



Town of Rutland, Vermont

Accounting, Auditing and Financial Reporting Policy

Adopted 5/20/2025

PURPOSE.

The purpose of this Accounting, Auditing and Financial Reporting Policy is to establish and maintain high standards for accounting practices in the Town of Rutland thereby enabling voters, the selectboard, and the treasurer to make sound decisions in preparing and adopting the Town budget and managing Town finances.

ACCOUNTING.

The accounting practices of the Town will conform to the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The treasurer will establish and maintain a system of fund accounting and shall measure financial position and results of operations using the modified cash basis of accounting for governmental, proprietary and fiduciary funds.

AUDITING.

Annually, the selectboard will cause the Town financial statements to be audited by a qualified, properly licensed independent accounting firm.

MONTHLY AND ANNUAL FINANCIAL REPORTING.

The treasurer will prepare monthly financial reports for the selectboard's management purposes. These will consist of:

- Budget Report showing revenues collected and appropriations expended for the previous month with the variance from the budget amounts for each line item.
- Statement of Revenue, Expenditures, and Changes in Fund Balance showing revenues and expenditures and the difference between the two, the beginning fund balance for the period, the ending fund balance.
- Balance Sheet showing Town assets less liabilities and the fund balance.

The treasurer will also prepare an annual financial report. This report should include financial statements for each of the funds of the Town, as well as appropriate additional disclosures as necessary for the complete understanding of the financial statements presented. In addition, the report should include a narrative discussion to explain how the Town's current financial position and results of financial activities compare with those of

the prior year and with budgeted amounts. This report, together with the most recent independent auditor's report and any report prepared by the Town's elected auditors under 24 V.S.A. § 1682, will be reproduced in the Town's annual report each year.

GRANT TRACKING AND COMPLIANCE WITH SINGLE AUDIT ACT AND UNIFORM GUIDANCE (OMB's Title 2 CFR Part 200).

The Selectboard shall designate an individual or individuals whose responsibility will be monitoring and tracking of all grant agreements applied for and received by the Town, including determination of whether grants received include state funds, federal funds or both. The individual shall track, and report federal funds spent during the fiscal year to ensure compliance with the Single Audit Act and Uniform Guidance. The Single Audit Act (and its amendments) requires non-federal entities that expend \$750,000 or more (threshold increased to \$1 million or more for fiscal years beginning on or after October 1, 2024) in federal funds in a given fiscal year to have an audit performed annually.

ADOPTION.

The foregoing policy is hereby adopted by the Selectboard and the Treasurer of the Town of Rutland Vermont, this 20th day of May 2025 and is effective as of this date until amended, modified, or repealed by a subsequent Board.

Selectboard Members

Mary Ashcroft, Chair

Joseph Denardo, Clerk

Sharon Russell

Kurt Hathaway

Matt Getty

Town Treasurer