

TOWN OF GROTON, VERMONT

AUDIT REPORT

DECEMBER 31, 2024

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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 modified cash basis 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, 2024, 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 previously present fairly, in all material respects, the respective modified cash basis 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, 2024, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting, as described in Note I.D.

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.

Change in Accounting Principle

As described in Note I.E. to the financial statements, in 2024, the Town adopted new accounting guidance, GASB Statement No. 100, "Accounting Changes and Error Corrections", an amendment of GASB Statement No. 62. Our opinion is not modified with respect to this matter.

Emphasis of Matter – Basis of Accounting

We draw attention to Note I.D. of 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 opinions are not modified with respect to this 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 described in Note I, and for 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 a 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 the 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 9, 2025, on our consideration of the Town of Groton, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 9, 2025
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF GROTON, VERMONT
 STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 DECEMBER 31, 2024

	Governmental Activities
<u>ASSETS</u>	
Cash	\$ 1,170,552
Investments	196,366
Due from Fiduciary Funds	<u>15,613</u>
Total Assets	<u>1,382,531</u>
<u>LIABILITIES</u>	
Payroll Withholdings Payable	<u>11,170</u>
Total Liabilities	<u>11,170</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Prepaid Property Taxes	<u>620</u>
Total Deferred Inflows of Resources	<u>620</u>
<u>NET POSITION</u>	
Restricted:	
Non-Expendable:	
Cemetery	96,245
Expendable:	
Culture and Recreation	128,964
Cemetery	33,222
Eligible ARPA Uses	121,908
Other	30,985
Unrestricted	<u>959,417</u>
Total Net Position	<u>\$ 1,370,741</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, 2024

	Program Cash Receipts				Net (Disbursements)/ Receipts and Changes in Net Position	
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Functions/Programs:						
Governmental Activities:						
General Government	\$ 554,366	\$ 29,752	\$ 21,295	\$ 0	\$ (503,319)	
Public Safety	200,190	15,478	0	0	(184,712)	
Highways and Streets	824,447	434	80,899	0	(743,114)	
Culture and Recreation	145,717	947	7,618	36,764	(100,388)	
Solid Waste	14,479	0	0	0	(14,479)	
Cemetery	20,614	1,590	0	0	(19,024)	
Debt Service	20,321	0	0	0	(20,321)	
Total Governmental Activities	\$ 1,780,134	\$ 48,201	\$ 109,812	\$ 36,764		(1,585,357)
General Receipts:						
Property Taxes					942,794	
Penalties and Interest on Delinquent Taxes					21,044	
General State Grants					163,971	
Unrestricted Investment Earnings					19,044	
Other					2,777	
Total General Receipts					1,149,630	
Change in Net Position					(435,727)	
Net Position - January 1, 2024					1,806,468	
Net Position - December 31, 2024					\$ 1,370,741	

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, 2024

	General Fund	Highway Fund	ARPA Fund	Grant Fund	Highway Equipment Fund	Highway Infrastructure Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>								
Cash Investments	\$ 324,039 0	\$ 0 0	\$ 126,810 0	\$ 0 0	\$ 127,676 0	\$ 33,519 0	\$ 558,508 196,366	\$ 1,170,552 196,366
Due from Other Funds	<u>131,192</u>	<u>113,525</u>	<u>0</u>	<u>0</u>	<u>98,894</u>	<u>0</u>	<u>15,105</u>	<u>358,716</u>
Total Assets	\$ 455,231	\$ 113,525	\$ 126,810	\$ 0	\$ 226,570	\$ 33,519	\$ 769,979	\$ 1,725,634
<u>LIABILITIES</u>								
Payroll Withholdings Payable Due to Other Funds	\$ 11,170 0	\$ 0 0	\$ 0 0	\$ 0 212,998	\$ 0 0	\$ 0 120,013	\$ 0 10,092	\$ 11,170 343,103
Total Liabilities	<u>11,170</u>	<u>0</u>	<u>0</u>	<u>212,998</u>	<u>0</u>	<u>120,013</u>	<u>10,092</u>	<u>354,273</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>								
Prepaid Property Taxes	<u>620</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>620</u>
Total Deferred Inflows of Resources	<u>620</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>620</u>
<u>FUND BALANCES/(DEFICIT)</u>								
Nonspendable	0	0	0	0	0	0	96,245	96,245
Restricted	0	0	121,908	0	0	0	193,171	315,079
Committed	17,862	113,525	0	0	226,570	0	394,499	752,456
Assigned	25,928	0	4,902	0	0	0	75,972	106,802
Unassigned/(Deficit)	<u>399,651</u>	<u>0</u>	<u>0</u>	<u>(212,998)</u>	<u>0</u>	<u>(86,494)</u>	<u>0</u>	<u>100,159</u>
Total Fund Balances/(Deficit)	<u>443,441</u>	<u>113,525</u>	<u>126,810</u>	<u>(212,998)</u>	<u>226,570</u>	<u>(86,494)</u>	<u>759,887</u>	<u>1,370,741</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 455,231</u>	<u>\$ 113,525</u>	<u>\$ 126,810</u>	<u>\$ 0</u>	<u>\$ 226,570</u>	<u>\$ 33,519</u>	<u>\$ 769,979</u>	<u>\$ 1,725,634</u>

