funds Statements		Government-Wide Statements (Exhibit A)	
	Governmental Funds (Exh. C)	Proprietary Funds (Exhibit H)	Governmental Activities	Business-type Activities
Nonspendable				
General Fund	\$ 69,540	\$ -	\$ -	\$ -
Highway Fund	31,197	-	-	-
Library Fund	5,873	-	-	-
Police Fund	664	-	-	-
	<u>107,274</u>	<u>-</u>	<u>107,274</u>	<u>-</u>
Restricted:				
Grant Fund	(321,957)	-	-	-
Capital Project Funds	25,000	-	-	-
Other Non-Major Funds	192,321	-	-	-
	<u>(104,636)</u>	<u>-</u>	<u>(104,636)</u>	<u>-</u>
Committed:				
Library Fund	6,959	-	-	-
Police Fund	98,051	-	-	-
Capital Project Funds	2,380,683	-	-	-
Other Non-Major Funds	242,026	-	-	-
	<u>2,727,719</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned:				
Highway	-	-	-	-
Unassigned (governmental funds)/Unrestricted (business-type funds)	<u>1</u>	<u>2,480,006</u>	<u>2,651,913</u>	<u>2,480,006</u>
Invested in Capital Assets, Net of Related Debt	<u>-</u>	<u>6,457,513</u>	<u>6,681,038</u>	<u>6,457,513</u>
Total Fund Balances/Net Position	<u>\$ 2,730,358</u>	<u>\$ 8,937,519</u>	<u>\$ 9,335,589</u>	<u>\$ 8,937,519</u>

TOWN OF RANDOLPH, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020

NOTE 13 – CONTINGENT LIABILITIES

The Town participates in a number of federally assisted and state grant programs that are subject to audits by the grantors or their representatives. The audits of these programs for or including the year ended June 30, 2020 have not yet been reviewed by the grantor agencies. Accordingly, compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

NOTE 14 - PROPERTY TAXES

Property taxes are assessed based on valuations as of April 1, annually. Property taxes were due in two installments on October 31st and March 31st. Overdue payments are subject to an 8% penalty and interest is calculated at 1% per month, for 1st three months and then 1 1/2% after that.

Town property tax revenue is recognized in the General Fund for the period for which the tax is levied to the extent they result in current receivables, which will be collected within 60 days of the fiscal year end. The tax rates for fiscal year 2020 were as follows:

	<u>Homestead</u>	<u>Non-Residential</u>
Municipal Tax	\$ 0.7734	\$ 0.7734
Education Tax	1.5279	1.5501
Local Agreement	0.0035	0.0035
Police District	0.2163	0.2163
Total	\$ 2.5211	\$ 2.5433

NOTE 15 - PENSION PLANS

Defined Benefit Plan

Plan Description

The Vermont State Employee Retirement System (VSERS) is considered a single employer, defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for state employees, however, has thirteen (13) entities outside the reporting entity in the plan, of which the Town of Randolph, Vermont is considered. Town employees are eligible to participate in the VSERS providing they work more than 30 hours per week and 1,040 or more hours per year. There are four levels of contributions and benefits in the System called Group A, Group C, Group D and Group F. The Town participates in Group F. Reporting and actuarial information presented for June 30, 2020 is based on VSERS reporting for the period ended June 30, 2019.

The plan was established effective July 1, 1972, and is governed by Title 3, V.S.A. Chapter 16.

The general administration and responsibility for formulating administrative policy and procedures of the retirement system for its members and their beneficiaries is vested in the Board of Trustees consisting of eight members. They are the State Treasurer, Governor's delegate, Commissioner of Personnel, Commissioner of Finance and Management, elected representative of the Vermont Retired State Employees Association (VRSEA) and three members selected by the Vermont State Employees Association (VSEA) to represent the active employees. The Chair is elected by the Board and acts as executive officer of the Board.

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

As of June 30, 2019, the measurement date selected by the State of Vermont, VSERS was funded at 70.59% and had a plan

TOWN OF RANDOLPH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 - PENSION PLANS (Continued)

fiduciary net position of \$1,841,500,283 and a total pension liability of \$2,608,559,283 resulting in a net pension liability of \$767,059,000. As of June 30, 2019, the Town's proportionate share of this was .0548% resulting in a liability of \$420,322. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. As of June 30, 2019, the Town's proportion of .0548% was a decrease of .0063% from its proportion measured as of June 30, 2017. For the year ended June 30, 2020 the Town recognized pension expense of \$52,704.

