

TOWN OF GEORGIA, VERMONT

AUDIT REPORT

DECEMBER 31, 2017

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 AUDIT REPORT
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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 Financial Statements

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, 2017, 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.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements 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's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to previously 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, 2017, and the respective changes in financial position thereof for the year then ended in conformity with the modified cash basis of accounting, as described in Note I.

Correction of Errors

As described in Note II.C. to the financial statements, certain errors were corrected by management during the current year. Our opinion is not modified with respect to this matter.

Basis of Accounting

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

Other Matters

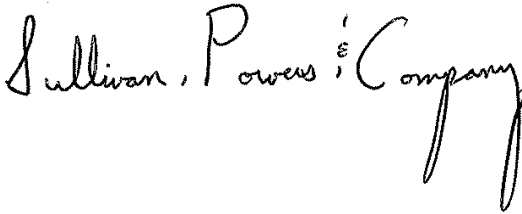
Other Information

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 for the General Fund presented on Schedule 1 and the combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an 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 March 19, 2019 on our consideration of the Town of Georgia, Vermont’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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.

March 19, 2019
Montpelier, Vermont
VT Lic. #92-000180

A handwritten signature in black ink that reads "Sullivan, Powers & Company". The signature is written in a cursive style with a large, stylized 'S' at the beginning and a long, sweeping tail at the end.

TOWN OF GEORGIA, VERMONT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2017

| | Governmental Activities |
|--------------------------------------|----------------------------|
| <u>ASSETS</u> | |
| Cash | \$ 1,388,007 |
| Due from Employees | 1,056 |
| Total Assets | 1,389,063 |
| <u>LIABILITIES</u> | |
| Due to School District | 143,850 |
| Due to Others | 25,475 |
| Total Liabilities | 169,325 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | |
| Prepaid Property Taxes | 12,196 |
| Total Deferred Inflows of Resources | 12,196 |
| <u>NET POSITION</u> | |
| Restricted: | |
| Highways and Streets | 296,004 |
| Impact Fee Eligible Expenses | 143,740 |
| Other | 39,948 |
| Unrestricted | 727,850 |
| Total Net Position | \$ 1,207,542 |

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, 2017

| | Program Cash Receipts | | | | Net (Disbursements)/ Receipts and Changes in Net Position |
|---|-----------------------|-------------------------|--|--|---|
| | Cash Disbursements | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| Functions/Programs: | | | | | |
| Governmental Activities: | | | | | |
| General Government | \$ 891,954 | \$ 189,669 | \$ 21,684 | \$ 0 | \$ (680,601) |
| Public Safety | 296,687 | 2,995 | 400 | 0 | (293,292) |
| Highways and Streets | 799,033 | 5,525 | 146,506 | 84,000 | (563,002) |
| Culture and Recreation | 149,751 | 5,288 | 3,845 | 0 | (140,618) |
| Debt Service | 158,706 | 0 | 0 | 0 | (158,706) |
| Total Governmental Activities | \$ 2,296,131 | \$ 203,477 | \$ 172,435 | \$ 84,000 | (1,836,219) |
| General Receipts: | | | | | |
| Property Taxes | | | | | 1,699,148 |
| Penalties and Interest on Delinquent Taxes | | | | | 33,417 |
| General State Grants | | | | | 47,027 |
| Unrestricted Investment Earnings | | | | | 194 |
| Impact Fees | | | | | 61,831 |
| Proceeds from Sale of Equipment | | | | | 1,000 |
| Other | | | | | 4,409 |
| Total General Receipts | | | | | 1,847,026 |
| Change in Net Position | | | | | 10,807 |
| Net Position - January 1, 2017, As Restated | | | | | 1,196,735 |
| Net Position - December 31, 2017 | | | | | \$ 1,207,542 |

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, 2017

| | General Fund | Reappraisal Fund | Fire Department Reserve Fund | Impact Fees Fund | Non-Major Governmental Funds | Total Governmental Funds |
|---|-------------------|---------------------|------------------------------------|---------------------|------------------------------------|--------------------------------|
| <u>ASSETS</u> | | | | | | |
| Cash | \$ 443,409 | \$ 190,035 | \$ 209,983 | \$ 143,740 | \$ 400,840 | \$ 1,388,007 |
| Due from Employees | 1,056 | 0 | 0 | 0 | 0 | 1,056 |
| Due from Other Funds | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>27,153</u> | <u>27,153</u> |
| Total Assets | <u>\$ 444,465</u> | <u>\$ 190,035</u> | <u>\$ 209,983</u> | <u>\$ 143,740</u> | <u>\$ 427,993</u> | <u>\$ 1,416,216</u> |
| <u>LIABILITIES</u> | | | | | | |
| Due to Other Funds | \$ 27,153 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 27,153 |
| Due to School District | 143,850 | 0 | 0 | 0 | 0 | 143,850 |
| Due to Others | <u>25,475</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>25,475</u> |
| Total Liabilities | <u>196,478</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>196,478</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | | |
| Prepaid Property Taxes | <u>12,196</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>12,196</u> |
| Total Deferred Inflows of Resources | <u>12,196</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>12,196</u> |
| <u>FUND BALANCES</u> | | | | | | |
| Restricted | 5,400 | 0 | 0 | 143,740 | 330,552 | 479,692 |
| Committed | 0 | 0 | 209,983 | 0 | 70,288 | 280,271 |
| Assigned | <u>230,391</u> | <u>190,035</u> | <u>0</u> | <u>0</u> | <u>27,153</u> | <u>447,579</u> |
| Total Fund Balances | <u>235,791</u> | <u>190,035</u> | <u>209,983</u> | <u>143,740</u> | <u>427,993</u> | <u>1,207,542</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 444,465</u> | <u>\$ 190,035</u> | <u>\$ 209,983</u> | <u>\$ 143,740</u> | <u>\$ 427,993</u> | <u>\$ 1,416,216</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, 2017