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, 2024

	General Fund	Highway Fund	ARPA Fund	Grant Fund	Highway Equipment Fund	Highway Infrastructure Fund	Non-Major Governmental Funds	Total Governmental Funds
Cash Receipts:								
Property Taxes	\$ 505,771	\$ 437,023	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 942,794
Penalties and Interest on Delinquent Taxes	21,044	0	0	0	0	0	0	21,044
Intergovernmental	164,760	73,710	0	60,053	0	0	6,706	305,229
Charges for Services	21,972	0	0	0	0	0	1,590	23,562
Permits, Licenses and Fees	16,369	0	0	0	0	0	4,877	21,246
Fines and Forfeits	2,619	0	0	0	0	0	0	2,619
Investment Income	2,210	0	2,080	0	788	487	13,479	19,044
Donations	0	0	0	0	0	0	5,318	5,318
Other	1,131	0	0	0	434	0	1,986	3,551
Total Cash Receipts	735,876	510,733	2,080	60,053	1,222	487	33,956	1,344,407
Cash Disbursements:								
General Government	401,291	0	0	10,465	0	0	15,889	427,645
Public Safety	134,979	0	0	0	0	0	305	135,284
Highways and Streets	0	332,663	0	196,451	0	0	0	529,114
Culture and Recreation	66,835	0	0	1,795	0	0	10,366	78,996
Solid Waste	14,479	0	0	0	0	0	0	14,479
Cemetery	15,360	0	0	0	0	0	5,254	20,614
Capital Outlay:								
General Government	0	0	126,721	0	0	0	0	126,721
Public Safety	0	0	0	0	0	0	64,906	64,906
Highways and Streets	0	0	0	6,416	19,928	178,326	90,663	295,333
Culture and Recreation	0	0	0	66,721	0	0	0	66,721
Debt Service:								
Principal	19,673	0	0	0	0	0	0	19,673
Interest	648	0	0	0	0	0	0	648
Total Cash Disbursements	653,265	332,663	126,721	281,848	19,928	178,326	187,383	1,780,134
Excess/(Deficiency) of Cash Receipts								
Over Cash Disbursements	82,611	178,070	(124,641)	(221,795)	(18,706)	(177,839)	(153,427)	(435,727)
Other Financing Sources/(Uses):								
Transfers In	0	0	0	0	72,250	10,000	111,000	193,250
Transfers Out	(56,000)	(137,250)	0	0	0	0	0	(193,250)
Total Other Financing Sources/(Uses)	(56,000)	(137,250)	0	0	72,250	10,000	111,000	0
Net Change in Fund Balances	26,611	40,820	(124,641)	(221,795)	53,544	(167,839)	(42,427)	(435,727)
Fund Balances - January 1, 2024,								
As Previously Presented	416,830	72,705	251,451	0	173,026	0	892,456	1,806,468
Change within Financial Reporting Entity (Non-Major to Major)	0	0	0	8,797	0	81,345	(90,142)	0
Fund Balances - January 1, 2024,								
As Adjusted	416,830	72,705	251,451	8,797	173,026	81,345	802,314	1,806,468
Fund Balances/(Deficit) - December 31, 2024	\$ 443,441	\$ 113,525	\$ 126,810	\$ (212,998)	\$ 226,570	\$ (86,494)	\$ 759,887	\$ 1,370,741

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, 2024

	Private-Purpose Trust Fund	Custodial Fund
	Food Shelf Fund	Education Tax Fund
<u>ASSETS</u>		
Cash	\$ 9,287	\$ 0
Due from School District	<u>0</u>	<u>14,543</u>
Total Assets	<u>9,287</u>	<u>14,543</u>
<u>LIABILITIES AND NET POSITION</u>		
Liabilities:		
Due to Other Funds	\$ 1,070	\$ 14,543
Total Liabilities	<u>1,070</u>	<u>14,543</u>
Net Position:		
Restricted	<u>8,217</u>	<u>0</u>
Total Net Position	<u>8,217</u>	<u>0</u>
Total Liabilities and Net Position	<u>9,287</u>	<u>14,543</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, 2024

	Private-Purpose Trust Fund	Custodial Fund
	Food Shelf Fund	Education Tax Fund
Additions:		
Investment Income	\$ 84	\$ 0
Donations	4,100	0
Education Taxes Collected for Other Governments	<u>0</u>	<u>2,056,858</u>
 Total Additions	 <u>4,184</u>	 <u>2,056,858</u>
 Deductions:		
Miscellaneous	4,070	0
Education Taxes Distributed to Other Governments	<u>0</u>	<u>2,056,858</u>
 Total Deductions	 <u>4,070</u>	 <u>2,056,858</u>
 Change in Net Position	 114	 0
 Net Position - January 1, 2024	 <u>8,103</u>	 <u>0</u>
 Net Position - December 31, 2024	 <u>\$ 8,217</u>	 <u>\$ 0</u>

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

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

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, 2024

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.

Grant Fund – This fund accounts for the grant activities of the Town.

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

Highway Infrastructure Fund – This fund accounts for infrastructure project expenditures of the Highway Department.

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 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.

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.

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

E. New Pronouncement – Accounting Changes and Error Corrections

Effective December 31, 2024, the Town implemented GASB Statement No. 100, “Accounting Changes and Error Corrections”, an amendment of GASB Statement No. 62. GASB Statement No. 100 identifies accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes various transactions or events included in these changes. This Statement established accounting and financial reporting requirements for each type of accounting change and correction of an error in previously issued financial statements. The financial reporting requirements related to changes within the financial reporting entity as a result of changes in fund presentation between major fund and non-major fund were applicable to this Statement.

F. 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 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.

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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.

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 \$35,000 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 \$30,000 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.

C. Adjustments to Beginning Balances

During fiscal year 2024, changes within the financial reporting entity resulted in adjustments to beginning fund balances as follows:

	Reporting Units Affected by Adjustments to Beginning Balances		
	Grant Fund	Highway Infrastructure Fund	Non-Major Governmental Funds
Fund Balances - January 1, 2024, As Previously Presented	\$ 0	\$ 0	\$ 892,456
Change within Financial Reporting Entity (Non-Major to Major Funds)	8,797	81,345	(90,142)
Fund Balances - January 1, 2024, As Adjusted	\$ 8,797	\$ 81,345	\$ 802,314

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments as of December 31, 2024 consist of the following:

Cash:

Deposits with Financial Institutions	\$1,179,783
Cash on Hand	<u>56</u>
 Total Cash	 <u>1,179,839</u>

Investments:

Certificates of Deposit	149,486
U.S. Treasury Bonds	21,988
Mutual Funds – Mixed Holdings	<u>24,892</u>
 Total Investments	 <u>196,366</u>
 Total Cash and Investments	 <u>\$1,376,205</u>

The Town has three (3) certificates of deposit with various banks ranging from \$12,709 to \$95,253 with interest rates ranging from 4.0% to 4.5%. All certificates of deposit mature during fiscal year 2025.

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 bonds 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.

	Book <u>Balance</u>	Bank <u>Balance</u>
FDIC Insured	\$ 543,479	\$ 543,479
Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution's Agent	<u>785,790</u>	<u>807,327</u>
 Total	 <u>\$1,329,269</u>	 <u>\$1,350,806</u>

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

TOWN OF GROTON, VERMONT
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The book balance is comprised of the following:

Cash – Deposits with Financial Institutions	\$1,179,783
Investments – Certificates of Deposit	<u>149,486</u>
Total	<u><u>\$1,329,269</u></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 risk disclosure. The mutual funds are open-ended and, therefore, are also exempt from interest rate risk disclosure. The Town's U.S. Treasury bonds have variable interest rates adjusted semi-annually for inflation and, therefore, are not subject to interest rate risk disclosure.