As of June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 268,472	\$ -
Changes in assumptions	78,970	18,126
Difference between projected and actual earnings on pension plan investments	80,227	-
Changes in proportional share of contributions	68,041	281,800
Differences between the employer contributions and proportionate share of total contributions	-	-
Town's required employer contributions made subsequent to the measurement date	187,209	-
	\$ 682,919	\$ 299,926

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of \$187,209 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30	
2021	136,731
2022	24,713
2023	26,016
2024	21,922
2025	(13,604)
	\$ 195,778

TOWN OF RANDOLPH, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020

NOTE 15 - PENSION PLANS (Continued)

Accidental Disability Retirement Allowance:

Eligibility: Incapacitated as a result of work-related accident.

Amount: Immediate allowance based on service projected to normal retirement. Benefit is greater of 25% of AFC and unreduced accrued benefit as of date of disability.

Death Benefit:

Eligibility: Death after eligibility for early retirement or 10 years of service.

Amount: Maximum of reduced allowance under 100% survivor option and disability allowance under 100% disability survivor option, commencing immediately.

Summary of System Provisions

Membership:

The Town elected coverage under Group F. All general employees who are not considered under Group A, C or D. Group F is defined as "All other general employees".

Creditable Service:

Service as a member plus purchased service.

Average Final Compensation (AFC):

Group F hired Before 7/1/2008 – Average annual compensation during highest three (3) consecutive years, excluding unused annual leave pay off.

Group F Hired on or After 7/1/2008 - Average annual compensation during highest three (3) consecutive years, excluding unused annual leave pay off.

Service Retirement Allowance:

Eligibility: Group F Hired Before 7/1/2008 – The earlier of age 62 or thirty (30) years of service.

Group F Hired on or After 7/1/2008 – Age 65 or a combination of age & service credit that equals 87.

Amount: Group F – 1.25% of AFC times service prior to December 31, 1990, plus 1.67% of AFC times service after January 1, 1991, up to a maximum benefit of 50% of AFC. For members hired on or after July 1, 2008, the maximum benefit is 60% of AFC.

Early Retirement Allowance:

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

Amount: For members hired prior to July 1, 2008, no reduction if 30 years of service; otherwise normal allowance reduced by 6% for each year commencement precedes age 62. For members hired on or after July 1, 2008, no reduction if combination of years and service equal to 87; otherwise reduced from age 65 based on the follow table:

Years of Service	Reduction in Benefit
35	One eighth of 1% per year
30	One quarter of 1% per year
25	One third of 1% per year
20	Five twelfths of 1% per year
Less than 20	Five ninths of 1% per year

TOWN OF RANDOLPH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 - PENSION PLANS (Continued)

Summary of System Provisions (continued)

Vested Retirement Allowance:

Eligibility: Five (5) years of service.

Amount: Allowance beginning at normal retirement age based on AFC and service at termination.

Disability Retirement Allowance:

Eligibility: Five (5) years of service and incapacitated, not work related, for performance of duty.

Amount: Immediate allowance based on service to date of disability. Benefit is greater of 25% of AFC and unreduced accrued benefit as of date of disability.

Optional Benefit and Death after Retirement:

Lifetime allowance or actuarially equivalent allowance with survivor benefit as elected by member upon retirement.

Refund of Contribution:

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

Post-Retirement Adjustments:

Allowance in payment for at least one year increased on each January 1 by the percentage increase in Consumer Price Index but no more than 5%. Increase is based on the full Consumer Price Index increase starting in 2014 for employees retiring after July 1, 2008.

Member Contributions:

Group F— 6.65%

Employer Contributions:

Group F – 13.84%

Significant Actuarial Assumptions and Methods

Interest Rate - A select-and-ultimate interest rate set, specified as follows. The interest rate set is restarted every year.

Year 1: 6.25%	Year 10: 8.50%
Year 2: 6.75%	Year 11: 8.50%
Year 3: 7.00%	Year 12: 8.50%
Year 4: 7.50%	Year 13: 8.50%
Year 5: 7.75%	Year 14: 8.50%
Year 6: 8.25%	Year 15: 8.50%
Year 7: 8.25%	Year 16: 8.75%
Year 8: 8.25%	Year 17 and later: 9.00%
Year 9: 8.50%	

Salary increases Representative values of the assumed annual rates of future salary increase are as follows:

TOWN OF RANDOLPH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 - PENSION PLANS (Continued)

Significant Actuarial Assumptions and Methods (continued)

Age	Annual rate of Salary Increases
20	7.04%
25	6.21%
30	5.66%
35	5.26%
40	4.92%
45	4.36%
50	3.70%
55	3.50%
60	3.50%

Salary increases for Group F are assumed to be up to 7.04%.