| | General Fund | Reappraisal Fund | Fire Department Reserve Fund | Impact Fees Fund | Non-Major Governmental Funds | Total Governmental Funds |
|---|-------------------|---------------------|------------------------------------|---------------------|------------------------------------|--------------------------------|
| Cash Receipts: | | | | | | |
| Property Taxes | \$ 1,699,148 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,699,148 |
| Penalties and Interest on Delinquent Taxes | 33,417 | 0 | 0 | 0 | 0 | 33,417 |
| Intergovernmental | 302,362 | 0 | 0 | 0 | 0 | 302,362 |
| Charges for Services | 127,428 | 0 | 0 | 0 | 0 | 127,428 |
| Permits, Licenses and Fees | 72,949 | 0 | 0 | 61,831 | 0 | 134,780 |
| Fines and Forfeits | 3,100 | 0 | 0 | 0 | 0 | 3,100 |
| Investment Income | 86 | 27 | 24 | 10 | 47 | 194 |
| Donations | 1,100 | 0 | 0 | 0 | 0 | 1,100 |
| Other | 4,409 | 0 | 0 | 0 | 0 | 4,409 |
| Total Cash Receipts | 2,243,999 | 27 | 24 | 61,841 | 47 | 2,305,938 |
| Cash Disbursements: | | | | | | |
| General Government | 743,678 | 0 | 0 | 0 | 0 | 743,678 |
| Public Safety | 278,994 | 0 | 0 | 0 | 0 | 278,994 |
| Highways and Streets | 511,721 | 0 | 0 | 0 | 0 | 511,721 |
| Culture and Recreation | 139,159 | 0 | 0 | 0 | 0 | 139,159 |
| Capital Outlay: | | | | | | |
| General Government | 148,276 | 0 | 0 | 0 | 0 | 148,276 |
| Public Safety | 17,693 | 0 | 0 | 0 | 0 | 17,693 |
| Highways and Streets | 287,312 | 0 | 0 | 0 | 0 | 287,312 |
| Culture and Recreation | 10,592 | 0 | 0 | 0 | 0 | 10,592 |
| Debt Service: | | | | | | |
| Principal | 122,037 | 0 | 0 | 0 | 0 | 122,037 |
| Interest | 36,669 | 0 | 0 | 0 | 0 | 36,669 |
| Total Cash Disbursements | 2,296,131 | 0 | 0 | 0 | 0 | 2,296,131 |
| Excess/(Deficiency) of Cash Receipts Over Cash Disbursements | (52,132) | 27 | 24 | 61,841 | 47 | 9,807 |
| Other Financing Sources/(Uses): | | | | | | |
| Proceeds from Sale of Equipment | 0 | 0 | 1,000 | 0 | 0 | 1,000 |
| Transfers In | 263,263 | 15,698 | 70,000 | 0 | 167,924 | 516,885 |
| Transfers Out | (253,622) | 0 | 0 | (27,951) | (235,312) | (516,885) |
| Total Other Financing Sources/(Uses) | 9,641 | 15,698 | 71,000 | (27,951) | (67,388) | 1,000 |
| Net Change in Fund Balances | (42,491) | 15,725 | 71,024 | 33,890 | (67,341) | 10,807 |
| Fund Balances - January 1, 2017, As Restated/Reclassified | 278,282 | 174,310 | 138,959 | 109,850 | 495,334 | 1,196,735 |
| Fund Balances - December 31, 2017 | \$ 235,791 | \$ 190,035 | \$ 209,983 | \$ 143,740 | \$ 427,993 | \$ 1,207,542 |

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

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

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, 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, 2017

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. 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. 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.

Reappraisal Fund – This fund accounts for the reappraisal activity of the Town.

Fire Department Reserve Fund – This fund accounts for the funds that will be used for Fire Department capital expenditures as the Town determines appropriate.

Impact Fees Fund – This fund accounts for the impact fees on land development that will be used for capital improvements as the Town determines appropriate.

C. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide 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.

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

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 and amounts due from employees for prepaid payroll withholdings as assets, amounts due to the School District for education taxes 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 are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/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.

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 financial statements represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a grant, contract, or other binding agreement. Fund balances in governmental fund financial statements are classified as nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors, or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Selectboard's intended use of the resources); and unassigned.

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

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 Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statements element, “deferred outflows of resources” represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. The Town did not have any items that qualified for reporting in this category.

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 or when the amounts become available.

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 Deficits

The Town elected to budget cash disbursements in excess of cash receipts by \$150,000 in the General Fund in order to utilize a portion of the prior year’s surpluses. This is reflected as a current year’s budgeted deficiency of cash receipts over cash disbursements on Schedule 1.

C. Restatement/Reclassification of Net Position/Fund Balance

The beginning net position of the Governmental Activities was restated as a result of an overstatement of the amount due to the School District. The effect of this correction on the Governmental Activities Statement of Net Position – Modified Cash Basis is to decrease the amount due to the School District by \$139,017 and increase net position by \$139,017. In addition, there were \$5,000 of restricted donations that were treated as a liability in prior years. The net position of the Governmental Activities has been restated from \$1,052,718 to \$1,196,735. The effect on the 2016 Statement of Activities – Modified Cash Basis is not known.

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

The beginning fund balance of the General Fund was restated as a result of an overstatement of the amount due to the School District. The effect of this correction on the General Fund Statement of Modified Cash Basis Assets, Liabilities and Fund Balance is to decrease the amount due to the School District by \$139,017 and increase fund balance by \$139,017. In addition, the Town combined the Administrative Reserve Fund, the Planning Reserve Fund and the Conservation Fund with the General Fund as they do not qualify to be reported as separate Special Revenue Funds which resulted in a \$29,067 increase in the General Fund fund balance. Furthermore, there were \$5,000 of restricted donations that were treated as a liability in prior years. The fund balance of the General Fund has been restated/reclassified from \$105,198 to \$278,282. The effect on the General Fund 2016 Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balance is not known.

