

Who is responsible for the town report? The selectboard, town clerk, or auditors?

According to the Vermont Statutes, the elected auditors must “examine and adjust the accounts of all town officers and all other persons authorized by law to draw orders on the town treasurer,” and the auditors must “report their findings in writing and cause the same to be mailed or otherwise distributed to the legal voters of the town at least ten days before the annual meeting.” [24 V.S.A. §§ 1681, 1682\(a\)](#).

The law only requires that an annual auditors' report is distributed. There is no legal requirement that the town assemble, print, and distribute any other information. Of course, historically most towns have assembled, printed, and distributed a so-called "Town Report" that contains all kinds of information such as vital statistics, next year's proposed budget, photographs, and the warning. If a town wants to save printing and mailing expenses it could limit the report to only that which is required by law.

Who is responsible for the town report if the office of elected auditor no longer exists?

If the town has voted to eliminate the office of elected auditor in accordance with [17 V.S.A. § 2651b](#), the selectboard bears the responsibility of mailing or otherwise distributing the findings of the professional accountant, licensed in Vermont, that the selectboard hired. [24 V.S.A. § 1682\(b\)](#).

What does the town report have to contain?

The "town report" under Vermont law, strictly speaking, is only required to contain the "auditors' report" under [24 V.S.A. §§ 1682, 1683](#), and [1684](#). The elected auditors must prepare and publish an audit report that reviews the accounts of the town treasurer, selectboard, tax collector, and other town officials who submit bills for payment by the town on a monthly or annual basis. This report provides taxpayers with detailed information about the town's financial status.

After completing a review of the town's books and financial statements, the auditors must prepare an audit report. The contents of the audit report must comply with the requirements of Vermont Statutes. Under [24 V.S.A. §§ 1683](#) and [1684](#), the report at a minimum contains:

- [A] detailed statement of the financial condition of such town for its fiscal year,
- a classified summary of receipts and expenditures,
- a list of all outstanding orders and payables more than 30 days past due, and
- show deficit, if any, pursuant to section [1523 \[Title 24\]](#) and such other information as the municipality shall direct (vote to include). Typically, this “other information” includes a list of all delinquent taxes owed to the town. If such a list is requested, State law requires

that “individuals who are exempt from penalty, fees, and interest by virtue of [32 V.S.A. § 4609](#) shall not be listed or identified in any such report, provided that they notify or cause to be notified in writing the municipal or district treasurer that they should not be listed or identified.” [24 V.S.A. § 1683\(a\)](#).

The report must also contain:

- (1) The condition of all trust funds, with a list of the assets of such funds including the receipts and disbursements for the preceding year;
- (2) Any outstanding bonds of the town with the rate of interest and the amounts; and
- (3) Any outstanding interest bearing notes or orders of the town with the serial number, date, amount, payee, rate of interest of each, and the total amount thereof. [24 V.S.A. § 1684](#).

Are we required to include a school’s audit report and/or finances?

Town auditors do not perform the job of school auditors. As such, auditors are not required to make a detailed statement showing what bonds of the school district are outstanding or what interest-bearing notes or orders of the town school district are outstanding.

A school district is legally distinct from a municipality. To our knowledge, the town would bear no legal obligation to include the school’s information; however, the selectboard may agree to include any additional material in its report that it sees fit.

To whom does the town report have to be sent?

Pursuant to [24 V.S.A. § 1682](#), towns are legally required to disseminate the auditors’ annual financial report. The statute declares that the auditors must “report their findings in writing and cause the same to be mailed or otherwise distributed to the voters of the town at least ten days before the annual meeting.” Prior to 2015, the law required the report be mailed or distributed to the “voters *or residents*” of the town. (Emphasis added). The law now requires it to be sent to just “the voters of the town,” which means that there is no longer any legal obligation to provide the report to residents who are not registered voters.

Therefore, towns may choose to save money by reducing the number of reports that are printed and distributed. However, towns should be aware that if they stop providing their non-voting residents with the report, those residents may feel alienated from their local government. Not only are those residents not provided a voice at town meeting because they are not registered voters in that town, but they are also now cut off from a source of detailed information about the town and its finances. If they have grown accustomed to receiving the report every year, this change may come as an unpleasant surprise.