Mortality:

Deaths in Active Service: 101% of RP-2009 blended 30% Blue Collar Employee Mortality Table, 70% Healthy Employee Mortality table with generational projection using scale SSA-2017.

Spouse's Age: Females are typically three years younger than males.

Cost-of-Living Adjustments to Benefits of Terminated Vested and Retired Participants: For Group F employees retiring after July 1, 2008, is 1.40% (beginning at age 62 for deferred retirements).

Actuarial Cost Method - Entry Age Normal - Level Percentage of Pay.

Asset Valuation Method - Invested assets are reported at fair value.

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

Inflation – The separately stated assumptions for investment return, salary increases, and cost of living adjustments are consistent with an expected annual inflation rate of 2.50%.

Long-term Expected Rate of Return: The long-term expected rate of return on investments was determined using best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) developed for each major asset class using an econometric model that forecasts a variety of economic environments and then calculates asset class returns based on functional relationships between the economic variable and the asset classes. These best estimate ranges were combined to produce forecasts of the short, intermediate, and longer-term horizons by weighting the expected future nominal rates of return by the target asset allocation percentage. The various time horizons in the forecast are intended to capture more recent economic and capital market conditions as well as other plausible environments that could develop in the future over economic cycles. To reflect this in the rate-of-return assumption, a Select and Ultimate assumption setting approach, which is cited in Section 3.8.4 of Actuarial Standard of Practice No. 27 as an alternative to a single assumed rate of return, is employed.

TOWN OF RANDOLPH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 - PENSION PLANS (Continued)

Significant Actuarial Assumptions and Methods (continued)

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	29.00%	6.90%
US Equity - Large Cap	4.00%	5.94%
US Equity - Small/Mid Cap	3.00%	6.72%
Non-US Equity - Large Cap	5.00%	6.81%
Non-US Equity - Small Cap	2.00%	7.31%
Emerging Markets Debt	4.00%	4.26%
Core Bond	14.00%	1.79%
Non-Core Bond	6.00%	3.22%
Short Quality Credit	5.00%	1.81%
Private Credit	5.00%	6.00%
US TIPS	3.00%	1.45%
Core Real Estate	5.00%	4.26%
Non-Core Real Estate	3.00%	5.76%
Private Equity	10.00%	10.81%
Infrastructure/Farmland	2.00%	4.89%
	<u>100.00%</u>	

Nominal long-term expected rates of return for these asset classes are equal to the sum of the expected long-term real rates and the expected long-term inflation rate of 3.0%.

Discount Rate - The discount rate used to measure the total pension liability was 7.95%. The projection of cash flows used to determine the discount rate assumed that contributions would continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.50%) or one percent higher (8.50%):

<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
\$2,928,253	\$2,093,468	\$1,402,473

Additional Information

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

Water and Wastewater Allocation – Pension adjustments have only been allocated to the Governmental Activities. Should the allocation extend to the Water and Wastewater, the pension burden would shift approximately 15% to the Proprietary Funds.

TOWN OF RANDOLPH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 - RISK MANAGEMENT

The Town of Randolph, Vermont is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains insurance coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The Town must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving sixty days' notice. Fund underwriting and rate-setting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

NOTE 17 - INTERFUND TRANSFERS

During the year interfund transfers occurred between funds. The transfers were made in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2020 are as follows:

	Tranfers In	Transfers Out
Governmental funds:		
General fund	\$ 103,500	\$ 613,599
Highway fund	29,464	430,100
Library fund	-	5,500
Police funds	-	5,140
Grant funds	23,719	344
Capital project funds	909,677	4,463
Other governmental funds	63,100	314
	1,129,460	1,059,460
Proprietary funds:		
Landfill fund	-	1,000
Water fund	-	22,000
Sewer fund	-	242,531
Sewer Improvement fund	195,531	-
	195,531	265,531
	\$ 1,324,991	\$ 1,324,991

NOTE 18 – RELATED PARTY TRANSACTIONS

Some of the Town's Selectboard members own businesses that do business with the Town or are employed by such businesses. Due to the small population of the Town and the number of residents actively involved in Town government, some related party transactions exist. The Town has a policy regarding conflict of interest.

