

TOWN OF GEORGIA, VERMONT

AUDIT REPORT

DECEMBER 31, 2022

TOWN OF GEORGIA, VERMONT
AUDIT REPORT
TABLE OF CONTENTS
DECEMBER 31, 2022

	<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 Fund:	
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 28-36
Combining Schedule of Modified Cash Basis Assets, Liabilities and Fund Balances - Non-Major Governmental Funds	Schedule 2 37

TOWN OF GEORGIA, VERMONT
AUDIT REPORT
TABLE OF CONTENTS
DECEMBER 31, 2022

	<u>Page #</u>
Combining Schedule of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances - Non-Major Governmental Funds	Schedule 3 38
Combining Schedule of Modified Cash Basis Assets, Liabilities and Fund Balances - Non-Major Special Revenue Funds	Schedule 4 39
Combining Schedule of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances - Non-Major Special Revenue Funds	Schedule 5 40
Combining Schedule of Modified Cash Basis Assets, Liabilities and Fund Balances - Non-Major Capital Projects Funds	Schedule 6 41
Combining Schedule of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances - Non-Major Capital Projects Funds	Schedule 7 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
Schedule of Findings and Deficiencies in Internal Control	45-47
Response to Deficiencies in Internal Control	

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Independent Auditor's Report

Board of Selectmen
Town of Georgia, Vermont
47 Town Common Road North
St. Albans, Vermont 05478

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 Georgia, Vermont as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town of Georgia, 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 Georgia, Vermont, as of December 31, 2022, 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 Georgia, 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 Georgia, 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 Georgia, 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 Georgia, 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 Georgia, Vermont's basic financial statements. The budgetary comparison information on Schedule 1 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 January 11, 2024 on our consideration of the Town of Georgia, 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 Georgia, 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 Georgia, Vermont's internal control over financial reporting and compliance.

Sullivan, Powers & Co.

January 11, 2024
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF GEORGIA, VERMONT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2022

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ <u>2,758,557</u>
Total Assets	<u>2,758,557</u>
<u>LIABILITIES</u>	
Due to State of Vermont	50
Due to Fiduciary Fund	450,462
Due to Others	<u>5,175</u>
Total Liabilities	<u>455,687</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Prepaid Property Taxes	<u>4,870</u>
Total Deferred Inflows of Resources	<u>4,870</u>
<u>NET POSITION</u>	
Restricted:	
Eligible ARPA Uses	1,396,839
Impact Fee Eligible Expenses	136,231
Other	89,265
Unrestricted	<u>675,665</u>
Total Net Position	\$ <u><u>2,298,000</u></u>

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

TOWN OF GEORGIA, VERMONT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Cash Receipts			Net (Disbursements)/ Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities
Functions/Programs:				
Governmental Activities:				
General Government	\$ 793,137	\$ 136,362	\$ 164,680	\$ (492,095)
Public Safety	345,326	3,203	0	(342,123)
Highways and Streets	3,728,254	1,522	252,805	(3,473,927)
Culture and Recreation	212,365	4,080	14,509	(193,776)
Cemetery	3,058	1,480	0	(1,578)
Debt Service	533,920	0	0	(533,920)
Total Governmental Activities	\$ <u>5,616,060</u>	\$ <u>146,647</u>	\$ <u>431,994</u>	<u>(5,037,419)</u>
General Receipts:				
Property Taxes				2,298,180
Penalties and Interest on Delinquent Taxes				54,085
General State Grants				52,434
ARPA Funds				714,770
Unrestricted Investment Earnings				7,374
Impact Fees				50,025
Insurance Proceeds				2,135
Proceeds from Sale of Equipment				14,000
Other				<u>10,787</u>
Total General Receipts				<u>3,203,790</u>
Change in Net Position				(1,833,629)
Net Position - January 1, 2022				<u>4,131,629</u>
Net Position - December 31, 2022				\$ <u><u>2,298,000</u></u>

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

TOWN OF GEORGIA, VERMONT
STATEMENT OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General Fund	ARPA Fund	Highway Garage Fund	Grant Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash	\$ 2,581,570	\$ 0	\$ 0	\$ 0	\$ 176,987	\$ 2,758,557
Due from Other Funds	0	1,397,237	0	0	820,188	2,217,425
Total Assets	<u>\$ 2,581,570</u>	<u>\$ 1,397,237</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 997,175</u>	<u>\$ 4,975,982</u>
<u>LIABILITIES</u>						
Due to State of Vermont	\$ 50	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50
Due to Other Funds	2,296,143	0	0	366,744	5,000	2,667,887
Due to Others	5,175	0	0	0	0	5,175
Total Liabilities	<u>2,301,368</u>	<u>0</u>	<u>0</u>	<u>366,744</u>	<u>5,000</u>	<u>2,673,112</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Prepaid Property Taxes	4,870	0	0	0	0	4,870
Total Deferred Inflows of Resources	<u>4,870</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,870</u>
<u>FUND BALANCES/(DEFICIT)</u>						
Restricted	0	1,396,839	0	0	225,496	1,622,335
Committed	8,711	0	0	0	463,944	472,655
Assigned	68,565	398	0	0	302,735	371,698
Unassigned/(Deficit)	<u>198,056</u>	<u>0</u>	<u>0</u>	<u>(366,744)</u>	<u>0</u>	<u>(168,688)</u>
Total Fund Balances/(Deficit)	<u>275,332</u>	<u>1,397,237</u>	<u>0</u>	<u>(366,744)</u>	<u>992,175</u>	<u>2,298,000</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,581,570</u>	<u>\$ 1,397,237</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 997,175</u>	<u>\$ 4,975,982</u>