Credit Risk

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

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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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, 2024:

Description	Total	Fair Value Measurements Using:		
		Quoted prices in active markets for identical assets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
U.S. Treasury Bonds	\$ 21,988	\$ 21,988	\$ 0	\$ 0
Mutual Funds - Mixed Holdings	<u>24,892</u>	<u>24,892</u>	<u>0</u>	<u>0</u>
Total	<u><u>\$ 46,880</u></u>	<u><u>\$ 46,880</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

B. Interfund Balances and Activity

The composition of interfund balances as of December 31, 2024 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$131,192	\$ 0
Highway Fund	113,525	0
Grant Fund	0	212,998
Highway Equipment Fund	98,894	0
Highway Infrastructure Fund	0	120,013
Non-Major Governmental Funds	15,105	10,092
Private-Purpose Trust Fund – Food Shelf Fund	0	1,070
Custodial Fund – Education Tax Fund	<u>0</u>	<u>14,543</u>
 Totals	 <u>\$358,716</u>	 <u>\$358,716</u>

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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Interfund transfers during the period ended December 31, 2024 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Town Emergency Fund	\$ 5,000	* Appropriation
General Fund	Professional Services Fund	24,000	* Appropriation
General Fund	Reappraisal & Tax Maps Fund	5,000	Appropriation
General Fund	Emergency Services Building Improvement Fund	5,000	Appropriation
General Fund	Emergency Services Vehicles Fund	24,000	Appropriation
General Fund	Emergency Services Durable Equipment Fund	20,000	Appropriation
General Fund	Computer & Office Equipment Fund	2,000	Appropriation
Highway Fund	Highway Equipment Fund	72,250	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>\$ 222,250</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, 2024, the Town paid the School District \$2,071,401 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, 2024. The State's final reconciliation showed \$2,056,858 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, 2024 is \$14,543.

D. Deferred Inflows of Resources

Deferred inflows of resources in the governmental activities and General Fund consist of \$620 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.

TOWN OF GROTON, VERMONT
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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 fund are nonspendable as follows:

Non-Major Funds

Permanent Fund:

Nonspendable for Cemetery Perpetual Care – Estimated	<u>\$96,245</u>
Total Nonspendable Fund Balances	<u>\$96,245</u>

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>\$121,908</u>
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Non-Major Funds

Special Revenue Funds:

Restricted for Records Restoration Expenses by Statute (Source of Revenue is Restoration Fees)	30,985
Restricted for Library Expenses by Donations (Source of Revenue is Donations)	<u>128,964</u>
Total Special Revenue Funds	<u>159,949</u>

TOWN OF GROTON, VERMONT
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Permanent Fund:

Restricted for Cemetery Expenses by Sale of Lots (Source of Revenue is Lot Sales)	\$ <u>33,222</u>
Total Non-Major Funds	<u>193,171</u>
Total Restricted Fund Balances	<u>\$315,079</u>

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

Major Funds

General Fund:

Committed for Professional Services Fund Expenses by the Voters	\$ 3,511
Committed for Recreation Committee Fund Expenses by the Voters	<u>14,351</u>
Total General Fund	<u>17,862</u>

Highway Fund:

Committed for Highway Expenditures by the Voters	<u>113,525</u>
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Highway Equipment Fund:

Committed for Highway Equipment Expenditures by the Voters	<u>226,570</u>
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Non-Major Funds

Special Revenue Funds:

Committed for Reappraisal & Tax Maps Expenses by the Voters	<u>2,951</u>
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Capital Projects Funds:

Committed for Community Building Improvement Expenditures by the Voters	91,077
Committed for Emergency Services Building Improvement Expenditures by the Voters	14,472
Committed for Emergency Services Vehicles Expenditures by the Voters	165,605
Committed for Emergency Services Durable Equipment Expenditures by the Voters	49,941
Committed for Constable Durable Equipment Expenditures by the Voters	6,699
Committed for Sidewalk Expenditures by the Voters	2,512
Committed for Highway Paving Expenditures by the Voters	47,031

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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Capital Projects Funds/(Cont'd):

Committed for Highway Building Improvement Expenditures by the Voters	\$ 10,034
Committed for Community Building Property Expansion Expenditures by the Voters	163
Committed for Computer & Office Equipment Expenditures by the Voters	<u>4,014</u>
 Total Capital Projects Funds	 <u>391,548</u>
 Total Non-Major Funds	 <u>394,499</u>
 Total Committed Fund Balances	 <u>\$752,456</u>

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

Major Funds

General Fund:

Assigned for Town Emergency Fund Expenses	\$ <u>25,928</u>
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ARPA Fund:

Assigned for ARPA Expenses	<u>4,902</u>
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Non-Major Funds

Special Revenue Funds:

Assigned for Reappraisal & Tax Maps Expenses	<u>75,972</u>
 Total Assigned Fund Balances	 <u>\$106,802</u>

The unassigned deficit of \$212,998 in the Grant Fund will be funded with the collection of grant revenues.

The unassigned deficit of \$86,494 in the Highway Infrastructure Fund will be funded with the collection of grant revenues.

F. Restricted Net Position

The restricted net position in the governmental activities consists of the nonspendable fund balances of \$96,245 and the restricted fund balances of \$315,079 for a total of \$411,324.

The net position held in trust for various purposes in the Town's Private-Purpose Trust Fund as of December 31, 2024 consisted of the following:

Private-Purpose Trust Fund:

Restricted for Food Shelf Expenses by Donations	\$ <u>8,217</u>
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TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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IV. OTHER INFORMATION

A. Pension Plan

Defined Benefit Plan

The Vermont Municipal Employees' Retirement System (VMERS)

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, 2023, the measurement date selected by the State of Vermont, the retirement system consisted of 357 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.

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

As of June 30, 2023, the measurement date selected by the State of Vermont, VMERS was funded at 74.01% and had a plan fiduciary net position of \$912,113,032 and a total pension liability of \$1,232,406,785 resulting in a net position liability of \$320,293,753. The Town's proportionate share of this was 0.0386% resulting in a net pension liability of \$123,770. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. 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 0.0386% was a decrease of 0.0018 from its proportion measured as of the prior year.

TOWN OF GROTON, VERMONT
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Summary of Plan 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.

Normal Retirement Eligibility – Group A – Earlier of age 65 with five (5) years of service or age 55 with thirty-five (35) years of service. Group B – 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.

Normal Retirement 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.

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

Early Retirement 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; payable without reduction to Group D members.

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

Disability Retirement Amount – All Groups – 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 – All Groups – Death after five (5) years of service.

Death Benefit Amount – 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. Group D – 70% of the unreduced accrued benefit, plus children’s benefit.