TOWN OF RANDOLPH, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 19 – RESTATED FUND BALANCES

During the audit for June 30, 2020, many items were discovered which created the need to restate fund balances. All of the restatements were a result of improper reporting in prior audits and not a result of accounting errors. The restated fund balances for each of the major statements at June 30, 2019 are as follows:

	Government Wide Statements (Exhibit A and B)	Fund Statements (Exhibit C and D)	Proprietary Funds (Exhibit G and H)
Prior year fund balance per June 30, 2019 audit report	\$ 7,879,513	\$ 3,538,828	\$ 8,363,868
Moved Water Improvement Fund to Proprietary Funds	(596,600)	(596,600)	596,600
Moved Wastewater Improvement Fund to Proprietary Funds	(1,018,553)	(1,018,553)	1,018,553
Restatement of Water Debt from General Fund	560,000	-	(560,000)
Restatement of Wastewater Debt from General Fund	848,522	-	(848,522)
Restatement of Grant Fund for prior year deferred revenue unrecorded	(200,530)	(200,530)	-
Restatement of Wastewater note to General Fund and associated capital items	(190,739)	-	-
Current debt restatement as related to Water/Wastewater restatement	(69,751)	-	-
Prior year correction on conversion to Government wide statements	1,132,658	-	-
Correction of error in prior year debt balance presentation	47,632	-	-
	<u>\$ 8,392,152</u>	<u>\$ 1,723,145</u>	<u>\$ 8,570,499</u>
Prior year restated fund balance per June 30, 2020 audit report			

NOTE 20 – SUBSEQUENT EVENTS

We have examined subsequent events from the close of the fiscal year through the date of this report. The Town entered into a tax anticipation note during July 2020 in the amount of \$2,800,000, which bears interest at 1.65%. The Town earns 1.75% while the funds are in the Town's account. The Town has borrowed the full \$2,800,000 and has placed in the 1.75% account. During October 2020, \$835,000 was drawn on the account and repaid during November 2020. There are no other events that would significantly impact the presentation of these financial statements.

TOWN OF RANDOLPH, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 VSRS DEFINED BENEFIT PLAN
 JUNE 30, 2020

SCHEDULE 1

	2020	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	\$ 841,341,260	\$ 767,059,000	\$ 680,336,959	\$ 545,047,730	\$ 545,100,876	\$ 351,642,191
Town's Proportion of the Net Pension Liability	0.2488%	0.2488%	0.2802%	0.2950%	0.3083%	0.2574%
Town's Proportionate Share of the Net Pension Liability	2,093,468	2,148,988	2,013,039	2,160,106	1,680,546	905,127
Town's Covered Employee Payroll	1,352,667	1,430,115	1,714,498	1,687,912	1,254,406	1,613,286
Town's Proportionate Share of the Net Pension Liability as a Percentage of Town's Covered Employee Payroll	154.77%	150.27%	117.41%	127.98%	133.97%	56.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.41%	70.59%	71.99%	70.86%	74.88%	82.50%

Notes to Schedule

Benefit Changes: None.

Changes in Assumptions: The discount rate used to measure the net position liability was lowered from 8.23% to 7.50%, due to the adoption by the Board of Trustees of a 7.50% expected future rate of return on assets for funding purposes.

Fiscal year 2015 was the first year of implementation, therefore, only six years are shown.

TOWN OF RANDOLPH, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 VSRS DEFINED BENEFIT PLAN
 FOR THE YEAR ENDED JUNE 30, 2020

SCHEDULE 2

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution (Actuarially Determined)	\$ 187,209	\$ 165,762	\$ 180,883	\$ 178,363	\$ 177,351	\$ 127,561
Contributions in Relation to the Actuarially Determined Contributions	<u>187,209</u>	<u>165,762</u>	<u>180,883</u>	<u>178,363</u>	<u>177,351</u>	<u>127,561</u>
Contribution Excess/(Deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered Employee Payroll	\$ 1,352,667	\$ 1,430,115	\$ 1,714,498	\$ 1,687,912	\$ 1,254,406	\$ 1,613,286
Contributions as a Percentage of Town's Covered Employee Payroll	13.8400%	11.59%	10.55%	10.57%	14.14%	7.91%

Notes to Schedule

Valuation Date: June 30, 2019

Fiscal year 2015 was the first year of implementation, therefore, only six years are shown.

See disclaimer in accompanying Independent Auditor's Report.