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

TOWN OF GEORGIA, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	ARPA Fund	Highway Garage Fund	Grant Fund	Non-Major Governmental Funds	Total Governmental Funds
Cash Receipts:						
Property Taxes	\$ 2,298,180	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,298,180
Penalties and Interest on Delinquent Taxes	54,085	0	0	0	0	54,085
Intergovernmental	325,702	714,770	0	10,379	0	1,050,851
Charges for Services	195,038	0	0	0	1,480	196,518
Permits, Licenses and Fees	81,842	0	0	0	58,189	140,031
Fines and Forfeits	3,203	0	0	0	0	3,203
Investment Income	4,045	398	561	0	2,370	7,374
Donations	5,230	0	0	0	0	5,230
Other	10,787	0	37	0	0	10,824
Total Cash Receipts	<u>2,978,112</u>	<u>715,168</u>	<u>598</u>	<u>10,379</u>	<u>62,039</u>	<u>3,766,296</u>
Cash Disbursements:						
General Government	793,137	0	0	0	0	793,137
Public Safety	327,977	0	0	0	0	327,977
Highways and Streets	694,087	0	0	0	0	694,087
Culture and Recreation	194,330	0	0	18,035	0	212,365
Cemetery	2,408	0	0	0	650	3,058
Capital Outlay:						
Public Safety	17,349	0	0	0	0	17,349
Highways and Streets	326,819	32,364	2,287,896	359,088	28,000	3,034,167
Debt Service:						
Principal	387,524	0	0	0	0	387,524
Interest	146,396	0	0	0	0	146,396
Total Cash Disbursements	<u>2,890,027</u>	<u>32,364</u>	<u>2,287,896</u>	<u>377,123</u>	<u>28,650</u>	<u>5,616,060</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>88,085</u>	<u>682,804</u>	<u>(2,287,298)</u>	<u>(366,744)</u>	<u>33,389</u>	<u>(1,849,764)</u>
Other Financing Sources/(Uses):						
Insurance Proceeds	2,135	0	0	0	0	2,135
Proceeds from Sale of Equipment	0	0	9,000	0	5,000	14,000
Transfers In	230,739	0	107,824	0	266,461	605,024
Transfers Out	(266,461)	0	0	0	(338,563)	(605,024)
Total Other Financing Sources/(Uses)	<u>(33,587)</u>	<u>0</u>	<u>116,824</u>	<u>0</u>	<u>(67,102)</u>	<u>16,135</u>
Net Change in Fund Balances	54,498	682,804	(2,170,474)	(366,744)	(33,713)	(1,833,629)
Fund Balances - January 1, 2022	<u>220,834</u>	<u>714,433</u>	<u>2,170,474</u>	<u>0</u>	<u>1,025,888</u>	<u>4,131,629</u>
Fund Balances/(Deficit) - December 31, 2022	<u>\$ 275,332</u>	<u>\$ 1,397,237</u>	<u>\$ 0</u>	<u>\$ (366,744)</u>	<u>\$ 992,175</u>	<u>\$ 2,298,000</u>

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

TOWN OF GEORGIA, VERMONT
STATEMENT OF FIDUCIARY MODIFIED CASH BASIS NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2022

	<u>Custodial Fund</u> <u>Education Tax</u> <u>Fund</u>
<u>ASSETS</u>	
Due from Other Funds	\$ <u>450,462</u>
Total Assets	<u>450,462</u>
<u>LIABILITIES</u>	
Due to School District	<u>450,462</u>
Total Liabilities	<u>450,462</u>
<u>NET POSITION</u>	
Net Position:	\$ <u><u>0</u></u>

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

TOWN OF GEORGIA, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY MODIFIED CASH BASIS NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Custodial Fund</u> <u>Education Tax</u> <u>Fund</u>
<u>ADDITIONS</u>	
Education Taxes Collected for Other Governments	\$ <u>7,700,462</u>
Total Additions	<u>7,700,462</u>
<u>DEDUCTIONS</u>	
Education Taxes Distributed to Other Governments	<u>7,700,462</u>
Total Deductions	<u>7,700,462</u>
Change in Net Position	0
Net Position - January 1, 2022	<u>0</u>
Net Position - December 31, 2022	\$ <u><u>0</u></u>

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

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

The Town of Georgia, 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, 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 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 Georgia, 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 GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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.

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 Garage Fund – This fund accounts for the capital expenditures related to the construction of the highway garage.

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

Additionally, the Town reports the following fund type:

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.

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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 investments at cost as assets, amounts due to the School District for the remittance of education taxes, amounts due to the State of Vermont for dog and marriage licenses and amounts due to others for resources held for reclamation work under a surety agreement with local businesses as liabilities and prepaid property taxes as deferred inflows of resources.

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 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. Investments are reported at cost.

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

3. 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.

4. 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".

5. 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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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 budget presented herein is for the Town's "General Fund" only and does not include the Administrative Reserve Fund, the Planning Reserve Fund and the Conservation Commission Fund activities that are included with the General Fund, as they do not qualify to be reported as separate special revenue funds.

B. Budgeted Deficit

The Town budgeted cash disbursements in excess of cash receipts by \$210,000 in the General Fund. This is reflected as a current year's budgeted deficiency of cash receipts over cash disbursements on Schedule 1.

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

III. DETAILED NOTES ON ALL FUNDS

A. Cash

Cash as of December 31, 2022 consists of the following:

Cash:	
Deposits with Financial Institutions	\$2,758,457
Cash on Hand	<u>100</u>
Total Cash	<u>\$2,758,557</u>

Custodial Credit Risk

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

	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC Insured	<u>\$2,758,457</u>	<u>\$2,875,734</u>

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

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 has no investments subject to interest rate risk disclosure requirements.

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 has no investments subject to credit risk disclosure requirements.

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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 has no investments subject to concentration of credit risk disclosure requirements.

B. Interfund Balances and Transfers

Interfund balances as of December 31, 2022 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 0	\$2,296,143
ARPA Fund	1,397,237	0
Grant Fund	0	366,744
Non-Major Governmental Funds	820,188	5,000
Custodial Fund – Education Tax Fund	<u>450,462</u>	<u>0</u>
Totals	<u>\$2,667,887</u>	<u>\$2,667,887</u>

Interfund transfers during the year ended December 31, 2022 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Administrative Reserve Fund	\$ 4,000	* Appropriation
General Fund	Conservation Commission Fund	5,306	* Transfer Cell Tower Fees Assigned for Conservation Expenses
General Fund	Reappraisal Fund	16,155	Transfer State Reappraisal Income
General Fund	Bridge Reserve Fund	18,000	Appropriation
General Fund	Highway Reserve Fund	110,000	Appropriation
General Fund	Fire Department Reserve Fund	100,000	Appropriation
General Fund	First Response Reserve Fund	2,000	Appropriation
General Fund	Parks & Recreation Reserve Fund	5,306	Transfer Cell Tower Fees Assigned for Parks & Recreation Capital
General Fund	Library Reserve Fund	5,000	Appropriation
General Fund	Conservation Reserve Fund	10,000	Appropriation
Conservation Commission Fund	General Fund	1,000	* Fund Conservation Expenses
Records Preservation Fund	General Fund	4,475	Fund Records Preservation Expenses
Impact Fees Fund	General Fund	25,349	Fund Capital Expenditures
Highway Reserve Fund	General Fund	5,000	Fund Highway Capital Expenditures
Highway Reserve Fund	General Fund	54,422	Fund Debt Service
Highway Reserve Fund	Highway Garage Fund	107,824	Fund Highway Garage Project Expenditures
Fire Department Reserve Fund	General Fund	71,493	Fund Debt Service
Paving Reserve Fund	General Fund	<u>70,000</u>	Fund Portion of Paving Expenditures
Total		<u>\$ 615,330</u>	

* The transfers between the General Fund, the Administrative Reserve Fund and the Conservation Commission Fund are netted within the General Fund as these funds are consolidated within the General Fund in order to comply with GASB Statement No. 54.