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Post-Retirement Adjustments – Group A – Allowances in pay status for at least one (1) year increased on each January 1 by one-half of the percentage increase in Consumer Price Index, but not more than 2%. If receiving an Early Retirement benefit, no increases until after attaining Normal Retirement eligibility. If receiving a Disability Retirement benefit, no increases until after attaining age 62. Groups B, C and D – Allowances in payment for at least one (1) year increased on each January 1 by one-half of the percentage increase in Consumer Price Index, but not more than 3%. If receiving an Early Retirement benefit, no increases until after attaining Normal Retirement eligibility. If receiving a Disability Retirement benefit, no increases until after attaining age 62 (age 55 for Group C).

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

Optional Benefit and Death after Retirement – Groups A, B and C – A lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee. Group D – A 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 – 3.75% effective July 1, 2023; 4.00% effective July 1, 2024; 4.25% effective July 1, 2025, and thereafter.
- Group B – 6.125% effective July 1, 2023; 6.375% effective July 1, 2024; 6.625% effective July 1, 2025, and thereafter.
- Group C – 11.25% effective July 1, 2023; 11.50% effective July 1, 2024; 11.75% effective July 1, 2025, and thereafter.
- Group D – 12.60% effective July 1, 2023; 12.85% effective July 1, 2024; 13.10% effective July 1, 2025, and thereafter.

Employer Contribution Rates:

- Group A – 5.25% effective July 1, 2023; 5.50% effective July 1, 2024; 5.75% effective July 1, 2025, and thereafter.
- Group B – 6.75% effective July 1, 2023; 7.00% effective July 1, 2024; 7.25% effective July 1, 2025, and thereafter.
- Group C – 8.50% effective July 1, 2023; 8.75% effective July 1, 2024; 9.00% effective July 1, 2025, and thereafter.
- Group D – 11.10% effective July 1, 2023; 11.35% effective July 1, 2024; 11.60% effective July 1, 2025, and thereafter.

Significant Actuarial Assumptions and Methods

Inflation Rate – 2.30% per year.

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

Salary Increases – Ranging from 4.07% to 6.21% based on service.

TOWN OF GROTON, VERMONT
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Cost-of-Living Adjustments (COLA) – Assumed to occur on January 1 following one (1) year of retirement at the rate of 1.10% per annum for Group A members and 1.20% per annum for Groups B, C and D members (beginning at Normal Retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Groups A, B and D who receive a disability retirement benefit, and at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2024 COLA is expected to be 1.10% for Group A and 1.10% for Groups B, C and D. The January 1, 2023 COLAs were 2.00% for Group A and 3.00% for Groups B, C and D.

Mortality:

Pre-Retirement Participants – Groups A and B – 60% PubG-2010 General Employee Amount-Weighted Below Median and 40% of PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2021. Group C – PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2021. Group D – PubS-2010 Public Safety Employee Amount-Weighted Below Median, with generational projection using scale MP-2021.

Healthy Post-Retirement – Retirees – Groups A and B – PubG-2010 General Healthy Retiree Amount-Weighted Below Median Table with credibility adjustments of 90% and 87% for the Male and Female tables, respectively, with generational projection using scale MP-2021. Group C – PubG-2010 General Healthy Retiree Amount-Weighted Table, with generational projection using scale MP-2021. Group D – PubS-2010 Public Safety Retiree Amount-Weighted Below Median Table, with generational projection using scale MP-2021.

Healthy Post-Retirement – Beneficiaries – All Groups – Pub-2010 Contingent Survivor Amount-Weighted Below Median Table, with generational projection using scale MP-2021.

Disabled Post-Retirement – Groups A, B and C – PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Table, with generational projection using scale MP-2021. Group D – PubS-2010 Safety Disabled Retiree Amount-Weighted Table, with generational projection using scale MP-2021.

Age of Spouse – Females three (3) 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
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Determination of Discount Rate and Investment Rates of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns 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 adding expected inflation. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equities	44%	5.35%
Private Equity	10%	7.50%
Emerging Market Debt	2%	5.00%
Private and Alternative Credit	10%	5.50%
Non-Core Real Estate	4%	5.50%
Core Fixed Income	19%	1.50%
Core Real Estate	4%	3.25%
US TIPS	2%	1.50%
Infrastructure/Farmland	5%	4.25%

Discount Rate – The long-term expected rate of return on pension plan investments is 7.00%. The high quality tax-exempt general obligation municipal bond rate (20-Bond GO Index) as of the closest date prior to the valuation date of June 30, 2023, is 3.65%, as published by The Bond Buyer.

The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2023. 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). 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, 2023. 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.

Discount Rate Sensitivity

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the Town's proportionate share of the net pension liability as of June 30, 2023, calculated using the discount rate of 7.00%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

TOWN OF GROTON, VERMONT
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<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$186,293	\$123,770	\$72,379

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 were due on November 1, 2024. The penalty rate is eight percent (8%). Interest is charged at one percent (1%) per month. Unpaid taxes become an enforceable lien on the property and such properties are subject to tax sale. The tax rates for 2024 were as follows:

	<u>Homestead</u>	<u>Non-Homestead</u>
Town	.3943	.3943
Highway	.3306	.3306
Local Agreement	.0038	.0038
Education	<u>1.6530</u>	<u>1.7965</u>
 Total	<u>2.3817</u>	<u>2.5252</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.

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.

TOWN OF GROTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

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, 2024 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 and Paid March, 2024	\$19,673	\$____ 0	\$19,673	\$____ 0
Total	\$19,673	\$____ 0	\$19,673	\$____ 0

E. Subsequent Events

The Town obtained a tax anticipation note with Union Bank on November 21, 2024 for \$300,000. Interest is at 5.5% and is due November 20, 2025. The Town has not drawn on this line of credit.