TOWN OF RANDOLPH, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
GENERAL FUND
BUDGET AND ACTUAL

SCHEDULE 3

FOR YEAR ENDED JUNE 30, 2020

Page 1 of 2

	Original and Final Budget	Actual (Budgetary Basis)	Page 1 of 2 Variance Over (Under)
REVENUES:			
Property taxes:			
Current	\$ 1,895,967	\$ 1,837,377	\$ (58,590)
Intergovernmental	655,000	733,022	78,022
Fire Department	63,200	71,300	8,100
Recreation	68,500	60,954	(7,546)
Cemetery	19,000	8,255	(10,745)
Planning and Zoning	4,250	5,961	1,711
Listers Office	20,450	20,432	(18)
Town Clerk	56,400	63,542	7,142
Interest	500	19,346	18,846
Other	67,340	134,056	66,716
Total revenues	2,850,607	2,954,245	103,638
EXPENDITURES:			
General administration			
Executive	1,016,682	878,859	(137,823)
Selectboard	13,586	9,780	(3,806)
Fire Departments administration	14,400	13,361	(1,039)
Randolph Village Fire Department	60,129	48,206	(11,923)
Randolph Center Fire Department	44,155	33,822	(10,333)
East Randolph Fire Department	37,854	29,330	(8,524)
Recreation	247,526	208,013	(39,513)
Cemetery	239,384	220,111	(19,273)
Planning and Zoning	47,996	13,717	(34,279)
Listers Office	67,331	24,846	(42,485)
Clerk and Treasurer	145,692	129,760	(15,932)
Chandler Music Hall	30,056	28,767	(1,289)
White River Valley Ambulance	334,691	306,980	(27,711)
Debt service	385,005	361,749	(23,256)
Appropriations-			
Clara Marin Center	8,000	8,000	-
Capstone Community Action	1,300	1,300	-
Visiting Nurses Association	16,220	16,220	-
CV Adult Basic Education	6,000	6,000	-
Orange County Diversion Program	600	600	-
Stagecoach	15,000	15,000	-
Randolph Senior Citizens	15,000	15,000	-
Vermont Center for Independent Living	1,000	1,000	-
Central Vt Council of Aging	1,200	1,200	-
White River Craft Center	5,000	5,000	-
Chamber of Commerce	2,500	2,500	-
Randolph Area Food Shelf	2,500	2,500	-
The Arts Bus	4,000	4,000	-
OC Parent Child Center	2,500	2,500	-
Home Share Now	800	800	-
Safeline	2,500	2,500	-
Vt Assoc for Blind	1,000	1,000	-
Total expenditures	2,769,607	2,392,421	(377,186)

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

TOWN OF RANDOLPH, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
GENERAL FUND
BUDGET AND ACTUAL
FOR YEAR ENDED JUNE 30, 2020

	<u>Original and Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Page 2 of 2 Variance Over (Under)</u>
EXPENDITURES (CONTINUED):			
EXCESS OF REVENUES OR (EXPENDITURES)	<u>81,000</u>	<u>561,824</u>	<u>480,824</u>
OTHER FINANCING SOURCES (USES):			
Transfers in (out)	<u>(81,000)</u>	<u>(510,099)</u>	<u>(429,099)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 51,725</u>	<u>\$ 51,725</u>

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

TOWN OF RANDOLPH, VERMONT
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - HIGHWAY AND POLICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

SCHEDULE 4

	Original and Final Budget	Actual (Budgetary Basis)	Variance Over (Under)
HIGHWAY FUND			
REVENUES:			
Property taxes	\$ 1,488,761	\$ 1,488,761	\$ -
Intergovernmental	199,000	200,819	1,819
Charge for services	35,000	36,356	1,356
Licenses and fees	1,050	875	(175)
Interest	-	969	969
Other	77,400	95,593	18,193
Total revenues	1,801,211	1,823,373	22,162
EXPENDITURES:			
Bridges and highways administration	682,649	641,714	(40,935)
Bridges and highways operating	538,050	492,849	(45,201)
Bridges and highways maintenance	94,110	90,980	(3,130)
Operating expenditures	56,700	40,219	(16,481)
Debt service	144,702	136,428	(8,274)
Total expenditures	1,516,211	1,402,190	(114,021)
NET INCOME (LOSS) BEFORE TRANSFERS	285,000	421,183	136,183
Transfers in (out), net	(285,000)	(400,636)	(115,636)
NET CHANGE IN FUND BALANCE	\$ -	\$ 20,547	\$ 20,547
	Original and Final Budget	Actual (Budgetary Basis)	Variance Over (Under)
POLICE FUND			
REVENUES:			
Property taxes	\$ 311,146	\$ 311,146	\$ -
Intergovernmental	3,200	3,511	311
Other	15,200	3,967	(11,233)
Total revenues	329,546	318,624	(10,922)
EXPENDITURES:			
Police administration	3,816	4,269	453
Operating expenditures	325,730	319,277	(6,453)
Debt Service	-	7,159	7,159
Total expenditures	329,546	330,705	1,159
EXCESS OF REVENUES OR (EXPENDITURES)	-	(12,081)	(12,081)
Transfers in (out), net	-	(5,140)	(5,140)
NET CHANGE IN FUND BALANCE	\$ -	\$ (17,221)	\$ (17,221)