Although the law no longer requires the town report or notice of availability be sent to town residents, a copy of the town report must be kept in the town clerk’s office to allow the public to inspect or copy. The law, [24 V.S.A. § 1174](#), states: “[The] clerk shall keep on file in his or her office two or more sets of the annual report of the auditors, which at suitable intervals he or she

shall bind in book form.” Finally, as best practice and for good customer service, the report should be posted to the town’s website, if one exists.

Does the town report have to be “mailed” to every voter in the town, or can it be emailed or posted on the town’s website instead?

State law requires that the town report is “mailed or otherwise distributed to the voters of the town at least ten days before the annual meeting.” [24 V.S.A. § 1682\(a\)](#). Because the law was enacted when email was nonexistent, we interpret it to mean that actual hard copy mailing or distributing of the town report is required. Therefore, only emailing the report to voters or posting it on the town’s website alone is insufficient.

Nonetheless, the law does give the voters the authority to agree to a different arrangement. Specifically, the voters may vote at a special or annual town meeting to provide “notice of availability” at least 30 days before the town meeting of the town report instead of mailing or otherwise distributing it. However, it is not enough that the voters merely decide to give notice that the town report is available. They must also specify how that notice is provided. A sample article for such a vote could take the following form:

“Shall the town provide notice of the availability of the annual report by [*insert method of providing notice such as “postcard, mailed to all registered voters”*] at least 30 days before the annual meeting instead of mailing or otherwise distributing the report to the voters of the town pursuant to [24 V.S.A. § 1682\(a\)?](#)”

Once the town votes to provide notice of availability, that vote relieves the town of the responsibility of mailing or otherwise distributing. Keep in mind, however, that even if such notice of availability is provided, the auditors are still required to mail or distribute a copy of the report to any voter or resident of the town who requests such service. [24 V.S.A. § 1682\(a\)](#). [24 V.S.A. 1682\(3\)](#).

Even if the voters approve sending the notice of availability in lieu of mailing the town report, the town auditors (or selectboard, if the town has voted to eliminate the office of the town auditor) must still deliver enough copies to the town clerk in order to comply with his or her responsibilities under [24 V.S.A. §§ 1173](#) and [1174](#).

Does the town report have to be received by voters at least ten days before town meeting?

The law requires that, until a town votes otherwise, copies of the town report must be “mailed or otherwise distributed” to the voters in town at least ten days before town meeting. [24 V.S.A. § 1682\(a\)\(1\)](#). Therefore, provided it is mailed at least ten days before town meeting, the town has satisfied the law, even if voters do not receive the report ten days prior to the town meeting. Keep in mind that this sets a minimum timeframe for distributing the report, so it can go out earlier as soon as it is ready.

What if two voters live at the same address? Do we have to send two copies?

While the law states that the report must be mailed or otherwise distributed to each voter, we believe it is acceptable to mail one report to each voter's household, e.g. if there is a married couple that lives together. Be sure to place the name of each person residing there on the mailed report.

Does the town need to vote to accept the town report?

Although a town report is mandated, there seems to be no statutory requirement for the voters to do anything about the report and no specific consequence if the town votes not to accept it. There is simply no legal requirement that the voters act to accept the town report at town meeting. While the report may certainly guide the voter's decision in terms of how much money to authorize for the ensuing year, it is not specifically subject to town approval. If the report is voted down it represents voter dissatisfaction, but no specific action must be taken because of the vote.

What are the town clerk's responsibilities once the report is available?

At the same time the notice of availability is provided, the town auditors (or selectboard, if the town has voted to eliminate the office of the town auditor) must still deliver enough copies to the town clerk in order to comply with his or her responsibilities under [24 V.S.A. §§ 1173](#) and [1174](#).

Section [1173 of Title 24](#) requires that the town clerk, annually, send two copies of the report to each library in the town and one copy of the report to the Vermont State Archives and Records Administration.

State law requires town clerks to "keep on file in his or her office two or more sets of the annual report of the auditors, which at suitable intervals he or she shall bind in book form." [24 V.S.A. § 1174](#). In addition, all surplus copies of the report must be given to the town clerk before the first Tuesday in March (Town Meeting Day).