III. DETAILED NOTES ON ALL FUNDS

A. Cash

Cash as of December 31, 2017 consist of the following:

Cash:

| | |
|--------------------------------------|--------------------|
| Deposits with Financial Institutions | \$1,387,407 |
| Cash on Hand | <u>600</u> |
| Total Cash | <u>\$1,388,007</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 | \$ 250,000 | \$ 250,000 |
| Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution's Agent | <u>1,137,407</u> | <u>1,201,807</u> |
| Total | <u>\$1,387,407</u> | <u>\$1,451,807</u> |

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

TOWN OF GEORGIA, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2017

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.

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.

B. Interfund Balances and Activity

Interfund balances as of December 31, 2017 are as follows:

| <u>Fund</u> | <u>Due from Other Funds</u> | <u>Due to Other Funds</u> |
|------------------------------|---------------------------------|-------------------------------|
| General Fund | \$ 0 | \$27,153 |
| Non-Major Governmental Funds | <u>27,153</u> | <u>0</u> |
| Totals | <u>\$27,153</u> | <u>\$27,153</u> |

Interfund transfers during the year ended December 31, 2017 were as follows:

| <u>Transfer From</u> | <u>Transfer To</u> | <u>Amount</u> | <u>Purpose</u> |
|---------------------------------|---------------------------------|--------------------------|--|
| General Fund | Conservation Commission Fund | \$ 3,924 | * Transfer Cell Tower Fees Assigned for Conservation Expenses |
| Administrative Reserve Fund | General Fund | 112 | * Fund Monument Repairs |
| Conservation Commission Fund | General Fund | 4,407 | * Fund Conservation Expenses |
| General Fund | Reappraisal Fund | 15,698 | Transfer State Reappraisal Income |
| General Fund | Fire Department Reserve Fund | 70,000 | Appropriation |
| General Fund | Bridge Reserve Fund | 20,000 | Appropriation |
| General Fund | Highway Reserve Fund | 52,000 | Appropriation |
| General Fund | 1st Response Reserve Fund | 2,000 | Appropriation |
| General Fund | Parks & Recreation Reserve Fund | 3,924 | Transfer Cell Tower Fees Assigned for Parks & Recreation Capital |
| General Fund | Paving Reserve Fund | 70,000 | Appropriation |
| General Fund | Conservation Reserve Fund | 20,000 | Appropriation |
| Impact Fees Fund | General Fund | 27,951 | Fund Capital Expenditures |
| Highway Reserve Fund | General Fund | 15,674 | Fund Highway Capital Expenditures |
| Parks & Recreation Reserve Fund | General Fund | 10,592 | Fund Recreation Capital Expenditures |
| Paving Reserve Fund | General Fund | 70,000 | Fund Portion of Paving Expenditures |
| Conservation Reserve Fund | General Fund | <u>139,046</u> | Fund Conservation Capital Expenditures |
| Total | | <u>\$ 525,328</u> | |

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

C. Deferred Inflows of Resources

Deferred inflows of resources in the Governmental Activities and the General Fund consist of \$12,196 of property taxes paid in advance.

D. Fund Balances

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

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

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

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

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

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

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

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

Major Funds

General Fund:

| | |
|---|-----------------|
| Restricted for Fire Department Memorial Expenses by Donations (Source of Revenue is Donations) | \$ <u>5,400</u> |
|---|-----------------|

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

Impact Fees Fund:
 Restricted for Capital Improvements by Ordinances
 (Source of Revenue is Impact Fees) \$143,740

Non-Major Funds

Special Revenue Fund:
 Restricted for Records Preservation by Statute (Source of
 Revenue is Restoration Fees) 34,548

Capital Projects Funds:
 Restricted for Highway Expenditures by Statute (Source of
 Revenue is Highway Property Taxes) – Designated for
 Bridge Expenditures 114,086
 Restricted for Highway Expenditures by Statute (Source of
 Revenue is Highway Property Taxes) – Designated for
 Highway Equipment Expenditures 111,617
 Restricted for Highway Expenditures by Statute (Source of
 Revenue is Highway Property Taxes) – Designated for
 Paving Expenditures 70,301

Total Capital Projects Funds 296,004

Total Non-Major Funds 330,552

Total Restricted Fund Balances \$479,692

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

Major Funds

Fire Department Reserve Fund:
 Committed for Fire Department Capital Expenditures
 by the Voters \$209,983

Non-Major Funds

Capital Projects Funds:
 Committed for 1st Response Capital Expenditures by the Voters 5,375
 Committed for Library Capital Expenditures by the Voters 207
 Committed for Conservation Capital Expenditures by the Voters 64,706

Total Non-Major Funds 70,288

Total Committed Fund Balances \$280,271

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

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

Major Funds

General Fund:

| | |
|---|-----------------|
| Assigned to Reduce Property Taxes in Fiscal Year 2018 | \$250,000 |
| Assigned for Administrative Reserve Fund Expenses | 8,590 |
| Assigned for Planning Reserve Fund Expenses | 960 |
| Assigned for Conservation Commission Expenses | 19,526 |
| Assigned in Excess of Available Fund Balance | <u>(48,685)</u> |

Total General Fund 230,391

Reappraisal Fund:

| | |
|-----------------------------------|----------------|
| Assigned for Reappraisal Expenses | <u>190,035</u> |
|-----------------------------------|----------------|

Non-Major Funds

Capital Projects Funds:

| | |
|--|---------------|
| Assigned for Parks & Recreation Capital Expenditures | <u>27,153</u> |
|--|---------------|

Total Assigned Fund Balances \$447,579

E. Restricted Net Position

The restricted net position in the Governmental Activities consists of the restricted fund balances of \$479,692.

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. During the year ended June 30, 2017, the retirement system consisted of 441 participating employers.