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

TOWN OF RANDOLPH, VERMONT
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - LIBRARY FUND
FOR THE YEAR ENDED JUNE 30, 2020

SCHEDULE 5

	<u>Original and Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Over (Under)</u>
LIBRARY FUND			
REVENUES:			
Property taxes	\$ 252,280	\$ 252,280	\$ -
Intergovernmental	56,050	39,984	(16,066)
Other	<u>17,819</u>	<u>17,819</u>	<u>17,819</u>
Total revenues	<u>308,330</u>	<u>310,083</u>	<u>1,753</u>
EXPENDITURES:			
Library administration	228,802	228,626	(176)
Operating expenditures	79,528	68,275	(11,253)
Total expenditures	<u>308,330</u>	<u>296,901</u>	<u>(11,429)</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>-</u>	<u>13,181</u>	<u>13,181</u>
Transfers in (out), net	<u>-</u>	<u>(5,500)</u>	<u>(5,500)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 7,681</u>	<u>\$ 7,681</u>

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

TOWN OF RANDOLPH, VERMONT
STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL - WATER AND SEWER FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

SCHEDULE 6

	Original and Final Budget	Actual (Budgetary Basis)	Variance Over (Under)
WATER FUND			
REVENUES			
Charges for services	\$ 508,400	\$ 462,963	\$ (45,437)
Interest income	-	3,613	3,613
Intergovernmental - Interest subsidy	35,316	76,716	41,400
Capital contribution	-	-	-
Other	2,720	4,336	1,616
Total revenues	546,436	547,628	1,192
EXPENSES:			
Water administration	203,396	202,976	(420)
Operating expenses	135,235	46,819	(88,416)
Wells and reservoirs	52,400	36,265	(16,135)
Depreciation	120,000	141,283	21,283
Other	35,405	16,048	(19,357)
Total expenses	546,436	443,391	(103,045)
NET INCOME (LOSS) BEFORE TRANSFERS	-	104,237	104,237
Interfund transfers out	-	-	-
NET INCOME (LOSS)	\$ -	\$ 104,237	\$ 104,237
	Original and Final Budget	Actual (Budgetary Basis)	Variance Over (Under)
SEWER FUND			
REVENUES:			
Charges for services	\$ 850,538	\$ 908,484	\$ 57,946
Interest income	-	646	646
Intergovernmental -USDA grant	-	29,073	29,073
Capital contribution	-	-	-
Other	300	2,246	1,946
Total Revenues	850,838	940,449	89,611
EXPENSES:			
Sewer administration	199,666	187,275	(12,391)
Treatment and disposal	231,700	232,407	707
Depreciation	60,000	237,261	177,261
Debt Service	359,472	101,573	(257,899)
Total Expenses	850,838	758,516	(92,322)
NET INCOME (LOSS) BFORE TRANSFERS	-	181,932	181,932
Interfund transfers out	-	(195,531)	(195,531)
NET INCOME (LOSS)	\$ -	\$ (13,599)	\$ (13,599)