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

C. Due to School District

During the year ended December 31, 2022, the Town paid the School District \$7,250,000 for education property taxes. Subsequent to year end, the State issued its final education property tax reconciliation for the State's fiscal year ending June 30, 2022. The State's final reconciliation showed \$7,700,462 was required to be paid to the School District. The amount of education taxes owed to the School District from the Town as of December 31, 2022 is \$450,462.

D. Deferred Inflows of Resources

Deferred inflows of resources in the governmental activities and the General Fund consist of \$4,870 of property taxes paid in advance.

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.

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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>\$1,396,839</u>
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Non-Major Funds

Special Revenue Funds:

Restricted for Records Preservation by Statute (Source of Revenue is Restoration Fees)	63,316
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Restricted for Cemetery Expenses by the Sale of Lots (Source of Revenue is Lot Sales)	<u>25,949</u>
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Total Special Revenue Funds	<u>89,265</u>
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Capital Projects Funds:

Restricted for Capital Improvements by Ordinances (Source of Revenue is Impact Fees)	<u>136,231</u>
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Total Non-Major Funds	<u>225,496</u>
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Total Restricted Fund Balances	<u>\$1,622,335</u>
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The fund balances in the following funds are committed as follows:

Major Funds

General Fund:

Committed for Administrative Reserve Expenditures by the Voters	\$ <u>8,711</u>
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TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Non-Major Funds

Capital Projects Funds:

Committed for Bridge Reserve Expenditures by the Voters	\$183,351
Committed for Highway Reserve Expenditures by the Voters	7,329
Committed for Fire Department Reserve Expenditures by the Voters	125,342
Committed for First Response Reserve Expenditures by the Voters	8,444
Committed for Paving Reserve Expenditures by the Voters	2,478
Committed for Library Reserve Expenditures by the Voters	15,252
Committed for Conservation Reserve Expenditures by the Voters	<u>121,748</u>

Total Non-Major Funds	<u>463,944</u>
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Total Committed Fund Balances	<u>\$472,655</u>
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The fund balances in the following funds are assigned as follows:

Major Funds

General Fund:

Assigned to Reduce Property Taxes in Fiscal Year 2023	\$ 25,000
Assigned for Planning Reserve Expenses	970
Assigned for Conservation Commission Expenses	<u>42,595</u>

Total General Fund	<u>68,565</u>
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ARPA Fund:

Assigned for ARPA Expenses	<u>398</u>
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Non-Major Funds

Special Revenue Funds:

Assigned for Reappraisal Expenses	268,614
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Capital Projects Funds:

Assigned for Parks & Recreation Reserve Expenditures	<u>34,121</u>
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Total Non-Major Funds	<u>302,735</u>
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Total Assigned Fund Balances	<u>\$371,698</u>
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The unassigned deficit of \$366,744 in the Grant Fund will be funded with the collection of grant revenues.

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

F. Restricted Net Position

The restricted net position in the governmental activities consists of the restricted fund balances of \$1,622,335.

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, 2021, the measurement date selected by the State of Vermont, the retirement system consisted of 353 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 GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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

As of June 30, 2021, the measurement date selected by the State of Vermont, VMERS was funded at 86.29% and had a plan fiduciary net position of \$926,034,330 and a total pension liability of \$1,073,218,528 resulting in a net position liability of \$147,184,198. As of June 30, 2022, the Town's proportionate share of this was 0.1851% resulting in a net pension liability of \$272,401. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. 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 0.1851% was an increase of 0.0137 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 C.

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 GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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 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 annuity computed as of date of death. For Group D, 70% of the unreduced accrued benefit plus children’s benefit.

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 Contribution – Upon termination, if the member so elects or if no other benefit is payable, the member’s accumulated contributions are refunded.

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.

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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

Employer Contributions – 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.

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.

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.

Cost-of-Living Adjustments: 1.10% for Group A members and 1.20% for Groups B, C and D members. The January 1, 2021 COLA is 0.40% for all groups. The January 1, 2022 COLA is 2.00% for Group A members and 2.30% for Groups B, C and D members.

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 GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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.

Inflation: 2.30%

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, 2021 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%	5.05%
Active Global Equities	5%	5.05%
Large Cap US Equities	4%	4.00%
Small/Mid Cap US Equities	3%	4.50%
Non-US Developed Market Equities	7%	5.50%
Private Equity	10%	6.75%
Emerging Market Debt	4%	3.00%
Private & Alternate Credit	10%	4.75%
Non-Core Real Estate	4%	5.75%
Core Fixed Income	19%	0.00%
Core Real Estate	4%	3.75%
US TIPS	3%	(0.50)%
Infrastructure/Farmland	3%	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, to be offset by any increases in the employee contribution rates as negotiated with employee groups and approved by Legislature. 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, 2021. 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 GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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>
\$538,417	\$272,401	\$53,659

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 in one installment approximately October 15 of each year. The penalty rate is eight percent (8%). Interest is charged at one percent (1%) per month for the first three months and one and a half percent (1-1/2%) per month for each month thereafter. The tax rates for 2022 were as follows:

	<u>Homestead</u>	<u>Non-Homestead</u>
Town	0.3430	0.3430
Local Agreement	0.0026	0.0026
Education	<u>1.4462</u>	<u>1.6987</u>
Total	<u>1.7918</u>	<u>2.0443</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 GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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. Contingent Liabilities

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

The Town is a member of the Northwest Vermont Solid Waste Management District. The Town, as a member, could be required to share in any special assessments.

E. Long-term Debt

The Town issues general obligation bonds to provide resources for the acquisition and construction of major capital assets and to refund prior issues. General obligation bonds are direct and pledge the full faith and credit of the Town. New bonds generally are issued as 10 to 30 year bonds.

The Town has other notes payable to finance capital purchases and projects through local banks.

Long-term debt outstanding as of December 31, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Fire Station, Principal Payments of \$70,000 Payable on December 1 Annually, Interest Ranging from 1.033% to 3.426% Payable on June 1 and December 1, Due December, 2030	\$ 630,000	\$ 0	\$ 70,000	\$ 560,000
Note Payable, Peoples Trust Company, Highway Garage, Principal Payments of \$150,000 Payable on July 1 Annually, Interest at 3.85% Payable on June 1 and December 1, Due July, 2041	3,000,000	0	150,000	2,850,000
Note Payable, Peoples Trust Company, 2019 E-One Fire Truck, Principal and Interest Payments of \$74,894 Payable on December 1 Annually, Interest at 2.35%, Due December, 2023	144,701	0	71,493	73,208

