

TOWN OF GROTON, VERMONT

AUDIT REPORT

DECEMBER 31, 2023

TOWN OF GROTON, VERMONT
AUDIT REPORT
TABLE OF CONTENTS
DECEMBER 31, 2023

	<u>Page #</u>
Independent Auditor's Report	1-3
Basic Financial Statements:	
Statement of Net Position - Modified Cash Basis	Exhibit A 4
Statement of Activities - Modified Cash Basis	Exhibit B 5
Governmental Funds:	
Statement of Modified Cash Basis Assets, Liabilities and Fund Balances	Exhibit C 6
Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances	Exhibit D 7
Fiduciary Funds:	
Statement of Fiduciary Modified Cash Basis Net Position	Exhibit E 8
Statement of Changes in Fiduciary Modified Cash Basis Net Position	Exhibit F 9
Notes to the Financial Statements	10-27
Other Information:	
Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balance - Budget and Actual - Budgetary Basis - General Fund	Schedule 1 28-34
Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balance - Budget and Actual - Highway Fund	Schedule 2 35-36

TOWN OF GROTON, VERMONT
AUDIT REPORT
TABLE OF CONTENTS
DECEMBER 31, 2023

	<u>Page #</u>
Combining Schedule of Modified Cash Basis Assets, Liabilities and Fund Balances - Non-Major Governmental Funds	Schedule 3 37
Combining Schedule of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances - Non-Major Governmental Funds	Schedule 4 38
Combining Schedule of Modified Cash Basis Assets, Liabilities and Fund Balances - Non-Major Special Revenue Funds	Schedule 5 39
Combining Schedule of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances - Non-Major Special Revenue Funds	Schedule 6 40
Combining Schedule of Modified Cash Basis Assets, Liabilities and Fund Balances - Non-Major Capital Projects Funds	Schedule 7 41
Combining Schedule of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances - Non-Major Capital Projects Funds	Schedule 8 42
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"	43-44

Sullivan, Powers & Co., P.C.

Certified Public Accountants

77 Barre Street
P.O. Box 947
Montpelier, VT 05601
802/223-2352
www.sullivanpowers.com

Richard J. Brigham, CPA
Chad A. Hewitt, CPA
Jordon M. Plummer, CPA
VT Lic. #92-000180

Independent Auditor's Report

Selectboard
Town of Groton, Vermont
1476 Scott Highway
Groton, VT 05046

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Groton, Vermont as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Groton, Vermont's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Groton, Vermont, as of December 31, 2023, and the respective changes in financial position thereof for the year then ended in accordance with the modified cash basis of accounting, as described in Note I.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Groton, Vermont and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis of Accounting

We draw attention to Note I.D. to the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note I; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Groton, Vermont's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and "Government Auditing Standards" will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and "Government Auditing Standards", we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Groton, Vermont's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Groton, Vermont's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Groton, Vermont's basic financial statements. The budgetary comparison information on Schedules 1 and 2 and combining fund financial statements are presented for purposes 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 express no 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 July 23, 2024 on our consideration of the Town of Groton, Vermont's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Groton, Vermont's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the Town of Groton, Vermont's internal control over financial reporting and compliance.

Sullivan, Powers & Co.

July 23, 2024
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF GROTON, VERMONT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2023

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 1,655,108
Investments	149,419
Due from Fiduciary Funds	<u>12,770</u>
Total Assets	<u>1,817,297</u>
<u>LIABILITIES</u>	
Payroll Withholdings Payable	<u>8,685</u>
Total Liabilities	<u>8,685</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Prepaid Property Taxes	<u>2,144</u>
Total Deferred Inflows of Resources	<u>2,144</u>
<u>NET POSITION</u>	
Restricted:	
Non-Expendable:	
Cemetery	95,345
Expendable:	
Culture and Recreation	126,479
Cemetery	33,381
Eligible ARPA Uses	248,818
Other	38,071
Unrestricted	<u>1,264,374</u>
Total Net Position	\$ <u><u>1,806,468</u></u>

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

TOWN OF GROTON, VERMONT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Program Cash Receipts					Net (Disbursements)/ Receipts and Changes in Net Position
Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Loans	Governmental Activities	
Functions/Programs:					
Governmental Activities:					
General Government	\$ 392,495	\$ 16,170	\$ 792	\$ 0	\$ (375,533)
Culture and Recreation	105,434	0	8,936	0	(96,498)
Public Safety	141,899	9,933	0	0	(131,966)
Highways and Streets	608,210	2,947	106,292	237,042	(261,929)
Solid Waste	10,863	0	0	0	(10,863)
Cemetery	15,862	5,465	0	0	(10,397)
Debt Service	20,321	0	0	0	(20,321)
Total Governmental Activities	\$ <u>1,295,084</u>	\$ <u>34,515</u>	\$ <u>116,020</u>	\$ <u>237,042</u>	<u>(907,507)</u>
General Receipts:					
Property Taxes					751,499
Penalties and Interest on Delinquent Taxes					117,178
General State Grants					165,788
Unrestricted Investment Earnings					9,274
Insurance Proceeds					2,071
Other					<u>4,292</u>
Total General Receipts					<u>1,050,102</u>
Change in Net Position					142,595
Net Position - January 1, 2023					<u>1,663,873</u>
Net Position - December 31, 2023					\$ <u><u>1,806,468</u></u>

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

TOWN OF GROTON, VERMONT
STATEMENT OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General Fund	Highway Fund	ARPA Fund	Highway Equipment Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash	\$ 476,108	\$ 0	\$ 251,451	\$ 173,026	\$ 754,523	\$ 1,655,108
Investments	0	0	0	0	149,419	149,419
Due from Other Funds	0	72,705	0	0	15,529	88,234
Total Assets	\$ 476,108	\$ 72,705	\$ 251,451	\$ 173,026	\$ 919,471	\$ 1,892,761
<u>LIABILITIES</u>						
Payroll Withholdings Payable	\$ 8,685	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,685
Due to Other Funds	48,449	0	0	0	27,015	75,464
Total Liabilities	57,134	0	0	0	27,015	84,149
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Prepaid Property Taxes	2,144	0	0	0	0	2,144
Total Deferred Inflows of Resources	2,144	0	0	0	0	2,144
<u>FUND BALANCES</u>						
Nonspendable	0	0	0	0	95,345	95,345
Restricted	0	0	248,818	0	197,931	446,749
Committed	0	72,705	0	173,026	527,815	773,546
Assigned	71,101	0	2,633	0	71,365	145,099
Unassigned	345,729	0	0	0	0	345,729
Total Fund Balances	416,830	72,705	251,451	173,026	892,456	1,806,468
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 476,108	\$ 72,705	\$ 251,451	\$ 173,026	\$ 919,471	\$ 1,892,761