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, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Receipts:			
Tax Revenues:			
Property Taxes	\$ 521,725	\$ 505,771	\$ (15,954)
School Tax Administration Income	0	4,638	4,638
Delinquent Tax Interest	9,000	9,519	519
Delinquent Tax Penalty	10,000	11,525	1,525
Total Tax Revenues	<u>540,725</u>	<u>531,453</u>	<u>(9,272)</u>
State of Vermont Revenues:			
Current Use/Hold Harmless	48,000	58,276	10,276
Payment in Lieu of Taxes	<u>97,000</u>	<u>105,695</u>	<u>8,695</u>
Total State of Vermont Revenues	<u>145,000</u>	<u>163,971</u>	<u>18,971</u>
Miscellaneous Revenues:			
Interest Earned	1,000	2,021	1,021
Miscellaneous Revenue	0	1,131	1,131
Worker's Compensation Insurance Refund	<u>1,500</u>	<u>2,123</u>	<u>623</u>
Total Miscellaneous Revenues	<u>2,500</u>	<u>5,275</u>	<u>2,775</u>
Town Clerk Revenues:			
Recordings, Vault Revenue	6,000	11,210	5,210
Marriage & Dog Licenses	1,900	2,132	232
Liquor/Tobacco/Cannabis Licenses	70	170	100
Copies & Faxes Revenue	800	1,541	741
Cott System Online Revenue	0	298	298
Motor Vehicle Renewals	<u>0</u>	<u>12</u>	<u>12</u>
Total Town Clerk Revenues	<u>8,770</u>	<u>15,363</u>	<u>6,593</u>
Assessor Revenue:	<u>790</u>	<u>805</u>	<u>15</u>
Zoning Revenue:	<u>800</u>	<u>990</u>	<u>190</u>
Community Building Use Revenue:	<u>2,100</u>	<u>4,475</u>	<u>2,375</u>
FAST Revenue - Town of Ryegate:	<u>10,000</u>	<u>12,859</u>	<u>2,859</u>
Sheriff Ticket Revenue:	<u>1,000</u>	<u>2,619</u>	<u>1,619</u>
Total Cash Receipts	<u>711,685</u>	<u>737,810</u>	<u>26,125</u>

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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, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Disbursements:			
Selectboard:			
Selectboard & Secretary Wages & Payroll Taxes	\$ 7,796	\$ 7,772	\$ 24
Selectboard Assistant Stipend	1,200	1,200	0
Advertising, Postage, Supplies, Training & Mileage	<u>835</u>	<u>458</u>	<u>377</u>
Total Selectboard	<u>9,831</u>	<u>9,430</u>	<u>401</u>
Town Clerk & Treasurer:			
Clerk	44,240	44,792	(552)
Treasurer	51,400	52,500	(1,100)
Assistant Treasurer	7,160	7,162	(2)
Unused Vacation	600	600	0
Payroll Taxes & Retirement	13,720	13,905	(185)
Health Insurance	63,940	62,687	1,253
Training & Mileage	<u>600</u>	<u>915</u>	<u>(315)</u>
Total Town Clerk & Treasurer	<u>181,660</u>	<u>182,561</u>	<u>(901)</u>
Office Expenses - Clerk & Treasurer:			
Dues, Postage & Supplies	4,900	4,953	(53)
Telephone/Internet	2,400	2,660	(260)
Land Records Online	1,920	1,760	160
NEMRC Disaster Recovery & Support, IT	<u>3,355</u>	<u>3,307</u>	<u>48</u>
Total Office Expenses - Clerk & Treasurer	<u>12,575</u>	<u>12,680</u>	<u>(105)</u>
Delinquent Tax Collection:			
Delinquent Tax Collector Wages	10,000	11,498	(1,498)
Payroll Taxes/Retirement	1,324	1,503	(179)
Postage, Supplies, Telephone & Advertising	900	843	57
NEMRC Disaster Recovery	705	705	0
Training & Mileage	<u>30</u>	<u>40</u>	<u>(10)</u>
Total Delinquent Tax Collection	<u>12,959</u>	<u>14,589</u>	<u>(1,630)</u>
Town Report:			
Wages & Payroll Taxes	673	677	(4)
Postage & Supplies	500	421	79
Printing & Reproduction	<u>1,700</u>	<u>1,725</u>	<u>(25)</u>
Total Town Report	<u>2,873</u>	<u>2,823</u>	<u>50</u>

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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, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Elections:			
Wages & Payroll Taxes	\$ 3,059	\$ 3,497	\$ (438)
Postage, Supplies & Advertising	975	734	241
Training & Mileage	<u>125</u>	<u>100</u>	<u>25</u>
Total Elections	<u>4,159</u>	<u>4,331</u>	<u>(172)</u>
Assessors:			
Wages, NEMRC & Payroll Taxes	46,310	43,658	2,652
Dues, Postage & Supplies	950	1,749	(799)
Telephone/Internet	1,800	1,861	(61)
Training & Mileage	600	506	94
NEMRC, Cards, Disaster Recovery & GIS Mapping	<u>10,174</u>	<u>8,539</u>	<u>1,635</u>
Total Assessors	<u>59,834</u>	<u>56,313</u>	<u>3,521</u>
Town General Expenses:			
VLCT PACIF, Worker's Comp., Unemployment	9,180	9,180	0
Professional Audit/Services	400	0	400
Attorney Fees	1,000	0	1,000
IT Services & Tech Equipment	6,618	5,009	1,609
NVDA Dues	836	836	0
VLCT Dues	2,400	2,468	(68)
Money Order Fee, Wire Fee & Interest Expense	200	2,607	(2,407)
Caledonia County Tax	<u>12,000</u>	<u>17,377</u>	<u>(5,377)</u>
Total Town General Expenses	<u>32,634</u>	<u>37,477</u>	<u>(4,843)</u>
Planning Commission:			
Stipend & Payroll Taxes	539	540	(1)
Postage, Printing & Reproduction	220	156	64
Training & Mileage	<u>50</u>	<u>0</u>	<u>50</u>
Total Planning Commission	<u>809</u>	<u>696</u>	<u>113</u>
Zoning:			
Wages & Payroll Taxes	2,589	2,285	304
Postage & Supplies	55	41	14
Training & Mileage	<u>200</u>	<u>78</u>	<u>122</u>
Total Zoning	<u>2,844</u>	<u>2,404</u>	<u>440</u>
Town Clock:	<u>678</u>	<u>678</u>	<u>0</u>

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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, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Solid Waste:			
Ryegate/Groton Recycling	\$ 11,500	\$ 12,827	\$ (1,327)
NEKWMD - Assessment	1,142	1,142	0
Green Up Day	300	510	(210)
Total Solid Waste	<u>12,942</u>	<u>14,479</u>	<u>(1,537)</u>
Streetlights:			
	8,700	9,595	(895)
Community Building:			
Building Repairs & Maintenance	4,500	2,191	2,309
Rubbish Removal & Supplies	2,500	2,590	(90)
Electricity & Fuel Oil	12,900	10,546	2,354
Total Community Building	<u>19,900</u>	<u>15,327</u>	<u>4,573</u>
Town Property Maintenance:			
Wages & Payroll Taxes	4,315	1,795	2,520
Cleaning	8,000	7,904	96
Mowing	5,500	5,050	450
Beautification	3,000	2,812	188
Park Electricity	650	682	(32)
Knotweed Removal	3,000	3,000	0
Property Upkeep	8,000	597	7,403
Supplies & Mileage	325	501	(176)
Total Town Property Maintenance	<u>32,790</u>	<u>22,341</u>	<u>10,449</u>
Tree Warden:			
	324	324	0
Miscellaneous Expenses:			
Zoom Fees	0	16	(16)
Town Website	915	915	0
Abatements	0	401	(401)
Miscellaneous	0	1,093	(1,093)
Total Miscellaneous Expenses	<u>915</u>	<u>2,425</u>	<u>(1,510)</u>
Recreation Committee:			
	1,875	1,309	566
Animal Control:			
	902	387	515
Health Officer:			
	1,994	1,406	588
Emergency Services Insurance:			
	9,454	9,398	56