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

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

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

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

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

As of June 30, 2016, the measurement date selected by the State of Vermont, VMERS was funded at 80.95% and had a plan fiduciary net position of \$547,015,114 and a total pension liability of \$675,711,281 resulting in a net position liability of \$128,696,167. As of December 31, 2017, the Town's proportionate share of this was 0.1947% resulting in a net pension liability of \$250,554. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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. As of December 31, 2017, the Town's proportion of 0.1947% was a decrease of 0.0008% from the prior year.

Summary of System Provisions

Membership: Full time employees of participating municipalities. The Town elected coverage under Group C provisions.

Creditable Service: Service as a member plus purchased service.

Average Final Compensation (AFC): Group C – Average annual compensation during the highest three (3) consecutive years.

Service Retirement Allowance:

Eligibility – Group C – Age 55 with five (5) years of service.

Amount – 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.

Maximum benefit is 50% of AFC for Group C. The previous amount include the portion of the allowance provided by member contributions.

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

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.

Death Benefit:

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

Amount – For Group 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.

Optional Benefit and Death after Retirement: For Group C, lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee.

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 3% for Group C.

Member Contributions: Group C – 10.0%.

Employer Contributions: Group C – 7.25%.

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

Significant Actuarial Assumptions and Methods

The actuarial assumptions regarding the incidence of mortality, terminations, retirements and disabilities were changed in accordance with the findings of an experience study covering the five-year period ending June 30, 2014.

Interest Rate: 7.95% per annum.

Salary increases: 5% per year.

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

Deaths: Group C – RP-2000 Tables for Employees and Healthy Annuitants projected 10 years from the valuation date with Scale BB with a 60% Blue collar and 40% White collar adjustment. The post-retirement mortality assumption was chosen to recognize improved longevity experience after the valuation date.

Spouse's Age – Husbands are assumed to be three years older than their wives.

Cost-of-Living Adjustments to Benefits of Terminated Vested and Retired Participants: Assumed to occur at the rate of 1.8% per annum for Group C members.

Actuarial Cost Method: Projected benefit cost method. The unfunded accrued liability is amortized in installments increasing 5% per year.

Asset Valuation Method – Invested assets are reported at fair value.

Note – For funding purposes – A smoothing method is used, under which the value of assets for actuarial purposes equals market value less a five-year phase-in of the differences between actual and assumed investment return. The value of assets for actuarial purposes may not differ from the market value of assets by more than 20%.

Inflation: The separately stated assumptions for investment return, salary increases and cost of living adjustments are consistent with an expected annual inflation rate of 3.00% per year.

Long-term Expected Rate of Return:

The long-term expected rate of return on investments was determined using best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) developed for each major asset class using an econometric model that forecasts a variety of economic environments and then calculates asset class returns based on functional relationships between the economic variable and the asset classes. These best estimate ranges were combined to produce forecasts of the short, intermediate, and longer term horizons by weighting the expected future nominal rates of return by the target asset allocation percentage. The various time horizons in the forecast are intended to capture more recent economic and capital market conditions as well as other plausible environments that could develop in the future over economic cycles.

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2016 are summarized in the following table:

| <u>Asset Class</u> | <u>Long-term Expected Real Rate of Return</u> |
|--------------------|---|
| Equity | 8.54% |
| Fixed Income | 2.36% |
| Alternatives | 8.35% |
| Multi-strategy | 4.90% |

TOWN OF GEORGIA, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2017

Nominal long-term expected rates of return for these asset classes are equal to the sum of the expected long-term real rates and the expected long-term inflation rate of 3.0%.

Discount Rate – The discount rate used to measure the total pension liability was 7.95%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

Sensitivity of the Town’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.95 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.95%) or one percent higher (8.95%):

| <u>1% Decrease (6.95%)</u> | <u>Discount Rate (7.95%)</u> | <u>1% Increase (8.95%)</u> |
|----------------------------|------------------------------|----------------------------|
| \$415,945 | \$250,554 | \$112,074 |

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 on October 15th. The penalty rate is eight percent (8%) after the October 15th payment. 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 2017 were as follows:

| | <u>Residential</u> | <u>Non-Residential</u> |
|-----------------|--------------------|------------------------|
| Town | 0.2750 | 0.2750 |
| Local Agreement | 0.0020 | 0.0020 |
| Education | <u>1.3565</u> | <u>1.5384</u> |
| Total | <u>1.6335</u> | <u>1.8154</u> |

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

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 fiscal years. The Town must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving sixty days notice. Fund underwriting and ratesetting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

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

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.

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.

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

Long-term debt outstanding as of December 31, 2017 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 | \$ 980,000 | \$ 0 | \$ 70,000 | \$ 910,000 |
| Note Payable, Peoples Trust Company, Salt & Sand Shed, Principal and Interest Payments of \$12,019 Payable on November 1 Annually, Interest at 3%, Due November, 2021 | 55,049 | 0 | 10,363 | 44,686 |
| Note Payable, Union Bank, 2017 Tandem Truck, Principal and Interest Payments of \$16,817 Payable on November 1 Annually, Interest at 1.35%, Due November, 2020 | 64,800 | 0 | 15,674 | 49,126 |
| Note Payable, Community Bank, N.A., Airpacks, Principal Payments of \$26,000 Plus Interest Payable on November 1 Annually, Interest at 1.5%, Due November, 2020 | <u>104,000</u> | <u>0</u> | <u>26,000</u> | <u>78,000</u> |
| Total | <u>\$1,203,849</u> | <u>\$ 0</u> | <u>\$122,037</u> | <u>\$1,081,812</u> |

Maturities are estimated to be as follows:

| <u>Year Ending December 31</u> | <u>Principal</u> | <u>Interest</u> |
|--------------------------------|--------------------|------------------|
| 2018 | \$ 122,832 | \$ 31,311 |
| 2019 | 123,370 | 28,665 |
| 2020 | 123,929 | 25,932 |
| 2021 | 81,681 | 23,141 |
| 2022 | 70,000 | 20,631 |
| 2023-2027 | 350,000 | 70,517 |
| 2028-2030 | <u>210,000</u> | <u>14,388</u> |
| Total | <u>\$1,081,812</u> | <u>\$214,585</u> |

TOWN OF GEORGIA, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

F. SHORT-TERM DEBT

The short-term debt activity during the year ended December 31, 2017 was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|--|------------------------------|-------------------|-------------------|---------------------------|
| Tax Anticipation Note, Peoples Trust Company, Interest at 0.85%, Due and Paid November, 2017 | \$ <u>0</u> | \$ <u>250,000</u> | \$ <u>250,000</u> | \$ <u>0</u> |

G. SUBSEQUENT EVENTS

The Town obtained a tax anticipation note with Peoples Trust Company on July 5, 2018 for \$250,000. Interest was at 0.85% and was due and paid November, 2018.