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

TOWN OF GROTON, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General Fund	Highway Fund	ARPA Fund	Highway Equipment Fund	Non-Major Governmental Funds	Total Governmental Funds
Cash Receipts:						
Property Taxes	\$ 341,362	\$ 410,137	\$ 0	\$ 0	\$ 0	\$ 751,499
Penalties and Interest on Delinquent Taxes	117,178	0	0	0	0	117,178
Intergovernmental	155,900	106,292	0	0	244,574	506,766
Charges for Services	13,172	2,947	0	0	7,821	23,940
Permits, Licenses and Fees	12,561	0	0	0	0	12,561
Fines and Forfeits	1,162	0	0	0	0	1,162
Investment Income	1,898	0	2,632	402	4,342	9,274
Donations	0	0	0	0	8,936	8,936
Other	3,672	2,071	0	0	620	6,363
Total Cash Receipts	646,905	521,447	2,632	402	266,293	1,437,679
Cash Disbursements:						
General Government	372,997	0	0	0	1,646	374,643
Culture and Recreation	55,971	0	40,800	0	8,663	105,434
Public Safety	125,318	0	0	0	614	125,932
Highways and Streets	0	345,377	0	0	0	345,377
Solid Waste	10,863	0	0	0	0	10,863
Cemetery	12,677	0	0	0	3,185	15,862
Capital Outlay:						
General Government	0	0	0	0	17,852	17,852
Public Safety	0	0	0	0	15,967	15,967
Highways and Streets	0	0	0	3,740	259,093	262,833
Debt Service:						
Principal	19,047	0	0	0	0	19,047
Interest	1,274	0	0	0	0	1,274
Total Cash Disbursements	598,147	345,377	40,800	3,740	307,020	1,295,084
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	48,758	176,070	(38,168)	(3,338)	(40,727)	142,595
Other Financing Sources/(Uses):						
Transfers In	0	0	0	70,140	122,200	192,340
Transfers Out	(57,200)	(135,140)	0	0	0	(192,340)
Total Other Financing Sources/(Uses)	(57,200)	(135,140)	0	70,140	122,200	0
Net Change in Fund Balances	(8,442)	40,930	(38,168)	66,802	81,473	142,595
Fund Balances - January 1, 2023	425,272	31,775	289,619	106,224	810,983	1,663,873
Fund Balances - December 31, 2023	\$ 416,830	\$ 72,705	\$ 251,451	\$ 173,026	\$ 892,456	\$ 1,806,468

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

TOWN OF GROTON, VERMONT
STATEMENT OF FIDUCIARY MODIFIED CASH BASIS NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023

	Private-Purpose Trust Fund Food Shelf Fund	Custodial Fund Education Tax Fund
<u>ASSETS</u>		
Cash	\$ 9,173	\$ 0
Due from School District	<u>0</u>	<u>11,700</u>
Total Assets	\$ <u><u>9,173</u></u>	\$ <u><u>11,700</u></u>
<u>LIABILITIES AND NET POSITION</u>		
Liabilities:		
Due to Other Funds	\$ <u>1,070</u>	\$ <u>11,700</u>
Total Liabilities	<u>1,070</u>	<u>11,700</u>
Net Position:		
Restricted	<u>8,103</u>	<u>0</u>
Total Net Position	<u>8,103</u>	<u>0</u>
Total Liabilities and Net Position	\$ <u><u>9,173</u></u>	\$ <u><u>11,700</u></u>

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

TOWN OF GROTON, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY MODIFIED CASH BASIS NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Private-Purpose Trust Fund <u>Food Shelf Fund</u>	Custodial Fund <u>Education Tax Fund</u>
Additions:		
Investment Income	\$ 87	\$ 0
Donations	3,620	0
Education Taxes Collected for Other Governments	<u>0</u>	<u>1,784,996</u>
Total Additions	<u>3,707</u>	<u>1,784,996</u>
Deductions:		
Miscellaneous	4,674	0
Education Taxes Distributed to Other Governments	<u>0</u>	<u>1,784,996</u>
Total Deductions	<u>4,674</u>	<u>1,784,996</u>
Change in Net Position	(967)	0
Net Position - January 1, 2023	<u>9,070</u>	<u>0</u>
Net Position - December 31, 2023	<u><u>\$ 8,103</u></u>	<u><u>\$ 0</u></u>

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

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

The Town of Groton, Vermont (herein the “Town”) operates under a Selectboard form of government and provides the following services: public safety, highways and streets, health and social services, culture and recreation, community/economic development, solid waste, cemetery, public improvements, planning and zoning and general administrative services.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note I.D., these financial statements are presented primarily on the modified cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant accounting policies employed in the preparation of these financial statements.

A. The Financial Reporting Entity

This report includes all of the activity of the Town of Groton, 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.

B. Basis of Presentation

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

The basic financial statements of the Town include both government-wide statements and fund financial statements. The focus of the government-wide statements is on reporting the operating results and financial position of the Town as a whole. The focus of the fund financial statements is on reporting on the operating results and financial position of the most significant funds of the Town.

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government, the Town. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of activities between funds. Governmental activities generally are financed through property taxes, intergovernmental receipts, and other nonexchange transactions.

The statement of activities presents a comparison between direct disbursements and program receipts for each function of the Town's governmental activities. Direct disbursements are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular program or function. Program receipts include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts that are not classified as program receipts, including all property taxes, are presented as general receipts.

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, followed by general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds.

The Town reports on the following major governmental funds:

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

Highway Fund – This fund accounts for the receipts, disbursements and available resources of the Highway Department.

ARPA Fund – This fund accounts for the resources from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program used to support the Town's response to and recovery from the COVID-19 public health emergency.

Highway Equipment Fund – This fund accounts for equipment expenditures of the Highway Department.

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Additionally, the Town reports the following fund types:

Private-Purpose Trust Fund – This fund is used to report trust arrangements under which resources are to be used for the benefit of individuals and organizations. All investment earnings, and in some cases, the principal of this fund may be used to support these activities.

Custodial Fund – This fund is used to report resources held by the Town in a purely custodial capacity for other governments, private organizations or individuals.

C. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus within the limitations of the modified cash basis of accounting. Equity (i.e., modified cash basis net position) is segregated into restricted and unrestricted net position. Operating statements present increases (i.e., receipts) and decreases (i.e., disbursements) in modified cash basis net position.

Governmental fund financial statements are reported using the current financial resources measurement focus within the limitations of the modified cash basis of accounting. Their reported fund balances (modified cash basis fund balances) are considered a measure of available spendable resources and are segregated into nonspendable; restricted; committed; assigned and unassigned amounts. Operating statements of these funds present increases (i.e., receipts and other financing sources) and decreases (i.e., disbursements and other financing uses) in modified cash basis fund balances.

D. Basis of Accounting

Basis of accounting refers to when revenue and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Town's policy is to prepare its financial statements generally on the basis of cash receipts and disbursements; consequently, certain revenue and related assets are recognized when received rather than when earned and certain expenditures and related liabilities are recognized when paid rather than when the obligation is incurred. The exceptions to this are that the Town records certificates of deposits and U.S. Treasury bonds at cost and other investments at market value and reimbursements due from the School District for overpayment of education taxes as assets, payroll withholdings payable as liabilities and prepaid property taxes as deferred inflows of resources. The recording of investments at market value is not in accordance with the modified cash basis of accounting which requires investments to be carried at cost, however, the difference is not material to the financial statements.

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

General capital asset acquisitions are reported as expenditures. Proceeds of general long-term debt, acquisitions under financed purchases and insurance proceeds are reported as other financing sources.

E. Assets, Liabilities, Deferred Inflows of Resources and Equity

1. Cash

Cash balances of most Town funds are deposited with and invested by the Town Treasurer. The Town considers all short-term investments of ninety (90) days or less to be cash equivalents.

2. Investments

The Town invests in investments as allowed by State Statute. The Town's investments in certificates of deposit and U.S. Treasury bonds are reported at cost and other investments are reported at current market value.