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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, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Emergency Services General Expenses:			
Ambulance Contract	\$ 52,536	\$ 52,536	\$ 0
Repairs - Emergency Services Building	1,250	757	493
Rubbish Removal, Advertising & Supplies	1,100	1,584	(484)
Telephone/Internet	1,300	1,134	166
Electricity, Fuel Oil, Propane	5,500	4,085	1,415
Dispatch Fees	<u>3,000</u>	<u>2,204</u>	<u>796</u>
Total Emergency Services General Expenses	64,686	62,300	2,386
FAST:			
Wages, Stipend & Payroll Taxes	15,318	16,396	(1,078)
Supplies	4,500	3,919	581
Training & Mileage	<u>6,000</u>	<u>2,165</u>	<u>3,835</u>
Total FAST	25,818	22,480	3,338
Fire Department:			
Wages, Stipend & Payroll Taxes	10,787	6,604	4,183
Dues	2,500	1,458	1,042
Gasoline & Diesel	3,150	1,383	1,767
Tanker Loan Payment	20,321	20,321	0
Repairs & Maintenance	10,000	11,411	(1,411)
Supplies	3,000	3,299	(299)
Training & Mileage	<u>5,200</u>	<u>5,454</u>	<u>(254)</u>
Total Fire Department	54,958	49,930	5,028
Forest Fire Expenses:			
	1,208	475	733
Law Enforcement:			
Town Constable Wages & Payroll Taxes	3,236	1,829	1,407
Supplies	200	0	200
VLCT PACIF, Worker's Compensation Insurance	670	670	0
Sheriff's Contract	<u>10,000</u>	<u>6,425</u>	<u>3,575</u>
Total Law Enforcement	14,106	8,924	5,182
Cemetery:			
Contracted Work, Riverside Cemetery	1,600	2,683	(1,083)
Mowing	12,500	11,654	846
Dues & Supplies	<u>700</u>	<u>1,023</u>	<u>(323)</u>
Total Cemetery	14,800	15,360	(560)

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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, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Library:			
Wages & Payroll Taxes	\$ 38,480	\$ 36,295	\$ 2,185
VLCT PACIF - Insurance	1,357	1,357	0
Building Rent	18,000	18,000	0
Books & Digital	4,500	4,568	(68)
Supplies	2,000	2,007	(7)
Telephone/Internet	1,800	1,786	14
Software/Support, Legal Fees & Miscellaneous	<u>1,400</u>	<u>1,513</u>	<u>(113)</u>
 Total Library	 <u>67,537</u>	 <u>65,526</u>	 <u>2,011</u>
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	1,200	1,200	0
Rural Community Transportation	800	800	0
Little Rivers Health Care	2,000	2,000	0
Community Restorative Justice	250	250	0
Green Up Vermont	100	100	0
Umbrella	650	650	0
VT Family Network	<u>250</u>	<u>250</u>	<u>0</u>
 Total Agency Appropriations	 <u>7,920</u>	 <u>7,920</u>	 <u>0</u>
Reserve Funds Appropriations:			
Computer & Office Equipment Reserve	2,000	2,000	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 Maps Reserve	5,000	5,000	0
Professional Services Reserve	24,000	24,000	0
Town Emergency Reserve	<u>5,000</u>	<u>5,000</u>	<u>0</u>
 Total Reserve Funds Appropriations	 <u>85,000</u>	 <u>85,000</u>	 <u>0</u>
Total Cash Disbursements	<u>746,685</u>	<u>718,888</u>	<u>27,797</u>
Excess/(Deficiency) of Cash Receipts			
Over Cash Disbursements	\$ <u>(35,000)</u>	18,922	\$ <u>53,922</u>

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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, 2024

	<u>Actual</u>
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Cash Basis of Accounting:	
Town Emergency Fund Income	\$ 102
Town Emergency Fund Transfer In	5,000
Professional Services Fund Income	21
Professional Services Fund Expenses	(21,500)
Professional Services Fund Transfer In	24,000
Recreation Committee Fund Income	<u>66</u>
Net Change in Fund Balance	26,611
Fund Balance - January 1, 2024	<u>416,830</u>
Fund Balance - December 31, 2024	<u>\$ 443,441</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, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Receipts:			
Property Taxes	\$ 437,023	\$ 437,023	\$ 0
State Highway Aid	<u>32,000</u>	<u>73,710</u>	<u>41,710</u>
Total Cash Receipts	<u>469,023</u>	<u>510,733</u>	<u>41,710</u>
Cash Disbursements:			
Labor:			
Road Commissioner Wages	61,200	59,590	1,610
Equipment Operator Wages	54,080	55,250	(1,170)
Overtime Wages & Unused Vacation	9,600	11,492	(1,892)
Temporary Help Wages	3,500	1,701	1,799
Health Insurance	36,000	31,767	4,233
Retirement & Payroll Expenses	<u>16,824</u>	<u>16,898</u>	<u>(74)</u>
Total Labor	<u>181,204</u>	<u>176,698</u>	<u>4,506</u>
PACIF, Worker's Compensation Insurance:	<u>18,885</u>	<u>18,635</u>	<u>250</u>
Contracted Work:			
Roadside Mowing	<u>8,500</u>	<u>4,900</u>	<u>3,600</u>
Total Contracted Work	<u>8,500</u>	<u>4,900</u>	<u>3,600</u>
Infrastructure:			
Culverts	4,500	4,500	0
Signs	<u>500</u>	<u>397</u>	<u>103</u>
Total Infrastructure	<u>5,000</u>	<u>4,897</u>	<u>103</u>
Materials:			
Sand	18,000	15,993	2,007
Salt	12,000	10,792	1,208
Chloride	12,000	10,090	1,910
Gravel	<u>30,000</u>	<u>17,183</u>	<u>12,817</u>
Total Materials	<u>72,000</u>	<u>54,058</u>	<u>17,942</u>
Operating Expenses:			
Gasoline & Diesel	28,200	27,109	1,091
Seeder & Material	1,500	1,375	125
Supplies	1,000	377	623
Uniforms	3,500	3,629	(129)
Training	150	40	110
Radios & Pagers	<u>500</u>	<u>544</u>	<u>(44)</u>
Total Operating Expenses	<u>34,850</u>	<u>33,074</u>	<u>1,776</u>