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

TOWN OF RANDOLPH, VERMONT
 COMBINING BALANCE SHEET
 CAPITAL PROJECT FUNDS
 JUNE 30, 2020

SCHEDULE 7

	Highway Paving Reserve	Highway Equipment Reserve	Fire Equipment Reserve	Building Repair Reserve	Highway Gravel	Sidewalk Reserve	Bridge and Culvert Reserve	Stormwater Reserve	Total
ASSETS									
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Due from other funds	277,374	570,597	193,171	90,577	84,703	245,926	365,219	578,116	2,405,683
Total assets	<u>\$ 277,374</u>	<u>\$ 570,597</u>	<u>\$ 193,171</u>	<u>\$ 90,577</u>	<u>\$ 84,703</u>	<u>\$ 245,926</u>	<u>\$ 365,219</u>	<u>\$ 578,116</u>	<u>\$ 2,405,683</u>
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-	-	-	-	-
FUND BALANCES									
Non-spendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	25,000	-	-	-	-	25,000
Committed	277,374	570,597	193,171	65,577	84,703	245,926	365,219	578,116	2,380,683
Assigned	-	-	-	-	-	-	-	-	-
Unassigned / (Deficit)	-	-	-	-	-	-	-	-	-
Total fund balances	<u>277,374</u>	<u>570,597</u>	<u>193,171</u>	<u>90,577</u>	<u>84,703</u>	<u>245,926</u>	<u>365,219</u>	<u>578,116</u>	<u>2,405,683</u>
Total liabilities and fund balances	<u>\$ 277,374</u>	<u>\$ 570,597</u>	<u>\$ 193,171</u>	<u>\$ 90,577</u>	<u>\$ 84,703</u>	<u>\$ 245,926</u>	<u>\$ 365,219</u>	<u>\$ 578,116</u>	<u>\$ 2,405,683</u>

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

TOWN OF RANDOLPH, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

SCHEDULE 8

	Highway Paving Reserve	Highway Equipment Reserve	Fire Equipment Reserve	Building Repair Reserve	Highway Gravel	Sidewalk Reserve	Bridge and Culvert Reserve	Stormwater Reserve	Total
REVENUES:									
Intergovernmental	\$ 100,000	\$ -	\$ -	\$ 249	\$ 15,495	\$ -	\$ 7,464	\$ -	\$ 123,208
Donations	-	-	-	25,000	-	-	-	-	25,000
Licenses and permits	-	-	-	-	-	-	-	-	-
Investment income	-	347	-	-	-	-	-	-	347
Other	-	-	8,270	-	-	-	-	-	8,270
Total revenues	100,000	347	8,270	25,249	15,495	-	7,464	-	156,825
EXPENDITURES:									
General government	-	-	-	1,001	-	-	-	-	1,001
Public safety	-	-	13,108	-	-	-	-	-	13,108
Highway and streets	1,135	945	-	-	14,906	235	-	10,037	27,258
Sanitation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-	-
Capital Outlay:									-
General government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Highway and streets	130,811	-	-	-	-	-	-	-	130,811
Debt service:									-
Capital lease principal	-	77,196	40,849	-	-	-	-	-	118,045
Capital lease interest	-	642	100	-	-	-	-	-	742
Total expenditures	131,946	78,783	54,057	1,001	14,906	235	-	10,037	290,965
Excess (Deficiency) of Revenues Over Expenditures	(31,946)	(78,436)	(45,787)	24,248	589	(235)	7,464	(10,037)	(134,140)
OTHER FINANCING SOURCES (USES)									
Loan proceeds	-	360,372	-	-	-	-	-	-	360,372
Transfers in	359,019	145,000	100,000	125,658	120,000	30,000	-	30,000	909,677
Transfers out	-	-	-	-	(4,463)	-	-	-	(4,463)
Total other financing sources (uses)	359,019	505,372	100,000	125,658	115,537	30,000	-	30,000	1,265,586
Net Change in Fund Balances	327,073	426,936	54,213	149,906	116,126	29,765	7,464	19,963	1,131,446
Fund Balances, July 1, 2019, restated	(49,699)	143,661	138,958	(59,329)	(31,423)	216,161	357,755	558,153	1,274,237
Fund Balances, June 30, 2020	\$ 277,374	\$ 570,597	\$ 193,171	\$ 90,577	\$ 84,703	\$ 245,926	\$ 365,219	\$ 578,116	\$ 2,405,683