3. Interfund Receivables/Payables

Activity 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 from/to other funds".

4. 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. These amounts are deferred and recognized as an inflow of resources in the future periods to which the inflows are related.

5. Fund Equity

Fund equity is classified based upon any restrictions that have been placed on those balances or any tentative plans management may have made for those balances. Restrictions of net position in government-wide and fiduciary fund financial statements represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a grant, contract, or other binding agreement. Fund balances in governmental fund financial statements are classified as nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors, or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Selectboard's intended use of the resources); and unassigned.

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The budgets are approved at the annual Town Meeting in March. Any budget changes require voter approval. There were no budget changes during the year. The budgets presented herein are for the Town's "General Fund" and "Highway Fund" only and do not include the Town Emergency Fund, the Professional Services Fund and the Recreation Committee Fund activity that is included with the General Fund.

B. Budgeted Deficits

The Town elected to budget cash disbursements in excess of cash receipts by \$45,948 in the General Fund in order to utilize a portion of the prior year's surpluses. This is reflected as a current year's budgeted deficiency of cash receipts over cash disbursements on Schedule 1.

The Town elected to budget cash disbursements in excess of cash receipts by \$14,000 in the Highway Fund in order to utilize a portion of the prior year's surpluses. This is reflected as a current year's budgeted deficiency of cash receipts over cash disbursements on Schedule 2.

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments as of December 31, 2023 consist of the following:

Cash:

Deposits with Financial Institutions	\$ 1,664,224
Cash on Hand	<u>57</u>
Total Cash	<u>1,664,281</u>

Investments:

Certificates of Deposit	106,049
U.S. Treasury Bond	20,000
Mutual Funds – Mixed Holdings	<u>23,370</u>
Total Investments	<u>149,419</u>

Total Cash and Investments	<u>\$ 1,813,700</u>
----------------------------	---------------------

The Town has two (2) certificates of deposit, one in the amount of \$93,854 with an interest rate of 4.0% which matures in 2024, and the other in the amount of \$12,195 with an interest rate of 4.5% and which matures in 2025.

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 its 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 does not have any policy to limit the exposure to custodial credit risk. The U.S. Treasury bond and mutual funds are in the name of the Town and are not exposed to custodial credit risk. The following table shows the custodial credit risk of the Town's cash and certificates of deposit.

	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC Insured	\$ 542,968	\$ 542,968
Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution's Agent	<u>1,227,305</u>	<u>1,245,470</u>
Total	<u>\$1,770,273</u>	<u>\$1,788,438</u>

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

The book balance is comprised of the following:

Cash – Deposits with Financial Institutions	\$1,664,224
Investments – Certificates of Deposit	<u>106,049</u>
Total	<u>\$1,770,273</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. The Town's certificates of deposit are not subject to interest rate disclosure. The mutual funds are open-ended and, therefore, are also exempt from interest rate risk disclosure. The Town's U.S. Treasury bond has a variable interest rate adjusted semi-annually for inflation and, therefore, not subject to interest rate risk disclosure.

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Town does not have any policy to limit the exposure to credit risk. The Town's U.S. Treasury bond and certificates of deposit are not subject to credit risk disclosure. The mutual funds are open-ended and, therefore, are also exempt from credit risk disclosure.

Concentration of Credit Risk

Concentration of credit risk is the risk that a large percentage of the Town's investments are held within one security. The Town does not have any limitations on the amount that can be invested in any one issuer. The Town's U.S. Treasury bond and certificates of deposit are exempt from concentration of credit risk analysis. The mutual funds are open-ended are also excluded from the concentration of credit risk analysis.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board (GASB) Statement No. 72, "Fair Value Measurement and Application." The hierarchy is based on the valuation inputs used to measure fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The Town's certificate of deposit is not subject to fair value disclosures.

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

The Town has the following fair value measurements as of December 31, 2023:

Description	Total	Fair Value Measurements Using:		
		Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Mutual Funds - Mixed Holdings	\$ 23,370	\$ 23,370	\$ 0	\$ 0
Total	\$ 23,370	\$ 23,370	\$ 0	\$ 0

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

B. Interfund Balances and Activity

The composition of interfund balances as of December 31, 2023 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 0	\$ 48,449
Highway Fund	72,705	0
Non-Major Governmental Funds	15,529	27,015
Private-Purpose Trust Fund – Food Shelf Fund	0	1,070
Custodial Fund – Education Tax Fund	<u>0</u>	<u>11,700</u>
Totals	<u>\$ 88,234</u>	<u>\$ 88,234</u>

Interfund transfers during the period ended December 31, 2023 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Computer & Office Equipment Fund	\$ 2,000	Appropriation
General Fund	Community Bldg Improvement Fund	5,000	Appropriation
General Fund	Emer Services Bldg Improvement Fund	5,000	Appropriation
General Fund	Emer Servs Vehicles Fund	24,000	Appropriation
General Fund	Reappraisal & Tax Maps Fund	1,200	Appropriation
General Fund	Professional Services Fund	5,000 *	Appropriation
General Fund	Town Emergency Fund	20,000 *	Appropriation
General Fund	Emer Servs Durable Equip Fund	20,000	Appropriation
Highway Fund	Highway Equipment Fund	70,140	Appropriation
Highway Fund	Highway Infrastructure Fund	10,000	Appropriation
Highway Fund	Highway Paving Fund	50,000	Appropriation
Highway Fund	Highway Building Improvement Fund	<u>5,000</u>	Appropriation
Total		<u>\$ 217,340</u>	

* The transfers from the General Fund to the Town Emergency Fund and Professional Services Fund were netted within the General Fund as these funds are consolidated within the General Fund in order to comply with GASB Statement No. 54.

C. Due from School District

During the year ended December 31, 2023, the Town paid the School District \$1,796,696 for education property taxes, as instructed by the State of Vermont. Subsequent to year end, the State issued its final education property tax reconciliation for the State's fiscal year ending June 30, 2023. The State's final reconciliation showed \$1,784,996 was required to be paid to the School District. The amount of education taxes owed by the School District to the Town as of December 31, 2023 is \$11,700.

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

D. Deferred Inflows of Resources

Deferred inflows of resources consist of \$2,144 of prepaid property taxes.

E. Fund Balances

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

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

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

Amounts constrained to stabilization (rainy-day funds) will be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. However, stabilization is regarded as a specified purpose only if the circumstances or conditions that signal the need for stabilization (a) are identified in sufficient detail and (b) are not expected to occur routinely. The Town does not have any stabilization arrangements.

Some governments create stabilization-like arrangements by establishing formal minimum fund balance policies. The Town does not have any minimum fund balance policies.