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Note Payable, Peoples Trust Company, Ladder Truck, Principal and Interest Payments of \$25,968 Payable on April 1 Annually, Interest at 1.5%, Due April, 2025	\$ 100,000	\$ 0	\$ 24,377	\$ 75,623
Note Payable, Peoples Trust Company, 2020 Kenworth Truck, Principal and Interest Payments of \$14,924 Payable on November 1 Annually, Interest at 2.25%, Due November, 2025	56,625	0	13,018	43,607
Note Payable, Peoples Trust Company, Gilmond Land, Principal and Interest Payments of \$17,126 Payable on December 1 Annually, Interest at 2.35%, Due December, 2024	49,061	0	15,974	33,087
Note Payable, Union Bank, Loader, Principal and Interest Payments of \$15,237 Payable on November 1 Annually, Interest at 2.35%, Due November, 2025	57,517	0	13,841	43,676
Note Payable, Union Bank, 2020 GMC Truck, Principal and Interest Payments of \$16,567 Payable on April 1 Annually, Interest at 1.54%, Due April, 2024	48,208	0	15,721	32,487
Note Payable, State of Vermont Municipal Equipment Loan Fund, Highway Tandem Truck, Principal Payments of \$13,100 Plus Interest Payable on June 30 Annually, Interest at 2%, Due June, 2024	<u>39,300</u>	<u>0</u>	<u>13,100</u>	<u>26,200</u>
Total	<u>\$4,125,412</u>	<u>\$ 0</u>	<u>\$387,524</u>	<u>\$3,737,888</u>

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Maturities are estimated to be as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 392,110	\$ 132,006
2024	320,546	120,764
2025	275,232	110,801
2026	220,000	101,969
2027	220,000	93,796
2028-2032	960,000	349,163
2033-2037	750,000	190,115
2038-2041	<u>600,000</u>	<u>48,098</u>
Total	<u>\$3,737,888</u>	<u>\$1,146,712</u>

TOWN OF GEORGIA, 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, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Receipts:			
Tax Revenues:			
Current taxes	\$ 2,248,025	\$ 2,285,610	\$ 37,585
Interest: Delinquent Taxes	15,000	14,054	(946)
Delinquent Collector Fees	18,000	40,031	22,031
Municipal Tax Portion	14,000	12,570	(1,430)
Total Tax Revenues	2,295,025	2,352,265	57,240
Fees, Licenses, Fines:			
Development Review Board Fees	6,000	6,597	597
Vault Time	1,500	1,056	(444)
Green Mountain Passports	80	84	4
Zoning Fees	11,000	15,109	4,109
DMV Registration Fees	200	156	(44)
Recording Fees	80,000	50,421	(29,579)
Marriage Licenses	200	270	70
Hunting & Fishing Licenses	200	122	(78)
Overweight Permit Fees	1,000	995	(5)
Dog Licenses	4,000	2,362	(1,638)
Driveway Permit Fees	450	530	80
Liquor Licenses	210	310	100
Beach Pavilion Rental Fees	3,500	3,830	330
Total Fees, Licenses, Fines	108,340	81,842	(26,498)
State of Vermont:			
State Aid to Highways	152,744	163,265	10,521
Traffic Fines	2,500	3,203	703
Railroad Tax	4,635	4,635	0
Pilot Payment	2,300	2,507	207
State & Federal Reimbursements	43,000	87,758	44,758
Appraisals	18,190	18,309	119
Equalization Payment	2,140	2,154	14
Total State of Vermont	225,509	281,831	56,322
Other Revenue:			
School Reimbursement	37,000	37,000	0
Miscellaneous Revenue	5,000	10,787	5,787
Interest on Investments	2,500	3,895	1,395
Insurance Claims/Refunds	0	2,135	2,135
Greenbacker Capital Reserve	45,000	45,000	0
Copier Income	7,500	6,181	(1,319)
Community Donations	5,000	130	(4,870)
Cell Tower Rent Payments	107,400	106,117	(1,283)
Gifts to Town	600	1,100	500
Library Revenue	200	250	50
Highway Revenue	500	490	(10)
Georgia Community Events Committee Contributions	0	4,000	4,000
Total Other Revenue	210,700	217,085	6,385

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF GEORGIA, 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, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Grants & Capital Revenue:			
Restricted/Reserve Fund Revenue	\$ 221,751	\$ 206,390	\$ (15,361)
Impact Fee Fund Revenue	44,500	25,349	(19,151)
Highway Grant Revenue	161,311	47,074	(114,237)
Total Grants & Capital Revenue	427,562	278,813	(148,749)
Total Cash Receipts	3,267,136	3,211,836	(55,300)
Cash Disbursements:			
Grants & Capital Expenditures:			
Administration Purchase - Impact Fees	15,000	0	15,000
Records Preservation Purchase - Reserve Fund	9,750	4,475	5,275
Conservation Commission - General Expense	4,000	1,000	3,000
Fire Department Purchase - Impact Fees	19,000	17,349	1,651
Fire Department Purchase - Reserve Fund	71,495	71,493	2
Parks & Recreation Purchase - Reserve Fund	10,000	0	10,000
Library Purchase - Impact Fees	2,500	0	2,500
Highway Equipment Purchase - Impact Fees	8,000	8,000	0
Highway Equipment Purchase - Reserve Fund	56,506	60,680	(4,174)
State Aid Paving Money from Restricted	70,000	70,000	0
Total Grants & Capital Expenditures	266,251	232,997	33,254
General Government:			
Selectboard:			
Selectboard Salaries	5,500	5,000	500
Administrative Salaries	200,000	147,943	52,057
Fire Warden	200	0	200
Selectboard Expense	1,100	736	364
Board of Civil Authority	4,500	0	4,500
Streetlights	2,600	2,388	212
Legal Expenses	45,000	17,269	27,731
Admin Consultant Services	1,000	75	925
Admin Contracted Services	12,300	10,917	1,383
Interest on Loan Payments	24,312	22,981	1,331
Property & Casualty Insurance	58,939	59,354	(415)
Roadside Flags	2,000	2,000	0
Insurance Claims	0	5,696	(5,696)
General Contingency	3,000	0	3,000
Total Selectboard	360,451	274,359	86,092
Voter Approved Purchases:			
Vermont Municipal Bond Bank	70,000	70,000	0
Gilmond Land Purchase	15,974	15,974	0
Highway Garage Building Loan	150,000	150,000	0
Highway Garage Building Loan Interest	113,080	113,491	(411)
Total Voter Approved Purchases	349,054	349,465	(411)