On December 26, 2018, the Town approved a loan agreement with Peoples Trust Company for a fire truck in the amount of \$350,000 with an interest rate of 2.35% and a maturity date of December 1, 2023.

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, 2017

| | Budget | Actual | Variance Favorable/ (Unfavorable) |
|------------------------------------|------------------|------------------|---|
| Cash Receipts: | | | |
| Tax Revenues: | | | |
| Current taxes | \$ 1,668,161 | \$ 1,684,843 | \$ 16,682 |
| Interest: Delinquent Taxes | 18,000 | 15,929 | (2,071) |
| Delinquent Collector Fees | 18,000 | 17,488 | (512) |
| Municipal Tax Portion | 12,000 | 14,305 | 2,305 |
| Education Billing Fee Retained | 0 | 15,386 | 15,386 |
| | <u>1,716,161</u> | <u>1,747,951</u> | <u>31,790</u> |
| Fees, Licenses, Fines: | | | |
| Planning Fees | 6,000 | 3,625 | (2,375) |
| Vault Time | 800 | 609 | (191) |
| Green Mountain Passports | 50 | 88 | 38 |
| Zoning Fees | 14,000 | 12,552 | (1,448) |
| DMV Registration Fees | 400 | 336 | (64) |
| Recording Fees | 45,000 | 49,705 | 4,705 |
| Marriage Licenses | 200 | 240 | 40 |
| Hunting & Fishing Licenses | 300 | 231 | (69) |
| Overweight Permit Fees | 800 | 830 | 30 |
| Dog Licenses | 3,000 | 4,163 | 1,163 |
| Driveway Permit Fees | 300 | 175 | (125) |
| Dog Fines | 0 | 105 | 105 |
| Liquor Licenses | 395 | 395 | 0 |
| Parks and Recreation Revenues | 3,500 | 3,075 | (425) |
| | <u>74,745</u> | <u>76,129</u> | <u>1,384</u> |
| State of Vermont: | | | |
| State Aid to Highways | 146,588 | 146,506 | (82) |
| Traffic Fines | 7,000 | 2,995 | (4,005) |
| Railroad Tax | 4,000 | 4,373 | 373 |
| Pilot Payment | 2,500 | 2,383 | (117) |
| State & Federal Reimbursements | 42,288 | 40,271 | (2,017) |
| Appraisals | 17,706 | 17,791 | 85 |
| Equalization Payment | 404 | 2,093 | 1,689 |
| | <u>220,486</u> | <u>216,412</u> | <u>(4,074)</u> |
| Other Revenue: | | | |
| School Reimbursement | 90,000 | 14,500 | (75,500) |
| Miscellaneous Revenue | 55,000 | 4,409 | (50,591) |
| Interest on Investments | 100 | 82 | (18) |
| Records Preservation | 4,000 | 0 | (4,000) |
| Copier Income | 7,000 | 8,259 | 1,259 |
| Cell Tower Rental | 81,396 | 78,470 | (2,926) |
| Gifts to Town | 600 | 700 | 100 |
| Library Revenue | 1,500 | 2,213 | 713 |
| Highway Revenue | 2,500 | 5,525 | 3,025 |
| Fire Department Memorial Donations | 0 | 400 | 400 |
| | <u>242,096</u> | <u>114,558</u> | <u>(127,538)</u> |

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, 2017

| | Budget | Actual | Variance Favorable/ (Unfavorable) |
|---|------------------|------------------|---|
| Grants & Capital Revenue: | | | |
| Restricted/Reserve Fund Revenue | \$ 331,550 | \$ 239,831 | \$ (91,719) |
| Impact Fee Fund Revenue | 43,767 | 27,951 | (15,816) |
| Administration Grant Revenue | 0 | 1,100 | 1,100 |
| Highway Grant Revenue | 0 | 84,000 | 84,000 |
| Library Grant Revenue | 0 | 3,845 | 3,845 |
| | <u>375,317</u> | <u>356,727</u> | <u>(18,590)</u> |
| Total Grants & Capital Revenue | | | |
| | <u>375,317</u> | <u>356,727</u> | <u>(18,590)</u> |
| Total Cash Receipts | <u>2,628,805</u> | <u>2,511,777</u> | <u>(117,028)</u> |
| Cash Disbursements: | | | |
| Grants & Capital Expenditures: | | | |
| Administration, Boards & Commissions: | | | |
| Administration Purchase - Impact Fees | 12,000 | 9,230 | 2,770 |
| Administration Purchase - Reserve Fund | 100 | 112 | (12) |
| Conservation Commission - Reserve Expense | 132,500 | 139,046 | (6,546) |
| Conservation Commission - General Expense | 17,300 | 4,407 | 12,893 |
| | <u>161,900</u> | <u>152,795</u> | <u>9,105</u> |
| Total Administration, Boards & Commissions | | | |
| | <u>161,900</u> | <u>152,795</u> | <u>9,105</u> |
| Fire Department: | | | |
| Fire Department Purchase - Impact Fees | 15,000 | 13,293 | 1,707 |
| Fire Department Purchase - Reserve Fund | 60,000 | 0 | 60,000 |
| Fire Department Grant Expenditures | 0 | 4,400 | (4,400) |
| | <u>75,000</u> | <u>17,693</u> | <u>57,307</u> |
| Total Fire Department | | | |
| | <u>75,000</u> | <u>17,693</u> | <u>57,307</u> |
| First Response: | | | |
| First Response Purchase - Reserve Fund | 1,300 | 0 | 1,300 |
| First Response Grant Expenditures | 0 | 191 | (191) |
| | <u>1,300</u> | <u>191</u> | <u>1,109</u> |
| Total First Response | | | |
| | <u>1,300</u> | <u>191</u> | <u>1,109</u> |
| Parks & Recreation: | | | |
| Parks & Recreation Purchase - Impact Fees | 8,425 | 0 | 8,425 |
| Parks & Recreation Purchase - Reserve Fund | 33,800 | 10,592 | 23,208 |
| | <u>42,225</u> | <u>10,592</u> | <u>31,633</u> |
| Total Parks & Recreation | | | |
| | <u>42,225</u> | <u>10,592</u> | <u>31,633</u> |
| Library: | | | |
| Library Purchase - Impact Fees | 2,842 | 0 | 2,842 |
| Library Purchase - Reserve Fund | 868 | 0 | 868 |
| Library Grant Expenditures | 0 | 3,845 | (3,845) |
| | <u>3,710</u> | <u>3,845</u> | <u>(135)</u> |
| Total Library | | | |
| | <u>3,710</u> | <u>3,845</u> | <u>(135)</u> |