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

The purpose for each major special revenue fund, including which specific revenues and other resources are authorized to be reported in each, are described in the following section. The fund balances in the following funds are nonspendable as follows:

Non-Major Funds

Permanent Fund:

Nonspendable for Cemetery Perpetual Care - Estimated	<u>\$95,345</u>
Total Nonspendable Fund Balances	<u>\$95,345</u>

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

The fund balances in the following funds are restricted as follows:

Major Funds

ARPA Fund:

Restricted for Eligible Uses of the Coronavirus Local Fiscal Recovery Funding by Grant Agreement (Source of Revenue is Grant Revenue)	<u>\$248,818</u>
---	------------------

Non-Major Funds

Special Revenue Funds:

Restricted for Records Restoration Expenses by Statute (Source of Revenue is Restoration Fees)	29,274
Restricted for Highway Expenses by Grant Agreement (Source of Revenue is Grant Revenue)	8,797
Restricted for Library Expenses by Donations (Source of Revenue is Donations)	<u>126,479</u>
Total Special Revenue Funds	<u>164,550</u>

Permanent Fund:

Restricted for Cemetery Expenses by Sale of Lots (Source of Revenue is Lot Sales)	<u>33,381</u>
---	---------------

Total Non-Major Funds	<u>197,931</u>
-----------------------	----------------

Total Restricted Fund Balances	<u>\$446,749</u>
--------------------------------	------------------

The fund balances in the following funds are committed as follows:

Major Funds

Highway Fund:

Committed for Highway Expenditures by the Voters	\$ <u>72,705</u>
--	------------------

Highway Equipment Fund:

Committed for Highway Equipment Expenditures by the Voters	<u>173,026</u>
--	----------------

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Non-Major Funds

Capital Projects Funds:

Committed for Community Building Improvement Expenditures by the Voters	\$ 93,974
Committed for Emergency Services Building Improvement Expenditures by the Voters	54,258
Committed for Emergency Services Vehicles Expenditures by the Voters	140,932
Committed for Emergency Services Durable Equipment Expenditures by the Voters	49,622
Committed for Constable Durable Equipment Expenditures by the Voters	6,972
Committed for Sidewalk Expenditures by the Voters	2,501
Committed for Highway Paving Expenditures by the Voters	87,272
Committed for Highway Infrastructure Expenditures by the Voters	81,345
Committed for Highway Building Improvement Expenditures by the Voters	5,005
Committed for Community Building Property Expansion Expenditures by the Voters	5,578
Committed for Computer Equipment Expenditures by the Voters	<u>356</u>
Total Capital Projects Funds	<u>527,815</u>
Total Committed Fund Balances	<u>\$773,546</u>

The fund balances in the following funds are assigned as follows:

Major Funds

General Fund:

Assigned to Reduce Property Taxes in Fiscal Year 2024	\$ 35,000
Assigned for Town Emergency Expenses	20,826
Assigned for Professional Services Expenses	990
Assigned for Recreation Committee Expenses	<u>14,285</u>
Total General Fund	<u>71,101</u>

ARPA Fund:

Assigned for ARPA Expenses	<u>2,633</u>
----------------------------	--------------

Non-Major Funds

Special Revenue Funds:

Assigned for Reappraisal Expenses	<u>71,365</u>
Total Assigned Fund Balances	<u>\$145,099</u>

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

F. Restricted Net Position

The restricted net position in the governmental activities consists of the nonspendable fund balances of \$95,345 and the restricted fund balances of \$446,749 for a total of \$542,094.

The net position held in trust for various purposes in the Town's Private-Purpose Trust Fund as of December 31, 2023 consisted of the following:

Private-Purpose Trust Fund:

Restricted for Food Shelf Expenses by Donations	<u>\$ 8,103</u>
---	-----------------

IV. OTHER INFORMATION

A. Pension Plan

Defined Benefit Plan

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. As of June 30, 2022, the measurement date selected by the State of Vermont, the retirement system consisted of 359 participating employers.

The plan was established effective July 1, 1975, and is governed by Title 24, V.S.A. Chapter 125.

The general administration and responsibility for formulating administrative policy and procedures of the retirement system for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system, and two employer representatives-one elected by the governing bodies of participating employers of the system, and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service.

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

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

As of June 30, 2022, the measurement date selected by the State of Vermont, VMERS was funded at 73.60% and had a plan fiduciary net position of \$845,979,471 and a total pension liability of \$1,149,351,427 resulting in a net position liability of \$303,371,956. As of June 30, 2023, the Town's proportionate share of this was 0.0404% resulting in a net pension liability of \$122,658. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. 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 municipalities, actuarially determined. The Town's proportion of 0.0404% was a decrease of 0.0025 from its proportion measured as of the prior year.

Summary of System Provisions

Membership – Full time employees of participating municipalities. Municipalities can elect coverage under Groups A, B, C or D provisions. The Town elected coverage under Group A.

Creditable Service – Service as a member plus purchased service.

Average Final Compensation (AFC) – Group A – Average annual compensation during highest five (5) consecutive years. Groups B and C – Average annual compensation during highest three (3) consecutive years. Group D – Average annual compensation during highest two (2) consecutive years.

Service Retirement Allowance:

Eligibility – Group A – The earlier of age 65 with five (5) years of service or age 55 with thirty-five (35) years of service. Group B – The earlier of age 62 with five (5) years of service or age 55 with thirty (30) years of service. Groups C and D – Age 55 with five (5) years of service.

Amount – Group A – 1.4% of AFC times service. Group B – 1.7% of AFC times service as a Group B member plus percentage earned as a Group A member times AFC. Group C – 2.5% of AFC times service as a Group C member plus percentage earned as a Group A or B member times AFC. Group D – 2.5% of AFC times service as a Group D member plus percentage earned as a Group A, B or C member times AFC.

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

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Early Retirement Allowance:

Eligibility – Age 55 with five (5) years of service for Groups A and B. Age 50 with twenty (20) years of service for Group D.

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

Vested Retirement Allowance:

Eligibility – Five (5) years of service.

Amount – Allowance beginning at Normal Retirement Age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on “Post-Retirement Adjustments”.

Disability Retirement Allowance:

Eligibility – Five (5) years of service and disability as determined by Retirement Board.

Amount – Immediate allowance based on AFC and service to date of disability; children’s benefit of 10% of AFC payable to up to three minor children (or children up to age 23 if enrolled in full-time studies) of a disabled Group D member.

Death Benefit:

Eligibility – Death after five (5) years of service.

Amount – For Groups A, B and C, reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor(s) benefit under disability allowance computed as of date of death. For Group D, 70% of the unreduced accrued benefit plus children’s benefit.

Post-Retirement Adjustments – Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in Consumer Price Index but not more than 2% for Group A and 3% for Groups B, C and D.

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

Refund of Contributions – Upon termination, if the member so elects or if no other benefit is payable, the member’s accumulated contributions with interest are refunded.

Member Contribution Rates – Group A – 3.25%. Group B – 5.625%. Group C – 10.75%. Group D – 12.10%.

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Employer Contribution Rates – Group A – 4.75%. Group B – 6.25%. Group C – 8.00%. Group D – 10.60%.

Retirement Stipend – \$25 per month payable at the option of the Board of Trustees.

Significant Actuarial Assumptions and Methods

Investment Rate of Return: 7.00%, net of pension plan investment expenses, including inflation.

Inflation: 2.30% per year.

Salary increases: Varying service-based rates from 0-10 years of service, then a single rate of 4.50% (includes assumed inflation rate of 2.30%) for all subsequent years.

Cost-of-Living Adjustments: 1.10% for Group A members and 1.20% for Groups B, C and D members. The January 1, 2022 COLA was 2.00% for Group A members and 2.30% for Groups B, C and D members. The January 1, 2023 COLA was 2.00% for Group A members and 3.00% for Groups B, C and D members.

Mortality:

Pre-Retirement: Groups A, B and C – 40% PubG-2010 General Employee Amount-Weighted below-median and 60% of PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2019. Group D – PubG-2010 General Employee Amount-Weighted above-median, with generational projection using scale MP-2019.