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF GEORGIA, 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, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Town Clerk:			
Town Clerk Salary	\$ 51,730	\$ 51,164	\$ 566
Ballot Clerks' Salaries	5,000	4,752	248
Assistant Clerk's Salaries	34,000	37,648	(3,648)
Records Supplies	13,000	10,744	2,256
Election Expenses	5,000	3,909	1,091
Dog Licenses	500	890	(390)
Clerk's Miscellaneous Expenses	50	0	50
Total Town Clerk	109,280	109,107	173
Town Treasurer:			
Treasurer/Tax Collector	24,000	23,941	59
Assistant Treasurer & Tax Collector	250	0	250
Treasurer Miscellaneous Expenses	50	0	50
Total Town Treasurer	24,300	23,941	359
Delinquent Tax Collector:			
DTC Collector's Fees	18,000	40,031	(22,031)
DTC Collector's Miscellaneous Expense	150	0	150
Total Delinquent Tax Collector	18,150	40,031	(21,881)
Municipal Office:			
Admin Postage	8,000	4,919	3,081
Admin Office Supplies	4,500	3,579	921
Municipal Office Building Supplies	1,000	1,304	(304)
Admin Copier Expenses	4,000	3,654	346
Printing/Publishing	6,000	4,696	1,304
Admin Mileage	500	302	198
Municipal Office Phone & Utilities	12,000	12,187	(187)
Admin Training	2,500	400	2,100
Admin Computer Support	20,000	18,924	1,076
Municipal Grounds Maintenance	500	322	178
Admin Money to Reserve Fund	4,000	4,000	0
Admin Miscellaneous Expenses	50	92	(42)
Total Municipal Office	63,050	54,379	8,671
Buildings & Grounds:			
Building Maintenance - Other	2,500	201	2,299
Cemetery Maintenance	2,000	2,000	0
Cemetery Mowing	600	408	192
Fire Department Building Maintenance	10,000	9,055	945
Library Building Maintenance	6,000	6,385	(385)
Town Hall Building Maintenance	5,000	4,477	523
Janitorial Supplies & Services	13,500	12,661	839
Georgia Historical Society Building & Services	2,500	2,428	72
Total Buildings & Grounds	42,100	37,615	4,485

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TOWN OF GEORGIA, 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, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Public Safety:			
Constables	\$ 500	\$ 500	\$ 0
Dispatching Services	56,832	56,832	0
Emergency Medical Services	68,565	68,629	(64)
Law Enforcement	100,000	30,799	69,201
Total Public Safety	225,897	156,760	69,137
Animal Control:			
Animal Control Salaries	3,500	569	2,931
Animal Control Expenses	1,500	636	864
Animal Control Mileage	2,000	149	1,851
Total Animal Control	7,000	1,354	5,646
Health Officer:			
Health Officers Salaries	620	620	0
Health Officers Expenses	200	0	200
Health Officers Mileage	50	0	50
Total Health Officer	870	620	250
Fire & Rescue:			
Fire & Rescue Salaries	88,444	58,402	30,042
Fire & Rescue Supplies	500	342	158
Fire & Rescue Medical Supplies	7,000	4,982	2,018
Fire & Rescue Solid Waste Disposal	480	276	204
Fire & Rescue Phone & Utilities	12,500	13,857	(1,357)
Fire & Rescue Training	6,000	5,842	158
Fire Prevention	1,500	1,275	225
Fire & Rescue Loan Interest	4,990	4,990	0
Fire & Rescue Fuels & Oils	3,000	2,758	242
Fire & Rescue Loan - Current Year	24,380	24,377	3
Fire & Rescue Turn Out Gear	9,000	8,394	606
Fire & Rescue Hose	2,750	2,750	0
Fire & Rescue Communications Equipment	2,000	1,917	83
Fire & Rescue Computer & Office	2,000	1,655	345
Fire & Rescue Equipment Purchases & Repairs	5,500	5,267	233
Fire & Rescue Apparatus Purchases & Repairs	10,500	10,561	(61)
Fire & Rescue Annual Required Testing	10,000	9,952	48
Fire Department Money to Reserve Fund	100,000	100,000	0
First Response Money to Reserve Fund	2,000	2,000	0
Fire & Rescue Awards	2,000	1,815	185
Fire & Rescue Miscellaneous Expenses	500	200	300
Total Fire & Rescue	295,044	261,612	33,432

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TOWN OF GEORGIA, 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, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Solid Waste Management:			
Solid Waste Expenses	\$ 5,600	\$ 5,679	\$ (79)
Green Up Day Bags	300	300	0
Total Solid Waste Management	5,900	5,979	(79)
Contracted Assessor:			
Assessor Contracted Services	49,750	22,374	27,376
Assessor Computer Support & Supplies	1,500	2,324	(824)
State Appraisal Money to Reserve Fund	16,100	16,155	(55)
Total Contracted Assessor	67,350	40,853	26,497
Regional:			
Franklin County Tax	58,000	57,543	457
NW Regional Planning Commission Dues	5,246	5,426	(180)
VLCT Dues	7,207	7,207	0
Other Dues	400	135	265
Franklin County Industrial Development Corp. Dues	1,500	1,500	0
Total Regional	72,353	71,811	542
Parks & Recreation:			
Parks & Recreation Salaries	8,000	10,116	(2,116)
TNC Public Water System Annual Expenses	1,500	1,409	91
Parks & Recreation Supplies	600	543	57
Parks & Recreation Programs	21,700	21,505	195
Parks & Recreation Solid Waste Disposal	1,350	1,168	182
Parks & Recreation Mileage	0	37	(37)
Parks & Recreation Utilities	400	413	(13)
Parks & Recreation Building Maintenance	3,000	4,219	(1,219)
Parks & Recreation Equipment Fuel & Oils	600	369	231
Parks & Recreation Equipment Repair	1,000	1,491	(491)
Parks & Recreation Community Events	5,000	2,367	2,633
Parks & Recreation Money to Reserve Fund	5,370	5,306	64
Total Parks & Recreation	48,520	48,943	(423)

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TOWN OF GEORGIA, 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, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Library:			
Library Salaries	\$ 75,429	\$ 72,595	\$ 2,834
Library Sick Pay	1,276	1,728	(452)
Library Vacation	2,127	2,705	(578)
Library Holiday	2,000	1,441	559
Library Social Security	5,807	5,193	614
Library Retirement	3,771	3,900	(129)
Library Health Insurance	15,480	18,017	(2,537)
Library HRA Funding	1,250	1,310	(60)
Library Dental Insurance	426	381	45
Library Supplies	3,600	3,016	584
Library Adult Books	1,900	3,745	(1,845)
Library Children's Books	3,200	3,697	(497)
Library Periodicals	1,000	0	1,000
Library Audio Visual	1,500	15	1,485
Library Young Adult Books	1,000	918	82
Library Interlibrary Loan	550	990	(440)
Library Online/Electronic Resources	4,000	4,901	(901)
Library Photocopier Lease	1,150	1,464	(314)
Library & Food Shelf Utilities	11,000	14,456	(3,456)
Library Phone	1,944	1,530	414
Library Cell Phone Expense	540	404	136
Library Training/Travel	900	80	820
Library Educational Programming	1,200	987	213
Library Purchase - Current Year	1,650	258	1,392
Library Equipment Repair	200	0	200
Library Money to Reserve Fund	5,000	5,000	0
Library Miscellaneous Expense	100	577	(477)
Total Library	148,000	149,308	(1,308)
Benefits:			
Sick Pay	6,000	11,212	(5,212)
Vacation Pay	8,000	17,183	(9,183)
Bereavement Pay	1,000	0	1,000
Holiday Pay	13,000	14,796	(1,796)
Social Security	52,000	50,987	1,013
Retirement	40,000	41,137	(1,137)
Unemployment	1,464	1,464	0
Insurance - Health	160,360	117,234	43,126
Insurance - HRA & HSA Funding	11,000	13,500	(2,500)
Insurance - Cobra	750	780	(30)
Insurance - Dental	3,500	2,315	1,185
Highway Uniforms	8,500	5,955	2,545
Fire & Rescue Disability & Accidental Death Insurance	3,590	3,590	0
Workmen's Compensation	28,340	29,093	(753)
Total Benefits	337,504	309,246	28,258