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, 2017

| | Budget | Actual | Variance Favorable/ (Unfavorable) |
|---|----------------|----------------|---|
| Highway: | | | |
| Highway Equipment Purchase - Impact Fees | \$ 5,500 | \$ 5,428 | \$ 72 |
| Highway Equipment Purchase - Reserve Fund | 15,682 | 15,674 | 8 |
| Highway Grant Expenditures | 0 | 84,500 | (84,500) |
| State Aid Paving Money from Restricted | 70,000 | 70,000 | 0 |
| Total Highway | <u>91,182</u> | <u>175,602</u> | <u>(84,420)</u> |
| Total Grants & Capital Expenditures | <u>375,317</u> | <u>360,718</u> | <u>14,599</u> |
| General Government: | | | |
| SelectBoard: | | | |
| Selectboard Salaries | 4,050 | 4,050 | 0 |
| Administrative Salaries | 103,020 | 91,345 | 11,675 |
| Fire Warden | 200 | 0 | 200 |
| Selectboard Expense | 500 | 428 | 72 |
| Board of Civil Authority | 200 | 400 | (200) |
| Streetlights | 3,600 | 3,223 | 377 |
| Admin Legal Expenses | 100,000 | 25,972 | 74,028 |
| Admin Consultant Services | 4,000 | 1,628 | 2,372 |
| Interest on Loan Payments | 32,255 | 34,091 | (1,836) |
| Property & Casualty Insurance | 52,348 | 66,532 | (14,184) |
| Roadside Flags | 750 | 396 | 354 |
| General Contingency | 5,000 | 958 | 4,042 |
| Total Selectboard | <u>305,923</u> | <u>229,023</u> | <u>76,900</u> |
| Voter Approved Purchases: | | | |
| Vermont Municipal Bond Bank | 70,000 | 70,000 | 0 |
| 2011 Municipal Expansion Loan | 10,372 | 10,363 | 9 |
| Total Voter Approved Purchases | <u>80,372</u> | <u>80,363</u> | <u>9</u> |
| Town Clerk: | | | |
| Clerk's Office Salaries | 45,760 | 46,130 | (370) |
| Ballot Clerks' Salaries | 1,200 | 670 | 530 |
| Assistant Clerk Salaries | 3,750 | 3,174 | 576 |
| Records Supplies | 12,000 | 11,789 | 211 |
| Election Expenses | 2,000 | 1,786 | 214 |
| Records Preservation | 4,000 | 0 | 4,000 |
| Dog Licenses | 500 | 403 | 97 |
| Clerk's Miscellaneous Expenses | 50 | 50 | 0 |
| Total Town Clerk | <u>69,260</u> | <u>64,002</u> | <u>5,258</u> |
| Town Treasurer: | | | |
| Treasurer/Tax Collector | 22,302 | 22,209 | 93 |
| Assistant Treasurer & Tax Collector | 250 | 0 | 250 |
| Treasurer Miscellaneous Expenses | 50 | 32 | 18 |
| Total Town Treasurer | <u>22,602</u> | <u>22,241</u> | <u>361</u> |

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, 2017

| | Budget | Actual | Variance Favorable/ (Unfavorable) |
|---------------------------------------|----------------|----------------|---|
| Delinquent Tax Collector: | | | |
| Collector's Fees | \$ 18,000 | \$ 17,488 | \$ 512 |
| Collector's Miscellaneous Expense | 150 | 0 | 150 |
| Total Delinquent Tax Collector | 18,150 | 17,488 | 662 |
| Municipal Office: | | | |
| Admin Postage | 6,000 | 4,667 | 1,333 |
| Admin Office Supplies | 3,500 | 3,327 | 173 |
| Municipal Office Building Supplies | 1,000 | 732 | 268 |
| Admin Copier Expenses | 3,500 | 3,540 | (40) |
| Printing And Publishing | 3,000 | 3,364 | (364) |
| Admin Mileage | 800 | 710 | 90 |
| Municipal Office Utilities | 4,500 | 4,405 | 95 |
| Municipal Office Phone | 2,500 | 2,375 | 125 |
| Admin Training | 2,500 | 1,480 | 1,020 |
| Admin Computer Support | 4,000 | 4,745 | (745) |
| Town Hall Grounds Flowers | 250 | 116 | 134 |
| Admin Purchase - Current Year | 5,800 | 6,800 | (1,000) |
| Admin Equipment Repair | 250 | 0 | 250 |
| Total Municipal Office | 37,600 | 36,261 | 1,339 |
| Buildings & Grounds: | | | |
| Building Maintenance - Other | 2,000 | 1,816 | 184 |
| Cemetery Maintenance | 700 | 511 | 189 |
| Cemetery Mowing | 3,400 | 2,768 | 632 |
| Fire Department Building Maintenance | 6,000 | 4,947 | 1,053 |
| Library Building Maintenance | 10,000 | 11,490 | (1,490) |
| Municipal Grounds Mowing | 4,300 | 4,075 | 225 |
| Town Hall Building Maintenance | 2,000 | 2,251 | (251) |
| Janitorial Supplies | 2,000 | 1,447 | 553 |
| Total Buildings & Grounds | 30,400 | 29,305 | 1,095 |
| Public Safety: | | | |
| Constables | 500 | 250 | 250 |
| Emergency Medical Services | 95,405 | 94,796 | 609 |
| Law Enforcement | 93,331 | 82,210 | 11,121 |
| Total Public Safety | 189,236 | 177,256 | 11,980 |
| Animal Control: | | | |
| Animal Control Services | 2,000 | 1,260 | 740 |
| Animal Control Expenses | 800 | 0 | 800 |
| Animal Control Mileage | 700 | 401 | 299 |
| Total Animal Control | 3,500 | 1,661 | 1,839 |