Healthy Post-Retirement – Retirees: Groups A, B and C – 104% of 40% PubG-2010 General Healthy Retiree Amount-Weighted below-median and 60% of PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2019. Group D – PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2019.

Healthy Post-Retirement – Beneficiaries: Groups A, B and C – 70% Pub-2010 Contingent Survivor Amount-Weighted below-median and 30% of Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2019. Group D – Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2019.

Disabled Post-Retirement: All Groups – PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with generational projection using scale MP-2019.

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

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

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

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

Long-term Expected Rate of Return:

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Passive Global Equities	24%	4.30%
Active Global Equities	5%	4.30%
Large Cap US Equities	4%	3.25%
Small/Mid Cap US Equities	3%	3.75%
Non-US Developed Market Equities	7%	5.00%
Private Equity	10%	6.50%
Emerging Market Debt	4%	3.50%
Private & Alternate Credit	10%	4.75%
Non-Core Real Estate	4%	6.00%
Core Fixed Income	19%	0.00%
Core Real Estate	3%	3.50%
US TIPS	3%	(0.50)%
Infrastructure/Farmland	4%	4.25%

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates set by the Board (employers) and statute (members). The Board voted to authorize employer contribution rate increases of 0.50% each year for a period of four years beginning July 1, 2022. In 2022, the Legislature passed H.740, which effectively split the Board-authorized increases evenly between members and employers by including an increase in the employee rate of 0.25% for each group for four years, beginning July 1, 2022. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plans’ Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

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

<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$183,798	\$122,658	\$72,368

Additional Information

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

B. Property Taxes

The Town is responsible for assessing and collecting its own property taxes as well as education taxes for the State of Vermont. The tax rate is set by the Selectboard based on the voter approved budget, the estimated grand list and the State education property tax liability. Property taxes are due on November 4, 2023. The penalty rate is eight percent (8%). Interest is charged at one percent (1%) per month. The tax rates for 2023 were as follows:

	<u>Homestead</u>	<u>Non-Homestead</u>
Town	.3668	.3668
Highway	.3136	.3136
Local Agreement	.0034	.0034
Education	<u>1.5066</u>	<u>1.5186</u>
Total	<u>2.1904</u>	<u>2.2024</u>

C. Risk Management

The Town 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 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 ratesetting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

The Town is also a member of the Vermont League of Cities and Towns Employment Resource and Benefits Trust. The Trust is a nonprofit corporation formed to provide unemployment coverage and other employment benefits for Vermont municipalities and is owned by the participating members. The agreement does not permit the Trust to make additional assessments to its members. The Town has only elected unemployment coverage with the Trust.

D. Long-term Debt

The Town enters into lease agreements as the lessee for the purpose of financing the acquisition of major pieces of equipment. These lease agreements qualify as financed purchases for accounting purposes (even though they may include clauses that allow for cancellation of the lease in the event the Town does not appropriate funds in future years) and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date of the leases.

Long-term debt outstanding as of December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Financed Purchase, Municipal Leasing Consultants, Tanker Truck, Principal and Interest Payments of \$20,321 Payable on March 13 Annually, Interest at 3.29%, Due March, 2024	\$ <u>38,720</u>	\$ <u> 0</u>	\$ <u>19,047</u>	\$ <u>19,673</u>
Total	\$ <u>38,720</u>	\$ <u> 0</u>	\$ <u>19,047</u>	\$ <u>19,673</u>

Maturities are estimated to be as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ <u>19,673</u>	\$ <u> 647</u>
Total	\$ <u>19,673</u>	\$ <u> 647</u>

E. Subsequent Events

The Town obtained a tax anticipation note with Union Bank on January 2, 2024 for \$222,974. Interest is at 6.06% and is due December 31, 2024. The Town drew \$100,000 on this note in June, 2024.

The Community Building Drainage project funded by ARPA Funds and Leahy Grant/ USDA funds in prior years will begin construction in June, 2024.

In fiscal year 2023 The Town received a grant approval for \$225,000 from Vermont Outdoor Recreation (VOREC) for improvements to its railroad bed. Work on this project is slated to begin in May, 2024 and is expected to be completed before the end of the year.

TOWN OF GROTON, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Receipts:			
Tax Revenues:			
Property Taxes	\$ 479,676	\$ 440,292	\$ (39,384)
School Tax Administration Income	4,052	4,052	0
Interest on Delinquent Taxes	9,000	6,176	(2,824)
Penalty of Delinquent Taxes	10,000	8,020	(1,980)
Total Tax Revenues	502,728	458,540	(44,188)
State of Vermont Revenues:			
Current Use/Hold Harmless	45,000	50,921	5,921
Payment in Lieu of Taxes	95,000	104,979	9,979
Total State of Vermont Revenues	140,000	155,900	15,900
Miscellaneous Revenues:			
Interest Earned	300	1,761	1,461
Miscellaneous Revenue	0	3,654	3,654
Total Miscellaneous Revenues	300	5,415	5,115
Town Clerk Revenues:			
Recordings, Vault Revenue	7,000	6,891	(109)
Marriage & Dog Licenses	1,700	2,530	830
Liquor/Tobacco Licenses	140	70	(70)
Copies & Faxes Revenue	1,250	1,107	(143)
Cott System Online Revenue	0	210	210
Total Town Clerk Revenues	10,090	10,808	718
Assessor Revenue:	750	823	73
Zoning Revenue:	800	930	130
Community Building Revenue:	2,100	4,401	2,301
FAST Revenue - Town of Ryegate:	10,000	8,771	(1,229)
Constable Revenue:	2,000	1,162	(838)
Total Cash Receipts	668,768	646,750	(22,018)

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF GROTON, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Disbursements:			
Selectboard:			
Selectboard & Secretary Wages & Payroll Taxes	\$ 7,691	\$ 7,617	\$ 74
Selectboard Assistant Stipend	1,200	1,200	0
Advertising, Postage, Supplies, Training & Mileage	835	518	317
Total Selectboard	9,726	9,335	391
Town Clerk & Treasurer:			
Clerk	42,930	42,894	36
Treasurer	49,850	49,827	23
Assistant Treasurer	6,920	6,913	7
Unused Vacation	600	600	0
Payroll Taxes & Retirement	12,811	12,745	66
Health Insurance	56,344	53,214	3,130
Training & Mileage	600	288	312
Total Town Clerk & Treasurer	170,055	166,481	3,574
Office Expenses - Clerk & Treasurer:			
Dues, Postage & Supplies	4,500	4,706	(206)
Telephone/Internet	2,300	2,517	(217)
Land Records Online	1,920	1,760	160
NEMRC Disaster Recovery & Support, IT	3,417	3,775	(358)
Total Office Expenses - Clerk & Treasurer	12,137	12,758	(621)
Delinquent Tax Collection:			
Delinquent Tax Collector Wages	10,000	9,206	794
Payroll Taxes/Retirement	1,277	1,180	97
Postage, Supplies, Telephone & Advertising	900	840	60
NEMRC Disaster Recovery	625	625	0
Training & Mileage	30	28	2
Total Delinquent Tax Collection	12,832	11,879	953
Town Report:			
Wages & Payroll Taxes	564	563	1
Postage & Supplies	500	377	123
Printing & Reproduction	1,385	1,385	0
Total Town Report	2,449	2,325	124