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TOWN OF GEORGIA, 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, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Conservation:			
Conservation Purchase - Current Year	\$ 15,000	\$ 12,959	\$ 2,041
Conservation Money to Reserve Fund	10,000	10,000	0
Conservation Money to General Fund	<u>5,370</u>	<u>5,306</u>	<u>64</u>
Total Conservation	<u>30,370</u>	<u>28,265</u>	<u>2,105</u>
Total General Government	<u>2,205,193</u>	<u>1,963,648</u>	<u>241,545</u>
Highway:			
Road Surface Management:			
Highway Regular Labor	142,000	143,645	(1,645)
Highway Overtime Labor	32,000	12,109	19,891
Highway Part-time Labor	3,000	0	3,000
Paving/Blacktop	250,000	243,819	6,181
Erosion Control	3,100	5,892	(2,792)
Processed Aggregate	30,000	33,402	(3,402)
Dust Control	12,000	14,398	(2,398)
State Permit Fee to Maintain Highways	<u>5,000</u>	<u>2,603</u>	<u>2,397</u>
Total Road Surface Management	<u>477,100</u>	<u>455,868</u>	<u>21,232</u>
Roadside Maintenance:			
Tree/Brush Removal	5,000	4,375	625
Roadside Contracted Construction Services	18,000	6,710	11,290
Road Signs	<u>4,000</u>	<u>2,278</u>	<u>1,722</u>
Total Roadside Maintenance	<u>27,000</u>	<u>13,363</u>	<u>13,637</u>
Winter Maintenance:			
Winter Regular Labor	50,000	65,246	(15,246)
Winter Overtime Labor	44,000	35,065	8,935
Winter Sand and Salt	105,000	92,084	12,916
Winter Parts and Supplies	<u>11,000</u>	<u>10,612</u>	<u>388</u>
Total Winter Maintenance	<u>210,000</u>	<u>203,007</u>	<u>6,993</u>
Bridges & Culverts:			
Bridges & Culverts Materials	8,000	8,465	(465)
Bridges & Culverts Money to Reserve Fund	<u>18,000</u>	<u>18,000</u>	<u>0</u>
Total Bridges & Culverts	<u>26,000</u>	<u>26,465</u>	<u>(465)</u>

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TOWN OF GEORGIA, 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, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Equipment:			
Highway Fuels and Oils	\$ 45,000	\$ 48,430	\$ (3,430)
Small Tools and Equipment	4,000	2,277	1,723
Equipment Rental	6,000	6,276	(276)
Highway Parts and Supplies	10,000	7,865	2,135
2012 Backhoe	7,500	1,700	5,800
2010 GMC	4,500	894	3,606
2017 Tandem	3,000	4,341	(1,341)
Grader	7,500	7,484	16
Roadside Mower	1,000	182	818
2020 Tandem	2,000	4,871	(2,871)
2018 Loader	1,500	1,642	(142)
2020 Kenworth	1,500	215	1,285
2013 International	3,700	11,636	(7,936)
2014 International	4,000	5,074	(1,074)
2020 GMC	1,000	90	910
2022 GMC	0	351	(351)
Loan Interest Payment	4,148	4,934	(786)
Equipment Money to Reserve Fund	110,000	110,000	0
Total Equipment	216,348	218,262	(1,914)
Garage Expense:			
Garage Building/Grounds Maintenance Supplies	8,000	9,810	(1,810)
Garage Phone & Utilities	17,000	18,100	(1,100)
Garage Miscellaneous Expenses	100	130	(30)
Total Garage Expense	25,100	28,040	(2,940)
Total Highway	981,548	945,005	36,543
Appropriations:			
Age Well	1,100	1,100	0
Franklin County Home Health	9,481	9,481	0
Northwest Counseling & Support	2,600	2,600	0
Franklin/Grand Isle Restorative Justice	750	750	0
St. Albans Watershed Association	2,500	2,500	0
Green Mountain Transit Agency	3,713	3,713	0
Friends of Northern Lake Champlain	1,500	1,500	0
Voices Against Violence/Laurie's House	2,500	2,500	0
Total Appropriations	24,144	24,144	0
Total Cash Disbursements	3,477,136	3,165,794	311,342
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	\$ (210,000)	46,042	\$ 256,042

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TOWN OF GEORGIA, 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, 2022

	<u>Actual</u>
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Cash Basis of Accounting:	
Administrative Reserve Fund Income	\$ 17
Administrative Reserve Fund Transfers In	4,000
Planning Reserve Fund Income	3
Conservation Commission Fund Income	130
Conservation Commission Fund Transfers In	5,306
Conservation Commission Fund Transfers Out	<u>(1,000)</u>
Net Change in Fund Balance	54,498
Fund Balance - January 1, 2022	<u>220,834</u>
Fund Balance - December 31, 2022	\$ <u><u>275,332</u></u>

The reconciling items are due to combining three (3) funds, the Administrative Reserve Fund, the Planning Reserve Fund and the Conservation Commission Fund, with the General Fund in order to comply with GASB Statement No. 54.

TOWN OF GEORGIA, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS
 ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2022

	Special Revenue Funds	Capital Projects Funds	Total
<u>ASSETS</u>			
Cash	\$ 25,949	\$ 151,038	\$ 176,987
Due from Other Funds	<u>331,930</u>	<u>488,258</u>	<u>820,188</u>
Total Assets	<u>\$ 357,879</u>	<u>\$ 639,296</u>	<u>\$ 997,175</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Due to Other Funds	\$ <u>0</u>	\$ <u>5,000</u>	\$ <u>5,000</u>
Total Liabilities	<u>0</u>	<u>5,000</u>	<u>5,000</u>
Fund Balances:			
Restricted	89,265	136,231	225,496
Committed	0	463,944	463,944
Assigned	<u>268,614</u>	<u>34,121</u>	<u>302,735</u>
Total Fund Balances	<u>357,879</u>	<u>634,296</u>	<u>992,175</u>
Total Liabilities and Fund Balances	<u>\$ 357,879</u>	<u>\$ 639,296</u>	<u>\$ 997,175</u>

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TOWN OF GEORGIA, 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, 2022