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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, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Equipment Repairs & Maintenance:	\$ 25,000	\$ 27,727	\$ (2,727)
Garage Repairs & Maintenance:	9,550	7,234	2,316
Sidewalk/Town Property Maintenance:			
Wages & Payroll Taxes	5,484	4,377	1,107
Gasoline	0	77	(77)
Propane	800	953	(153)
Building - Tractor Garage	100	0	100
Repairs - Tractor	400	33	367
Total Sidewalk/Town Property Maintenance	<u>6,784</u>	<u>5,440</u>	<u>1,344</u>
Highway Reserve Appropriation:			
Highway Equipment Reserve	72,250	72,250	0
Highway Infrastructure Reserve	10,000	10,000	0
Highway Paving Reserve	50,000	50,000	0
Highway Building Improvement Reserve	5,000	5,000	0
Total Highway Reserve Appropriation	<u>137,250</u>	<u>137,250</u>	<u>0</u>
Total Cash Disbursements	<u>499,023</u>	<u>469,913</u>	<u>29,110</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>\$ (30,000)</u>	<u>40,820</u>	<u>\$ 70,820</u>
Fund Balance - January 1, 2024		<u>72,705</u>	
Fund Balance - December 31, 2024		<u>\$ 113,525</u>	

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TOWN OF GROTON, VERMONT
COMBINING SCHEDULE OF MODIFIED CASH BASIS
ASSETS, LIABILITIES AND FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Special Revenue Funds	Capital Projects Funds	Cemetery Fund Permanent Fund	Total
<u>ASSETS</u>				
Cash	\$ 131,607	\$ 391,548	\$ 35,353	\$ 558,508
Investments	101,113	0	95,253	196,366
Due from Other Funds	<u>10,945</u>	<u>4,160</u>	<u>0</u>	<u>15,105</u>
Total Assets	<u>\$ 243,665</u>	<u>\$ 395,708</u>	<u>\$ 130,606</u>	<u>\$ 769,979</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Due to Other Funds	\$ 4,793	\$ 4,160	\$ 1,139	\$ 10,092
Total Liabilities	<u>4,793</u>	<u>4,160</u>	<u>1,139</u>	<u>10,092</u>
Fund Balances:				
Nonspendable	0	0	96,245	96,245
Restricted	159,949	0	33,222	193,171
Committed	2,951	391,548	0	394,499
Assigned	<u>75,972</u>	<u>0</u>	<u>0</u>	<u>75,972</u>
Total Fund Balances	<u>238,872</u>	<u>391,548</u>	<u>129,467</u>	<u>759,887</u>
Total Liabilities and Fund Balances	<u>\$ 243,665</u>	<u>\$ 395,708</u>	<u>\$ 130,606</u>	<u>\$ 769,979</u>

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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, 2024

	Special Revenue Funds	Capital Projects Funds	Cemetery Fund	
			Permanent Fund	Total
Cash Receipts:				
Intergovernmental	\$ 6,706	\$ 0	\$ 0	\$ 6,706
Charges for Services	0	0	1,590	1,590
Permits, Licenses and Fees	4,877	0	0	4,877
Investment Income	7,015	2,059	4,405	13,479
Donations	5,318	0	0	5,318
Other	<u>0</u>	<u>1,986</u>	<u>0</u>	<u>1,986</u>
Total Cash Receipts	<u>23,916</u>	<u>4,045</u>	<u>5,995</u>	<u>33,956</u>
Cash Disbursements:				
General Government	6,796	9,093	0	15,889
Public Safety	0	305	0	305
Culture and Recreation	10,366	0	0	10,366
Cemetery	0	0	5,254	5,254
Capital Outlay:				
Public Safety	0	64,906	0	64,906
Highways and Streets	<u>0</u>	<u>90,663</u>	<u>0</u>	<u>90,663</u>
Total Cash Disbursements	<u>17,162</u>	<u>164,967</u>	<u>5,254</u>	<u>187,383</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>6,754</u>	<u>(160,922)</u>	<u>741</u>	<u>(153,427)</u>
Other Financing Sources:				
Transfers In	<u>5,000</u>	<u>106,000</u>	<u>0</u>	<u>111,000</u>
Total Other Financing Sources	<u>5,000</u>	<u>106,000</u>	<u>0</u>	<u>111,000</u>
Net Change in Fund Balances	<u>11,754</u>	<u>(54,922)</u>	<u>741</u>	<u>(42,427)</u>
Fund Balances - January 1, 2024, As Previously Presented	235,915	527,815	128,726	892,456
Change within Financial Reporting Entity (Non-Major to Major)	<u>(8,797)</u>	<u>(81,345)</u>	<u>0</u>	<u>(90,142)</u>
Fund Balances - January 1, 2024, As Adjusted	<u>227,118</u>	<u>446,470</u>	<u>128,726</u>	<u>802,314</u>
Fund Balances - December 31, 2024	<u>\$ 238,872</u>	<u>\$ 391,548</u>	<u>\$ 129,467</u>	<u>\$ 759,887</u>

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TOWN OF GROTON, VERMONT
COMBINING SCHEDULE OF MODIFIED CASH BASIS
ASSETS, LIABILITIES AND FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2024

	Restoration Fund	Reappraisal & Tax Maps Fund	Library Fund	Total
<u>ASSETS</u>				
Cash	\$ 30,985	\$ 67,978	\$ 32,644	\$ 131,607
Investments	0	0	101,113	101,113
Due from Other Funds	<u>0</u>	<u>10,945</u>	<u>0</u>	<u>10,945</u>
Total Assets	<u><u>\$ 30,985</u></u>	<u><u>\$ 78,923</u></u>	<u><u>\$ 133,757</u></u>	<u><u>\$ 243,665</u></u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Due to Other Funds	\$ 0	\$ 0	\$ 4,793	\$ 4,793
Total Liabilities	<u>0</u>	<u>0</u>	<u>4,793</u>	<u>4,793</u>
Fund Balances:				
Restricted	30,985	0	128,964	159,949
Committed	0	2,951	0	2,951
Assigned	<u>0</u>	<u>75,972</u>	<u>0</u>	<u>75,972</u>
Total Fund Balances	<u><u>30,985</u></u>	<u><u>78,923</u></u>	<u><u>128,964</u></u>	<u><u>238,872</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 30,985</u></u>	<u><u>\$ 78,923</u></u>	<u><u>\$ 133,757</u></u>	<u><u>\$ 243,665</u></u>