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF GROTON, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Elections:			
Wages & Payroll Taxes	\$ 431	\$ 324	\$ 107
Postage, Supplies & Advertising	1,175	969	206
Training & Mileage	125	60	65
Total Elections	1,731	1,353	378
Assessors:			
Wages & Payroll Taxes	44,089	38,455	5,634
Dues, Postage & Supplies	850	817	33
Telephone/Internet	1,700	1,826	(126)
Training & Mileage	400	320	80
NEMRC, Cards, Disaster Recovery & GIS Mapping	9,195	6,984	2,211
Total Assessors	56,234	48,402	7,832
Town General Expenses:			
VLCT PACIF, Worker's Comp., Unemployment	9,711	9,676	35
Professional Audit/Services	800	0	800
Attorney Fees	2,000	0	2,000
IT Services & Tech Equipment	6,615	6,638	(23)
NVDA Dues	836	836	0
VLCT Dues	2,394	2,404	(10)
Money Order Fee, Wire Fee & Interest Expense	100	186	(86)
Caledonia County Tax	14,500	11,401	3,099
Total Town General Expenses	36,956	31,141	5,815
Planning Commission:			
Stipend & Payroll Taxes	539	538	1
Advertising, Postage & Supplies	220	0	220
Training & Mileage	0	30	(30)
Total Planning Commission	759	568	191
Zoning:			
Wages & Payroll Taxes	2,584	2,431	153
Postage & Supplies	55	33	22
Training & Mileage	200	70	130
Total Zoning	2,839	2,534	305
Town Clock:	677	677	0

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF GROTON, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Solid Waste:			
Ryegate/Groton Recycling	\$ 9,000	\$ 9,580	\$ (580)
NEKWMD - Assessment	1,044	1,043	1
Green Up Day	300	240	60
Total Solid Waste	10,344	10,863	(519)
Streetlights:	8,400	9,240	(840)
Community Building:			
Building Repairs & Maintenance	4,500	3,689	811
Rubbish Removal & Supplies	2,500	2,434	66
Electricity & Fuel Oil	12,100	12,294	(194)
Total Community Building	19,100	18,417	683
Town Property Maintenance:			
Wages & Payroll Taxes	6,998	2,422	4,576
Cleaning	8,000	7,904	96
Park Electricity	400	708	(308)
Property Upkeep	17,500	16,937	563
Supplies & Mileage	325	69	256
Total Town Property Maintenance	33,223	28,040	5,183
Tree Warden:	323	323	0
Miscellaneous Expenses:			
Zoom Fees	180	189	(9)
Town Website	915	915	0
Total Miscellaneous Expenses	1,095	1,104	(9)
Recreation Committee:	1,875	1,031	844
Animal Control:	739	1,003	(264)
Health Officer:	1,506	1,396	110
Emergency Services Insurance:	10,121	9,865	256

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF GROTON, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Emergency Services General Expenses:			
Ambulance Contract	\$ 44,280	\$ 44,280	\$ 0
Repairs - Emergency Services Building	1,250	1,779	(529)
Advertising, Rubbish Removal & Supplies	1,150	752	398
Telephone/Internet	1,700	1,687	13
Electricity, Fuel Oil, Propane	5,500	4,331	1,169
Dispatch Fees	3,000	1,875	1,125
Total Emergency Services General Expenses	56,880	54,704	2,176
FAST:			
Wages, Stipend & Taxes	17,440	11,885	5,555
Supplies	3,500	3,223	277
Training & Mileage	6,000	1,996	4,004
Total FAST	26,940	17,104	9,836
Fire Department:			
Wages, Stipend & Taxes	10,765	8,542	2,223
Dues	2,500	2,168	332
Gasoline & Diesel	3,150	1,333	1,817
Tanker Loan Payment	20,321	20,321	0
Repairs & Maintenance	12,000	8,714	3,286
Supplies	3,200	2,301	899
Training & Mileage	5,750	6,100	(350)
Total Fire Department	57,686	49,479	8,207
Forest Fire Expenses:	1,108	851	257
Law Enforcement:			
Town Constable Wages & Payroll	5,368	3,875	1,493
Sheriff's Contract	13,500	6,608	6,892
Constable Insurance	754	754	0
Total Law Enforcement	19,622	11,237	8,385
Cemetery:			
Contracted Work, Riverside Cemetery	900	880	20
Mowing	11,460	11,460	0
Dues & Supplies	700	337	363
Total Cemetery	13,060	12,677	383

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF GROTON, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Library:			
Wages & Payroll Taxes	24,631	26,285	(1,654)
VLCT PACIF - Insurance	1,148	1,183	(35)
Building Rent	18,000	18,000	0
Books & Digital	4,500	4,839	(339)
Supplies	2,000	2,078	(78)
Telephone/Internet	1,800	1,744	56
Software/Support, Legal Fees & Miscellaneous	1,200	811	389
Total Library	53,279	54,940	(1,661)
Agency Appropriations:			
Caledonia Home Health	1,350	1,350	0
NEK Learning Services	200	200	0
NEK Human Services	920	920	0
NEK Youth Services	200	200	0
NEK Council on Aging	700	700	0
Rural Community Transportation	800	800	0
Little Rivers Health Care	2,000	2,000	0
Community Restorative Justice	250	250	0
Groton Lunches with Friends	2,400	0	2,400
Green Up Vermont	100	100	0
Umbrella	650	650	0
VT Family Network	250	250	0
Total Agency Appropriations	9,820	7,420	2,400
Reserve Funds Appropriations:			
Computer & Office Equipment Reserve	2,000	2,000	0
Community Building Improvement Reserve	5,000	5,000	0
Emergency Services Building Improvement Reserve	5,000	5,000	0
Emergency Services Vehicles Reserve	24,000	24,000	0
Emergency Services Durable Equipment Reserve	20,000	20,000	0
Reappraisal & Tax Mapping Reserve	1,200	1,200	0
Professional Services Reserve	21,000	21,000	0
Town Emergency Reserve	5,000	5,000	0
Total Reserve Funds Appropriations	83,200	83,200	0
Total Cash Disbursements	714,716	660,347	54,369
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	\$ (45,948)	(13,597)	\$ 32,351

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF GROTON, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Cash Basis of Accounting:			
Town Emergency Fund Income		\$ 69	
Town Emergency Fund Transfer In		5,000	
Professional Services Fund Income		10	
Professional Services Fund Expenses		(21,000)	
Professional Services Fund Transfer In		21,000	
Recreation Committee Fund Income		<u>76</u>	
Net Change in Fund Balance		(8,442)	
Fund Balance - January 1, 2023		<u>425,272</u>	
Fund Balance - December 31, 2023		<u>\$ 416,830</u>	

The reconciling items are due to combining three (3) funds, the Town Emergency Fund, the Professional Services Fund and the Recreation Committee Fund, with the General Fund in order to comply with GASB Statement No. 54.