	Special Revenue Funds	Capital Projects Funds	Total
Cash Receipts:			
Charges for Services	\$ 1,480	\$ 0	\$ 1,480
Permits, Licenses and Fees	8,164	50,025	58,189
Investment Income	<u>609</u>	<u>1,761</u>	<u>2,370</u>
Total Cash Receipts	<u>10,253</u>	<u>51,786</u>	<u>62,039</u>
Cash Disbursements:			
Cemetery	650	0	650
Capital Outlay:			
Highways and Streets	<u>0</u>	<u>28,000</u>	<u>28,000</u>
Total Cash Disbursements	<u>650</u>	<u>28,000</u>	<u>28,650</u>
Excess of Cash Receipts Over Cash Disbursements	<u>9,603</u>	<u>23,786</u>	<u>33,389</u>
Other Financing Sources/(Uses):			
Proceeds from Sale of Equipment	0	5,000	5,000
Transfers In	16,155	250,306	266,461
Transfers Out	<u>(4,475)</u>	<u>(334,088)</u>	<u>(338,563)</u>
Total Other Financing Sources/(Uses)	<u>11,680</u>	<u>(78,782)</u>	<u>(67,102)</u>
Net Change in Fund Balances	21,283	(54,996)	(33,713)
Fund Balances - January 1, 2022	<u>336,596</u>	<u>689,292</u>	<u>1,025,888</u>
Fund Balances - December 31, 2022	<u>\$ 357,879</u>	<u>\$ 634,296</u>	<u>\$ 992,175</u>

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TOWN OF GEORGIA, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS
 ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2022

	Reappraisal Fund	Records Preservation Fund	Cemetery Fund	Total
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 25,949	\$ 25,949
Due from Other Funds	<u>268,614</u>	<u>63,316</u>	<u>0</u>	<u>331,930</u>
Total Assets	<u>\$ 268,614</u>	<u>\$ 63,316</u>	<u>\$ 25,949</u>	<u>\$ 357,879</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Fund Balances:				
Restricted	0	63,316	25,949	89,265
Assigned	<u>268,614</u>	<u>0</u>	<u>0</u>	<u>268,614</u>
Total Fund Balances	<u>268,614</u>	<u>63,316</u>	<u>25,949</u>	<u>357,879</u>
Total Liabilities and Fund Balances	<u>\$ 268,614</u>	<u>\$ 63,316</u>	<u>\$ 25,949</u>	<u>\$ 357,879</u>

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TOWN OF GEORGIA, 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, 2022

	Reappraisal Fund	Records Preservation Fund	Cemetery Fund	Total
Cash Receipts:				
Charges for Services	\$ 0	\$ 0	\$ 1,480	\$ 1,480
Permits, Licenses and Fees	0	8,164	0	8,164
Investment Income	<u>372</u>	<u>151</u>	<u>86</u>	<u>609</u>
Total Cash Receipts	<u>372</u>	<u>8,315</u>	<u>1,566</u>	<u>10,253</u>
Cash Disbursements:				
Cemetery	<u>0</u>	<u>0</u>	<u>650</u>	<u>650</u>
Total Cash Disbursements	<u>0</u>	<u>0</u>	<u>650</u>	<u>650</u>
Excess of Cash Receipts Over Cash Disbursements	<u>372</u>	<u>8,315</u>	<u>916</u>	<u>9,603</u>
Other Financing Sources/(Uses):				
Transfers In	16,155	0	0	16,155
Transfers Out	<u>0</u>	<u>(4,475)</u>	<u>0</u>	<u>(4,475)</u>
Total Other Financing Sources/(Uses)	<u>16,155</u>	<u>(4,475)</u>	<u>0</u>	<u>11,680</u>
Net Change in Fund Balances	16,527	3,840	916	21,283
Fund Balances - January 1, 2022	<u>252,087</u>	<u>59,476</u>	<u>25,033</u>	<u>336,596</u>
Fund Balances - December 31, 2022	\$ <u><u>268,614</u></u>	\$ <u><u>63,316</u></u>	\$ <u><u>25,949</u></u>	\$ <u><u>357,879</u></u>

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TOWN OF GEORGIA, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS
 ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2022

	Impact Fees Fund	Bridge Reserve Fund	Highway Reserve Fund	Fire Department Reserve Fund	First Response Reserve Fund	Parks & Recreation Reserve Fund	Paving Reserve Fund	Library Reserve Fund	Conservation Reserve Fund	Total
<u>ASSETS</u>										
Cash	\$ 136,231	\$ 0	\$ 12,329	\$ 0	\$ 0	\$ 0	\$ 2,478	\$ 0	\$ 0	\$ 151,038
Due from Other Funds	<u>0</u>	<u>183,351</u>	<u>0</u>	<u>125,342</u>	<u>8,444</u>	<u>34,121</u>	<u>0</u>	<u>15,252</u>	<u>121,748</u>	<u>488,258</u>
Total Assets	<u>\$ 136,231</u>	<u>\$ 183,351</u>	<u>\$ 12,329</u>	<u>\$ 125,342</u>	<u>\$ 8,444</u>	<u>\$ 34,121</u>	<u>\$ 2,478</u>	<u>\$ 15,252</u>	<u>\$ 121,748</u>	<u>\$ 639,296</u>
<u>LIABILITIES AND FUND BALANCES</u>										
Liabilities:										
Due to Other Funds	\$ <u>0</u>	\$ <u>0</u>	\$ <u>5,000</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>5,000</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000</u>
Fund Balances:										
Restricted	136,231	0	0	0	0	0	0	0	0	136,231
Committed	0	183,351	7,329	125,342	8,444	0	2,478	15,252	121,748	463,944
Assigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>34,121</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>34,121</u>
Total Fund Balances	<u>136,231</u>	<u>183,351</u>	<u>7,329</u>	<u>125,342</u>	<u>8,444</u>	<u>34,121</u>	<u>2,478</u>	<u>15,252</u>	<u>121,748</u>	<u>634,296</u>
Total Liabilities and Fund Balances	<u>\$ 136,231</u>	<u>\$ 183,351</u>	<u>\$ 12,329</u>	<u>\$ 125,342</u>	<u>\$ 8,444</u>	<u>\$ 34,121</u>	<u>\$ 2,478</u>	<u>\$ 15,252</u>	<u>\$ 121,748</u>	<u>\$ 639,296</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF GEORGIA, 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, 2022