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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, 2024

	Restoration Fund	Reappraisal & Tax Maps Fund	Library Fund	<i>Formerly Non-Major Fund</i> Grant Fund	Total
Cash Receipts:					
Intergovernmental	\$ 0	\$ 6,706	\$ 0	\$ 0	\$ 6,706
Permits, Licenses and Fees	3,930	0	947	0	4,877
Investment Income	128	301	6,586	0	7,015
Donations	0	0	5,318	0	5,318
Total Cash Receipts	4,058	7,007	12,851	0	23,916
Cash Disbursements:					
General Government	2,347	4,449	0	0	6,796
Culture and Recreation	0	0	10,366	0	10,366
Total Cash Disbursements	2,347	4,449	10,366	0	17,162
Excess of Cash Receipts Over Cash Disbursements	1,711	2,558	2,485	0	6,754
Other Financing Sources:					
Transfers In	0	5,000	0	0	5,000
Total Other Financing Sources	0	5,000	0	0	5,000
Net Change in Fund Balances	1,711	7,558	2,485	0	11,754
Fund Balances - January 1, 2024, As Previously Presented	29,274	71,365	126,479	8,797	235,915
Change within Financial Reporting Entity (Non-Major to Major)	0	0	0	(8,797)	(8,797)
Fund Balances - January 1, 2024, As Adjusted	29,274	71,365	126,479	0	227,118
Fund Balances - December 31, 2024	\$ 30,985	\$ 78,923	\$ 128,964	\$ 0	\$ 238,872

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TOWN OF GROTON, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS
 ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2024

	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 Building Improvement Fund	Community Building Property Expansion Fund	Computer & Office Equipment Fund	Total
ASSETS											
Cash	\$ 90,532	\$ 14,472	\$ 161,990	\$ 53,556	\$ 6,699	\$ 2,512	\$ 47,031	\$ 10,034	\$ 708	\$ 4,014	\$ 391,548
Due from Other Funds	<u>545</u>	<u>0</u>	<u>3,615</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,160</u>
Total Assets	<u>\$ 91,077</u>	<u>\$ 14,472</u>	<u>\$ 165,605</u>	<u>\$ 53,556</u>	<u>\$ 6,699</u>	<u>\$ 2,512</u>	<u>\$ 47,031</u>	<u>\$ 10,034</u>	<u>\$ 708</u>	<u>\$ 4,014</u>	<u>\$ 395,708</u>
LIABILITIES AND FUND BALANCES											
Liabilities:											
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 3,615	\$ 0	\$ 0	\$ 0	\$ 0	\$ 545	\$ 0	\$ 4,160
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,615</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>545</u>	<u>0</u>	<u>4,160</u>
Fund Balances:											
Committed	<u>91,077</u>	<u>14,472</u>	<u>165,605</u>	<u>49,941</u>	<u>6,699</u>	<u>2,512</u>	<u>47,031</u>	<u>10,034</u>	<u>163</u>	<u>4,014</u>	<u>391,548</u>
Total Fund Balances	<u>91,077</u>	<u>14,472</u>	<u>165,605</u>	<u>49,941</u>	<u>6,699</u>	<u>2,512</u>	<u>47,031</u>	<u>10,034</u>	<u>163</u>	<u>4,014</u>	<u>391,548</u>
Total Liabilities and Fund Balances	<u>\$ 91,077</u>	<u>\$ 14,472</u>	<u>\$ 165,605</u>	<u>\$ 53,556</u>	<u>\$ 6,699</u>	<u>\$ 2,512</u>	<u>\$ 47,031</u>	<u>\$ 10,034</u>	<u>\$ 708</u>	<u>\$ 4,014</u>	<u>\$ 395,708</u>

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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, 2024

	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	<i>Formerly Non-Major Fund</i> Highway Infrastructure Fund	Highway Building Improvement Fund	Community Building Property Expansion Fund	Computer & Office Equipment Fund	Total
Cash Receipts:												
Investment Income	\$ 428	\$ 214	\$ 673	\$ 225	\$ 32	\$ 11	\$ 422	\$ 0	\$ 29	\$ 13	\$ 12	\$ 2,059
Other	<u>340</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>0</u>	<u>1,646</u>	<u>1,986</u>
Total Cash Receipts	768	214	673	225	32	11	422	0	29	13	1,658	4,045
Cash Disbursements:												
General Government	3,665	0	0	0	0	0	0	0	0	5,428	0	9,093
Public Safety	0	0	0	0	305	0	0	0	0	0	0	305
Capital Outlay:												
Public Safety	0	45,000	0	19,906	0	0	0	0	0	0	0	64,906
Highways and Streets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>90,663</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>90,663</u>
Total Cash Disbursements	3,665	45,000	0	19,906	305	0	90,663	0	0	5,428	0	164,967
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	(2,897)	(44,786)	673	(19,681)	(273)	11	(90,241)	0	29	(5,415)	1,658	(160,922)
Other Financing Sources:												
Transfers In	0	5,000	24,000	20,000	0	0	50,000	0	5,000	0	2,000	106,000
Total Other Financing Sources	0	5,000	24,000	20,000	0	0	50,000	0	5,000	0	2,000	106,000
Net Change in Fund Balances	(2,897)	(39,786)	24,673	319	(273)	11	(40,241)	0	5,029	(5,415)	3,658	(54,922)
Fund Balances - January 1, 2024, As Previously Presented	93,974	54,258	140,932	49,622	6,972	2,501	87,272	81,345	5,005	5,578	356	527,815
Change within Financial Reporting Entity (Non-Major to Major)	0	0	0	0	0	0	0	(81,345)	0	0	0	(81,345)
Fund Balances - January 1, 2024, As Adjusted	93,974	54,258	140,932	49,622	6,972	2,501	87,272	0	5,005	5,578	356	446,470
Fund Balances - December 31, 2024	\$ 91,077	\$ 14,472	\$ 165,605	\$ 49,941	\$ 6,699	\$ 2,512	\$ 47,031	\$ 0	\$ 10,034	\$ 163	\$ 4,014	\$ 391,548

Sullivan, Powers & Co., P.C.

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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 the 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, 2024, 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 9, 2025.

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 or, significant deficiencies. 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 or significant deficiencies may exist that were not 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 from 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 of Groton, Vermont'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 of Groton, Vermont's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sullivan, Powers & Co.

July 9, 2025
Montpelier, Vermont
VT Lic. #92-000180