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

TOWN OF RANDOLPH, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR - OTHER GOVERNMENTAL FUNDS
 JUNE 30, 2020

SCHEDULE 9

	Conservation Commission	Town Clerk Restoration	Recreation Reserve	Cemetery Fund	Fire Air Packs Fund	Police Equipment Fund	Reappraisal Fund	Lister Education	Village Fire Department Fund	Emergency Reserve	East Randolph Community Hall Clock	East Randolph Memorial Fund	Total Other Governmental Funds
ASSETS													
Cash	\$ 13,542	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,542
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from trustees	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	97,189	27,931	6,253	-	-	189,949	2,372	5,290	200,000	1,640	1,707	532,331
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 13,542	\$ 97,189	\$ 27,931	\$ 6,253	\$ -	\$ -	\$ 189,949	\$ 2,372	\$ 5,290	\$ 200,000	\$ 1,640	\$ 1,707	\$ 545,873
LIABILITIES													
Accounts payable	\$ 200	\$ 39,800	\$ 42,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,600
Due to other funds	-	-	-	-	-	28,926	-	-	-	-	-	-	28,926
Total liabilities	200	39,800	42,600	-	-	28,926	-	-	-	-	-	-	111,526
FUND BALANCES													
Non-spendable	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	189,949	2,372	-	-	-	-	192,321
Committed	13,342	57,389	(14,669)	6,253	-	(28,926)	-	-	5,290	200,000	1,640	1,707	242,026
Assigned	-	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned / (Deficit)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	13,342	57,389	(14,669)	6,253	-	(28,926)	189,949	2,372	5,290	200,000	1,640	1,707	434,347
Total liabilities and fund balances	\$ 13,542	\$ 97,189	\$ 27,931	\$ 6,253	\$ -	\$ -	\$ 189,949	\$ 2,372	\$ 5,290	\$ 200,000	\$ 1,640	\$ 1,707	\$ 545,873

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

TOWN OF RANDOLPH, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 NON-MAJOR - OTHER GOVERNMENTAL FUNDS
 JUNE 30, 2020

SCHEDULE 10

	Conservation Commission	Town Clerk Restoration	Recreation Reserve	Cemetery Fund	Fire Air Packs Fund	Police Equipment Fund	Reappraisal Fund	Lister Education	Village Fire Department Fund	Emergency Reserve	East Randolph Community Hall Clock	East Randolph Memorial Fund	Total Other Governmental Funds
REVENUES:													
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	5,557	-	-	-	-	-	-	-	-	-	5,557
Licenses and fees	-	14,310	-	-	-	-	-	-	-	-	-	-	14,310
Investment income	16	-	-	-	-	-	-	-	-	-	-	-	16
Other	-	-	1,000	-	-	-	-	-	-	-	-	-	1,000
Total revenues	16	14,310	6,557	-	-	-	-	-	-	-	-	-	20,883
EXPENDITURES:													
General government	-	46,777	-	-	-	-	-	-	-	-	-	-	46,777
Public safety	-	-	-	-	43,982	-	-	-	-	-	-	-	43,982
Highway and streets	-	-	-	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	589	-	46,826	-	-	-	-	-	-	-	-	-	47,415
Capital Outlay:													
General government	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-	-	-	-
Highway and streets	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt service:													
Principal payments	-	-	-	-	-	10,736	-	-	-	-	-	-	10,736
Interest payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	589	46,777	46,826	-	43,982	10,736	-	-	-	-	-	-	148,910
Excess (Deficiency) of Revenues Over Expenditures	(573)	(32,467)	(40,269)	-	(43,982)	(10,736)	-	-	-	-	-	-	(128,027)
OTHER FINANCING SOURCES (USES)													
Transfers in	-	3,500	25,600	6,000	23,000	-	5,000	-	-	-	-	-	63,100
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(314)	(314)
	<u>-</u>	<u>3,500</u>	<u>25,600</u>	<u>6,000</u>	<u>23,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(314)</u>	<u>62,786</u>
Net Change in Fund Balances	(573)	(28,967)	(14,669)	6,000	(20,982)	(10,736)	5,000	-	-	-	-	(314)	(65,241)
Fund Balances, July 1, 2019, restated	13,915	86,356	-	253	20,982	(18,190)	184,949	2,372	5,290	200,000	1,640	2,021	499,588
Fund Balances, June 30, 2020	<u>\$ 13,342</u>	<u>\$ 57,389</u>	<u>\$ (14,669)</u>	<u>\$ 6,253</u>	<u>\$ -</u>	<u>\$ (28,926)</u>	<u>\$ 189,949</u>	<u>\$ 2,372</u>	<u>\$ 5,290</u>	<u>\$ 200,000</u>	<u>\$ 1,640</u>	<u>\$ 1,707</u>	<u>\$ 434,347</u>

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



Batchelder Associates, PC

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

To the Select Board
Town of Randolph, Vermont
Randolph, Vermont

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Randolph, Vermont ("Town"), as of and for the year ended June 30, 2020, which collectively comprise the Town's basic financial statements and have issued our report thereon dated November 18, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We found no deficiencies which would be classified as material weaknesses or significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we

performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* for year ending June 30, 2020.

We noted certain other matters that we reported to management of the Town in a separate letter. There are no documented responses included with this audit.

This report is intended solely for the information and use of management, Board of Selectmen, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Batchelder Associates, PC

Batchelder Associates, PC
Barre, Vermont
November 18, 2020
Vermont License # 945