	Impact Fees Fund	Bridge Reserve Fund	Highway Reserve Fund	Fire Department Reserve Fund	First Response Reserve Fund	Parks & Recreation Reserve Fund	Paving Reserve Fund	Library Reserve Fund	Conservation Reserve Fund	Total
Cash Receipts:										
Permits, Licenses and Fees	\$ 50,025	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50,025
Investment Income	<u>121</u>	<u>418</u>	<u>211</u>	<u>334</u>	<u>23</u>	<u>86</u>	<u>146</u>	<u>36</u>	<u>386</u>	<u>1,761</u>
Total Cash Receipts	<u>50,146</u>	<u>418</u>	<u>211</u>	<u>334</u>	<u>23</u>	<u>86</u>	<u>146</u>	<u>36</u>	<u>386</u>	<u>51,786</u>
Cash Disbursements:										
Capital Outlay:										
Highways and Streets	<u>0</u>	<u>0</u>	<u>28,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>28,000</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>50,146</u>	<u>418</u>	<u>(27,789)</u>	<u>334</u>	<u>23</u>	<u>86</u>	<u>146</u>	<u>36</u>	<u>386</u>	<u>23,786</u>
Other Financing Sources/(Uses):										
Proceeds from Sale of Equipment	0	0	5,000	0	0	0	0	0	0	5,000
Transfers In	0	18,000	110,000	100,000	2,000	5,306	0	5,000	10,000	250,306
Transfers Out	<u>(25,349)</u>	<u>0</u>	<u>(167,246)</u>	<u>(71,493)</u>	<u>0</u>	<u>0</u>	<u>(70,000)</u>	<u>0</u>	<u>0</u>	<u>(334,088)</u>
Total Other Financing Sources/(Uses)	<u>(25,349)</u>	<u>18,000</u>	<u>(52,246)</u>	<u>28,507</u>	<u>2,000</u>	<u>5,306</u>	<u>(70,000)</u>	<u>5,000</u>	<u>10,000</u>	<u>(78,782)</u>
Net Change in Fund Balances	24,797	18,418	(80,035)	28,841	2,023	5,392	(69,854)	5,036	10,386	(54,996)
Fund Balances - January 1, 2022	<u>111,434</u>	<u>164,933</u>	<u>87,364</u>	<u>96,501</u>	<u>6,421</u>	<u>28,729</u>	<u>72,332</u>	<u>10,216</u>	<u>111,362</u>	<u>689,292</u>
Fund Balances - December 31, 2022	<u>\$ 136,231</u>	<u>\$ 183,351</u>	<u>\$ 7,329</u>	<u>\$ 125,342</u>	<u>\$ 8,444</u>	<u>\$ 34,121</u>	<u>\$ 2,478</u>	<u>\$ 15,252</u>	<u>\$ 121,748</u>	<u>\$ 634,296</u>

See Disclaimer in Accompanying Independent Auditor's Report.

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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"

Board of Selectmen
Town of Georgia, Vermont
47 Town Common Road North
St. Albans, Vermont 05478

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 Georgia, Vermont as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town of Georgia, Vermont's basic financial statements and have issued our report thereon dated January 11, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Georgia, 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 Georgia, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Georgia, Vermont's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Deficiencies in Internal Control, we identified certain deficiencies that we consider to be material weaknesses and others that we consider to be significant deficiencies.

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 Georgia, Vermont's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Deficiencies in Internal Control as Items 2022-01 and 2022-02 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Deficiencies in Internal Control as Items 2022-03 through 2022-05 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Georgia, 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 the 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".

Town of Georgia, Vermont's Response to Findings

"Government Auditing Standards" requires the auditor to perform limited procedures on the Town of Georgia, Vermont's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Deficiencies in Internal Control. The Town of Georgia, Vermont's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Georgia, 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 Georgia, Vermont's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sullivan, Powers & Co.

January 11, 2024
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF GEORGIA, VERMONT
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL
DECEMBER 31, 2022

Deficiencies in Internal Control:

Material Weaknesses:

2022-01 Segregation of Duties - Cash

Criteria:

An important factor in developing good internal control procedures is to divide responsibilities so that no individual can both perpetrate and conceal errors or irregularities. One of the most common division of duties is the division between the check signing and bank reconciliation functions.

Condition:

In the Town, the same person that reconciles the bank accounts also collects cash, posts to the journals, makes deposits and has check signing authority.

Cause:

The limited staff available in the office provides little opportunity to achieve an optimum separation of duties and responsibilities.

Effect:

The Town has inadvertently made its assets susceptible to misappropriation.

Recommendation:

We recommend that the Town revise their procedures to ensure that the bank reconciliation function is delegated to an individual who does not have check signing authority. Otherwise, we recommend that, at a minimum, someone other than a check signer review all bank reconciliations, bank statements, cancelled checks and any debit memos.

2022-02 Property Tax Reconciliation

Criteria:

Internal controls should be in place to ensure that the property tax billings are reconciled to the general ledger.

Condition:

The Town did not have controls in place to ensure that the property tax billings were reconciled to the general ledger.

TOWN OF GEORGIA, VERMONT
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL
DECEMBER 31, 2022

Cause:

Unknown.

Effect:

The collection of property tax billings could be incorrect.

Recommendation:

We recommend that the Town implement controls to ensure that the property tax billings are reconciled to the general ledger.

Significant Deficiencies:

2022-03 Authorization of General Journal Entries

Criteria:

Internal controls should be in place that requires appropriate officials to authorize all adjustments to the books of original entry.

Condition:

The Town does not have a policy in place to require authorization or review of adjustments to the books of original entry.

Cause:

Unknown.

Effect:

This deficiency in the internal control structure could allow other working control policies to be circumvented.

Recommendation:

We recommend that the Town enact a policy that requires appropriate officials to authorize and review all general journal entries so as not to circumvent the original approval process.

2022-04 Cash Accounts

Criteria:

Internal controls should be in place to ensure that all cash accounts are included in and reconciled monthly to the general ledger.

TOWN OF GEORGIA, VERMONT
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL
DECEMBER 31, 2022

Condition:

The Town has several small cash accounts designated for specific purposes that are currently not under general ledger control.

Cause:

Unknown.

Effect:

The Town has inadvertently made its assets susceptible to misappropriation and is understating its cash balances.

Recommendation:

We recommend that the Town implement controls to ensure that all cash accounts are recorded in their general ledger and reconciled to the general ledger on a monthly basis.

2022-05 Selectboard Warrants

Criteria:

Internal controls should be in place to ensure that all expenses are reviewed and approved by the Selectboard.

Condition:

The Town's debit card transactions are not included with the expense warrants presented to the Selectboard for review and approval.

Cause:

Unknown.

Effect:

The Town has expended funds without proper approval.

Recommendation:

We recommend that all disbursements made by the Town have the Selectboard's approval.



GEORGIA

VERMONT

January 23, 2024

RE: Deficiencies in internal control

2022-01 Segregation of Duties – Cash

Corrective Action:

one of the members of the finance committee checking the bank reconciliations on the 15th of the month.

2022-02 Property Tax Reconciliation

Corrective Action: working with Chip Stearns to develop a procedure for making sure the Property Taxes are reconciled with the general ledger.

2022-03 Authorization of Journal Entries

Corrective Action: a member of the finance committee looking at the journal entries for any missing journal entries, and to ensure that adequate back up information is attached to journal entries clarify the intent.

2022-04 Cash Accounts

A solution of making sure that all cash accounts are on the books and closing bank accounts that do not have funds in them that do not require a separate account by town

2022-05 Selectboard Warrants

Corrective Action: The Warrants will now contain all expenditures including debit card purchases and payroll.

April Edwards

Town of Georgia Treasurer