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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, 2017

| | Budget | Actual | Variance Favorable/ (Unfavorable) |
|---|----------------|----------------|---|
| Health Officer: | | | |
| Health Officers Salaries | \$ 620 | \$ 620 | \$ 0 |
| Health Officers Expenses | 200 | 120 | 80 |
| Health Officers Mileage | 50 | 0 | 50 |
| Total Health Officer | 870 | 740 | 130 |
| Fire Department: | | | |
| Fire Department Salaries | 33,500 | 27,779 | 5,721 |
| Fire Department Supplies | 400 | 290 | 110 |
| Fire Department Solid Waste Disposal | 360 | 350 | 10 |
| Fire Department Utilities | 10,000 | 10,791 | (791) |
| Fire Department Repeater Electric | 500 | 284 | 216 |
| Fire Department Phone | 2,100 | 2,035 | 65 |
| Fire Department School/Training | 3,500 | 3,020 | 480 |
| Fire Prevention | 2,000 | 1,721 | 279 |
| Dispatching | 8,326 | 8,326 | 0 |
| Loan Interest Payments | 1,436 | 1,436 | 0 |
| Fire Department Fuels & Oils | 5,000 | 3,363 | 1,637 |
| Fire Department Purchase - Current Year | 26,000 | 26,000 | 0 |
| Fire Department Turn Out Gear | 6,500 | 6,953 | (453) |
| Fire Department Hose | 2,500 | 2,406 | 94 |
| Fire Department Apparatus | 1,000 | 885 | 115 |
| Communications Equipment | 1,000 | 990 | 10 |
| Furniture/Computer Supplies | 1,400 | 1,349 | 51 |
| Fire Department Equipment Repair | 3,500 | 2,442 | 1,058 |
| Fire Department Truck/Apparatus Repair | 7,000 | 7,094 | (94) |
| Fire Department Annual Required Testing | 7,500 | 6,974 | 526 |
| Fire Department Money to Reserve Fund | 70,000 | 70,000 | 0 |
| Fire Department Awards | 1,000 | 921 | 79 |
| Fire Department Miscellaneous Expense | 0 | 382 | (382) |
| Total Fire Department | 194,522 | 185,791 | 8,731 |
| First Response: | | | |
| First Response Stipends | 5,000 | 1,550 | 3,450 |
| First Response Supplies | 4,612 | 4,498 | 114 |
| First Response School/Training | 600 | 75 | 525 |
| First Response Equipment Repair | 600 | 461 | 139 |
| First Response Money to Reserve Fund | 2,000 | 2,000 | 0 |
| First Response Miscellaneous Expense | 100 | 0 | 100 |
| Total First Response | 12,912 | 8,584 | 4,328 |
| Solid Waste Management: | | | |
| Solid Waste Expenses | 4,800 | 4,836 | (36) |
| Green Up Day Expenditures | 300 | 300 | 0 |
| Total Solid Waste Management | 5,100 | 5,136 | (36) |

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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, 2017

| | Budget | Actual | Variance Favorable/ (Unfavorable) |
|---|---------------|---------------|---|
| Contracted Assessor: | | | |
| Assessor Contracted Services | \$ 38,800 | \$ 40,852 | \$ (2,052) |
| Lister Training | 200 | 0 | 200 |
| Assessor Computer Support | 1,690 | 1,675 | 15 |
| State Appraisal Money to Reserve Fund | <u>15,623</u> | <u>15,698</u> | <u>(75)</u> |
| Total Contracted Assessor | <u>56,313</u> | <u>58,225</u> | <u>(1,912)</u> |
| Auditors: | | | |
| Auditors' Salaries | 1,900 | 2,369 | (469) |
| Town Report Expense | 4,900 | 4,056 | 844 |
| Auditors' Miscellaneous Expense | <u>100</u> | <u>16</u> | <u>84</u> |
| Total Auditors | <u>6,900</u> | <u>6,441</u> | <u>459</u> |
| Town Boards: | | | |
| Town Board Salaries | 3,000 | 1,560 | 1,440 |
| Town Board Secretarial Salaries | 250 | 0 | 250 |
| Zoning/Planning Salaries | 60,257 | 49,150 | 11,107 |
| Zoning Board Expenses | 100 | 0 | 100 |
| Planning Commission Expenses | 100 | 50 | 50 |
| Town Boards Mileage | 400 | 175 | 225 |
| Zoning & Planning Legal Expenses | 20,000 | 6,646 | 13,354 |
| Historical Society | <u>5,000</u> | <u>4,959</u> | <u>41</u> |
| Total Town Boards | <u>89,107</u> | <u>62,540</u> | <u>26,567</u> |
| Regional: | | | |
| County Tax | 52,076 | 53,387 | (1,311) |
| NW Regional Planning Commission Dues | 4,727 | 4,727 | 0 |
| VLCT Dues | 6,127 | 6,127 | 0 |
| Other Dues | 200 | 215 | (15) |
| Franklin County Industrial Development Corp. Dues | <u>1,500</u> | <u>1,500</u> | <u>0</u> |
| Total Regional | <u>64,630</u> | <u>65,956</u> | <u>(1,326)</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, 2017