TOWN OF GROTON, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Receipts:			
Property Taxes	\$ 410,137	\$ 410,137	\$ 0
State Aid to Highways	64,000	106,292	42,292
Seyon Road Plowing	0	2,947	2,947
Highway Insurance Claims	0	2,071	2,071
Total Cash Receipts	474,137	521,447	47,310
Cash Disbursements:			
Labor:			
Wages	109,305	107,991	1,314
Overtime Wages & Unused Vacation	9,600	11,021	(1,421)
Temporary Help Wages	3,500	3,915	(415)
Health Insurance	49,201	48,728	473
Retirement & Payroll Expenses	15,904	15,515	389
Total Labor	187,510	187,170	340
PACIF, Worker's Compensation Insurance:	17,057	17,186	(129)
Contracted Work:			
Roadside Mowing	6,500	8,006	(1,506)
Total Contracted Work	6,500	8,006	(1,506)
Infrastructure:			
Culverts	4,500	4,500	0
Signs	500	279	221
Total Infrastructure	5,000	4,779	221
Materials:			
Sand	16,000	15,892	108
Salt	10,800	9,919	881
Chloride	12,000	12,351	(351)
Gravel	30,000	21,289	8,711
Total Materials	68,800	59,451	9,349

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF GROTON, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Operating Expenses:			
Gasoline & Diesel	\$ 23,000	\$ 30,495	\$ (7,495)
Rental Equipment	200	0	200
Seeder & Material	1,500	1,045	455
Supplies	1,000	1,607	(607)
Uniforms	3,500	3,489	11
Training	150	0	150
Mileage	0	0	0
Radios & Pagers	500	579	(79)
Total Operating Expenses	29,850	37,215	(7,365)
Equipment Repairs & Maintenance:	25,000	20,768	4,232
Garage Repairs & Maintenance:	8,750	7,941	809
Sidewalk Maintenance/Public Works:			
Wages & Payroll Taxes	3,230	1,657	1,573
Propane & Gasoline	800	989	(189)
Building - Tractor Garage	100	69	31
Repairs - Tractor	400	146	254
Total Sidewalk Maintenance/Public Works	4,530	2,861	1,669
Reserve Funds Appropriations:			
Highway Equipment Reserve	70,140	70,140	0
Highway Infrastructure Reserve	10,000	10,000	0
Highway Paving Reserve	50,000	50,000	0
Highway Building Reserve	5,000	5,000	0
Total Reserve Funds Appropriations	135,140	135,140	0
Total Cash Disbursements	488,137	480,517	7,620
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	\$ (14,000)	40,930	\$ 54,930
Fund Balance - January 1, 2023		31,775	
Fund Balance - December 31, 2023		\$ 72,705	

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF GROTON, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS
 ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2023

	Special Revenue Funds	Capital Projects Funds	Cemetery Fund Permanent Fund	Total
<u>ASSETS</u>				
Cash	\$ 169,579	\$ 548,934	\$ 36,010	\$ 754,523
Investments	55,565	0	93,854	149,419
Due from Other Funds	<u>15,529</u>	<u>0</u>	<u>0</u>	<u>15,529</u>
Total Assets	\$ <u>240,673</u>	\$ <u>548,934</u>	\$ <u>129,864</u>	\$ <u>919,471</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Due to Other Funds	\$ <u>4,758</u>	\$ <u>21,119</u>	\$ <u>1,138</u>	\$ <u>27,015</u>
Total Liabilities	<u>4,758</u>	<u>21,119</u>	<u>1,138</u>	<u>27,015</u>
Fund Balances:				
Nonspendable	0	0	95,345	95,345
Restricted	164,550	0	33,381	197,931
Committed	0	527,815	0	527,815
Assigned	<u>71,365</u>	<u>0</u>	<u>0</u>	<u>71,365</u>
Total Fund Balances	<u>235,915</u>	<u>527,815</u>	<u>128,726</u>	<u>892,456</u>
Total Liabilities and Fund Balances	\$ <u>240,673</u>	\$ <u>548,934</u>	\$ <u>129,864</u>	\$ <u>919,471</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF GROTON, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND
 CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Special Revenue Funds	Capital Projects Funds	Cemetery Fund Permanent Fund	Total
Cash Receipts:				
Intergovernmental	\$ 244,574	\$ 0	\$ 0	\$ 244,574
Charges for Services	2,356	0	5,465	7,821
Investment Income/(Loss)	370	1,284	2,688	4,342
Donations	8,936	0	0	8,936
Other	54	566	0	620
Total Cash Receipts	256,290	1,850	8,153	266,293
Cash Disbursements:				
General Government	0	1,646	0	1,646
Culture and Recreation	8,663	0	0	8,663
Public Safety	614	0	0	614
Cemetery	0	0	3,185	3,185
Capital Outlay:				
General Government	0	17,852	0	17,852
Public Safety	0	15,967	0	15,967
Highways and Streets	220,345	38,748	0	259,093
Total Cash Disbursements	229,622	74,213	3,185	307,020
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	26,668	(72,363)	4,968	(40,727)
Other Financing Sources:				
Transfers In	1,200	121,000	0	122,200
Total Other Financing Sources	1,200	121,000	0	122,200
Net Change in Fund Balances	27,868	48,637	4,968	81,473
Fund Balances - January 1, 2023	208,047	479,178	123,758	810,983
Fund Balances - December 31, 2023	\$ 235,915	\$ 527,815	\$ 128,726	\$ 892,456

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF GROTON, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS
 ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2023

	Restoration Fund	Reappraisal & Tax Mapping Fund	FAST Donation Fund	Grant Fund	Library Fund	Total
<u>ASSETS</u>						
Cash	\$ 29,274	\$ 64,633	\$ 0	\$ 0	\$ 75,672	\$ 169,579
Investments	0	0	0	0	55,565	55,565
Due from Other Funds	<u>0</u>	<u>6,732</u>	<u>0</u>	<u>8,797</u>	<u>0</u>	<u>15,529</u>
Total Assets	\$ <u>29,274</u>	\$ <u>71,365</u>	\$ <u>0</u>	\$ <u>8,797</u>	\$ <u>131,237</u>	\$ <u>240,673</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Due to Other Funds	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>4,758</u>	\$ <u>4,758</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,758</u>	<u>4,758</u>
Fund Balances:						
Restricted	29,274	0	0	8,797	126,479	164,550
Assigned	<u>0</u>	<u>71,365</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>71,365</u>
Total Fund Balances	<u>29,274</u>	<u>71,365</u>	<u>0</u>	<u>8,797</u>	<u>126,479</u>	<u>235,915</u>
Total Liabilities and Fund Balances	\$ <u>29,274</u>	\$ <u>71,365</u>	\$ <u>0</u>	\$ <u>8,797</u>	\$ <u>131,237</u>	\$ <u>240,673</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF GROTON, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND
 CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Restoration Fund	Reappraisal & Tax Mapping Fund	FAST Donation Fund	Grant Fund	Library Fund	Total
Cash Receipts:						
Intergovernmental	\$ 0	\$ 6,732	\$ 0	\$ 237,842	\$ 0	\$ 244,574
Permits, Licenses and Fees	2,356	0	0	0	0	2,356
Investment Income	111	259	0	0	0	370
Donations	0	0	0	0	8,936	8,936
Other	0	0	0	0	54	54
Total Cash Receipts	<u>2,467</u>	<u>6,991</u>	<u>0</u>	<u>237,842</u>	<u>8,990</u>	<u>256,290</u>
Cash Disbursements:						
Culture and Recreation	0	0	0	800	7,863	8,663
Public Safety	0	0	614	0	0	614
Capital Outlay:						
Highways and Streets	<u>0</u>	<u>0</u>	<u>0</u>	<u>220,345</u>	<u>0</u>	<u>220,345</u>
Total Cash Disbursements	<u>0</u>	<u>0</u>	<u>614</u>	<u>221,145</u>	<u>7,863</u>	<u>229,622</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>2,467</u>	<u>6,991</u>	<u>(614)</u>	<u>16,697</u>	<u>1,127</u>	<u>26,668</u>
Other Financing Sources:						
Transfers In	<u>0</u>	<u>1,200</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,200</u>
Total Other Financing Sources	<u>0</u>	<u>1,200</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,200</u>
Net Change in Fund Balances	2,467	8,191	(614)	16,697	1,127	27,868
Fund Balances/(Deficit) - January 1, 2023	<u>26,807</u>	<u>63,174</u>	<u>614</u>	<u>(7,900)</u>	<u>125,352</u>	<u>208,047</u>
Fund Balances - December 31, 2023	<u>\$ 29,274</u>	<u>\$ 71,365</u>	<u>\$ 0</u>	<u>\$ 8,797</u>	<u>\$ 126,479</u>	<u>\$ 235,915</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF GROTON, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS
 ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2023

	Community Building Improvement Fund	Emergency Services Building Improvement Fund	Emergency Services Vehicles Fund	Emergency Services Durable Equipment Fund	Constable Durable Equipment Fund	Sidewalk Fund	Highway Paving Fund	Highway Infrastructure Fund	Highway Building Improvement Fund	Community Building Property Expansion Fund	Computer & Office Equipment Fund	Total
<u>ASSETS</u>												
Cash	\$ <u>93,974</u>	\$ <u>54,258</u>	\$ <u>140,932</u>	\$ <u>49,622</u>	\$ <u>6,972</u>	\$ <u>2,501</u>	\$ <u>87,272</u>	\$ <u>102,464</u>	\$ <u>5,005</u>	\$ <u>5,578</u>	\$ <u>356</u>	\$ <u>548,934</u>
Total Assets	\$ <u>93,974</u>	\$ <u>54,258</u>	\$ <u>140,932</u>	\$ <u>49,622</u>	\$ <u>6,972</u>	\$ <u>2,501</u>	\$ <u>87,272</u>	\$ <u>102,464</u>	\$ <u>5,005</u>	\$ <u>5,578</u>	\$ <u>356</u>	\$ <u>548,934</u>
<u>LIABILITIES AND FUND BALANCES</u>												
Liabilities:												
Due to Other Funds	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>21,119</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>21,119</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>21,119</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>21,119</u>
Fund Balances:												
Committed	<u>93,974</u>	<u>54,258</u>	<u>140,932</u>	<u>49,622</u>	<u>6,972</u>	<u>2,501</u>	<u>87,272</u>	<u>81,345</u>	<u>5,005</u>	<u>5,578</u>	<u>356</u>	<u>527,815</u>
Total Fund Balances	<u>93,974</u>	<u>54,258</u>	<u>140,932</u>	<u>49,622</u>	<u>6,972</u>	<u>2,501</u>	<u>87,272</u>	<u>81,345</u>	<u>5,005</u>	<u>5,578</u>	<u>356</u>	<u>527,815</u>
Total Liabilities and Fund Balances	\$ <u>93,974</u>	\$ <u>54,258</u>	\$ <u>140,932</u>	\$ <u>49,622</u>	\$ <u>6,972</u>	\$ <u>2,501</u>	\$ <u>87,272</u>	\$ <u>102,464</u>	\$ <u>5,005</u>	\$ <u>5,578</u>	\$ <u>356</u>	\$ <u>548,934</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF GROTON, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND
 CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 NON-MAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Community Building Improvement Fund	Emergency Services Building Improvement Fund	Emergency Services Vehicles Fund	Emergency Services Durable Equipment Fund	Constable Durable Equipment Fund	Sidewalk Fund	Highway Paving Fund	Highway Infrastructure Fund	Highway Building Improvement Fund	Community Building Property Expansion Fund	Computer & Office Equipment Fund	Total
Cash Receipts:												
Investment Income	\$ 366	\$ 205	\$ 0	\$ 184	\$ 28	\$ 11	\$ 218	\$ 198	\$ 5	\$ 67	\$ 2	\$ 1,284
Other	<u>67</u>	<u>0</u>	<u>499</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>566</u>
Total Cash Receipts	<u>433</u>	<u>205</u>	<u>499</u>	<u>184</u>	<u>28</u>	<u>11</u>	<u>218</u>	<u>198</u>	<u>5</u>	<u>67</u>	<u>2</u>	<u>1,850</u>
Cash Disbursements:												
General Government	0	0	0	0	0	0	0	0	0	0	1,646	1,646
Capital Outlay:												
General Government	0	0	0	0	0	0	0	0	0	17,852	0	17,852
Public Safety	0	0	0	15,838	129	0	0	0	0	0	0	15,967
Highways and Streets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,518</u>	<u>11,230</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>38,748</u>
Total Cash Disbursements	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,838</u>	<u>129</u>	<u>0</u>	<u>27,518</u>	<u>11,230</u>	<u>0</u>	<u>17,852</u>	<u>1,646</u>	<u>74,213</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>433</u>	<u>205</u>	<u>499</u>	<u>(15,654)</u>	<u>(101)</u>	<u>11</u>	<u>(27,300)</u>	<u>(11,032)</u>	<u>5</u>	<u>(17,785)</u>	<u>(1,644)</u>	<u>(72,363)</u>
Other Financing Sources:												
Transfers In	<u>5,000</u>	<u>5,000</u>	<u>24,000</u>	<u>20,000</u>	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>10,000</u>	<u>5,000</u>	<u>0</u>	<u>2,000</u>	<u>121,000</u>
Total Other Financing Sources	<u>5,000</u>	<u>5,000</u>	<u>24,000</u>	<u>20,000</u>	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>10,000</u>	<u>5,000</u>	<u>0</u>	<u>2,000</u>	<u>121,000</u>
Net Change in Fund Balances	5,433	5,205	24,499	4,346	(101)	11	22,700	(1,032)	5,005	(17,785)	356	48,637
Fund Balances - January 1, 2023	<u>88,541</u>	<u>49,053</u>	<u>116,433</u>	<u>45,276</u>	<u>7,073</u>	<u>2,490</u>	<u>64,572</u>	<u>82,377</u>	<u>0</u>	<u>23,363</u>	<u>0</u>	<u>479,178</u>
Fund Balances - December 31, 2023	<u>\$ 93,974</u>	<u>\$ 54,258</u>	<u>\$ 140,932</u>	<u>\$ 49,622</u>	<u>\$ 6,972</u>	<u>\$ 2,501</u>	<u>\$ 87,272</u>	<u>\$ 81,345</u>	<u>\$ 5,005</u>	<u>\$ 5,578</u>	<u>\$ 356</u>	<u>\$ 527,815</u>

See Disclaimer in Accompanying Independent Auditor's Report.

Sullivan, Powers & Co., P.C.

Certified Public Accountants

77 Barre Street
P.O. Box 947
Montpelier, VT 05601
802/223-2352
www.sullivanpowers.com

Richard J. Brigham, CPA
Chad A. Hewitt, CPA
Jordon M. Plummer, CPA
VT Lic. #92-000180

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"

Selectboard
Town of Groton, Vermont
1476 Scott Highway
Groton, VT 05046

We have audited, 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Groton, Vermont, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Groton, Vermont's basic financial statements and have issued our report thereon dated July 23, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Groton, Vermont's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Groton, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Groton, Vermont's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town of Groton, Vermont's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Groton, Vermont'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under "Government Auditing Standards".

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sullivan, Powers & Co.

July 23, 2024
Montpelier, Vermont
VT Lic. #92-000180