| | Budget | Actual | Variance Favorable/ (Unfavorable) |
|--|----------------|----------------|---|
| Parks And Recreation: | | | |
| Parks & Recreation Salaries | \$ 7,910 | \$ 8,779 | \$ (869) |
| TNC Public Water System Expenses | 1,000 | 440 | 560 |
| Parks & Recreation Printing/Publishing | 200 | 161 | 39 |
| Parks & Recreation Supplies | 500 | 563 | (63) |
| Parks & Recreation Fall Fest | 4,400 | 5,465 | (1,065) |
| Parks & Recreation Solid Waste Disposal | 3,000 | 969 | 2,031 |
| Parks & Recreation Mileage | 1,750 | 1,476 | 274 |
| Parks & Recreation Utilities | 2,000 | 402 | 1,598 |
| Parks & Recreation Building Maintenance | 2,300 | 2,178 | 122 |
| Parks & Recreation Contracted Services | 200 | 0 | 200 |
| Parks & Recreation Equipment Fuel & Oils | 400 | 201 | 199 |
| Parks & Recreation Purchase - Current Year | 31,775 | 0 | 31,775 |
| Parks & Recreation Equipment Repair | 250 | 695 | (445) |
| Parks & Recreation Money to Reserve Fund | 4,070 | 3,924 | 146 |
| Parks & Recreation Miscellaneous Expense | 100 | 24 | 76 |
| | <u>59,855</u> | <u>25,277</u> | <u>34,578</u> |
| Total Parks & Recreation | | | |
| Library: | | | |
| Library Salaries | 55,588 | 52,120 | 3,468 |
| Library Sick Pay | 642 | 380 | 262 |
| Library Vacation | 1,280 | 1,130 | 150 |
| Library Holiday | 1,536 | 960 | 576 |
| Library Social Security | 2,713 | 3,844 | (1,131) |
| Library Retirement | 2,413 | 2,368 | 45 |
| Library Health Insurance | 15,461 | 15,459 | 2 |
| Library HRA Funding | 0 | 294 | (294) |
| Library Dental Insurance | 428 | 413 | 15 |
| Library Supplies | 2,333 | 2,386 | (53) |
| Adult Books | 5,203 | 4,245 | 958 |
| Children's Books | 3,893 | 2,848 | 1,045 |
| Periodicals | 683 | 569 | 114 |
| Audio Visual | 2,102 | 1,158 | 944 |
| Young Adult Books | 1,015 | 571 | 444 |
| Library Interlibrary Loan | 386 | 420 | (34) |
| Library Online/Electronic | 1,847 | 1,475 | 372 |
| Library Utilities | 8,628 | 9,638 | (1,010) |
| Library Phone | 761 | 802 | (41) |
| Library Training/Workshops | 660 | 1,149 | (489) |
| Library Educational Programs | 508 | 216 | 292 |
| Library Purchase - Current Year | 441 | 0 | 441 |
| Library Equipment Repair | 207 | 9 | 198 |
| Library Miscellaneous Expense | 0 | 17 | (17) |
| | <u>108,728</u> | <u>102,471</u> | <u>6,257</u> |
| Total Library | | | |

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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, 2017

| | Budget | Actual | Variance Favorable/ (Unfavorable) |
|--|------------------|------------------|---|
| Benefits: | | | |
| Sick Pay | \$ 12,776 | \$ 5,598 | \$ 7,178 |
| Vacation Pay | 16,699 | 12,732 | 3,967 |
| Bereavement Pay | 1,000 | 1,119 | (119) |
| Holiday Pay | 16,357 | 13,220 | 3,137 |
| Social Security | 40,516 | 38,775 | 1,741 |
| Retirement | 29,000 | 29,091 | (91) |
| Unemployment | 1,045 | 709 | 336 |
| Insurance - Health | 113,265 | 117,271 | (4,006) |
| Insurance - Health Reimbursement Account | 7,000 | 6,926 | 74 |
| Insurance - Cobra | 350 | 500 | (150) |
| Insurance - Dental | 3,200 | 3,063 | 137 |
| Uniforms | 5,000 | 5,644 | (644) |
| Disability & Accidental Death Insurance | 4,652 | 9,304 | (4,652) |
| Workmen's Compensation | 23,544 | 29,275 | (5,731) |
| Total Benefits | 274,404 | 273,227 | 1,177 |
| Conservation: | | | |
| Conservation Purchase - Current Year | 3,800 | 3,804 | (4) |
| Conservation Money to Reserve Fund | 20,000 | 20,000 | 0 |
| Conservation Money to General Fund | 4,070 | 3,924 | 146 |
| Total Conservation | 27,870 | 27,728 | 142 |
| Total General Government | 1,658,254 | 1,479,716 | 178,538 |
| Highway: | | | |
| Road Surface Management: | | | |
| Highway Regular Labor | 104,040 | 100,468 | 3,572 |
| Highway Overtime Labor | 21,630 | 19,958 | 1,672 |
| Highway Part-time Mechanic | 10,000 | 2,895 | 7,105 |
| Road Marking | 500 | 0 | 500 |
| Paving/Blacktop | 125,000 | 127,384 | (2,384) |
| Processed Aggregate | 35,000 | 31,593 | 3,407 |
| Dust Control | 8,000 | 5,330 | 2,670 |
| Paving Money to Restricted Fund | 70,000 | 70,000 | 0 |
| Total Road Surface Management | 374,170 | 357,628 | 16,542 |
| Drainage Maintenance: | | | |
| Culverts | 8,000 | 7,356 | 644 |
| Erosion Control Materials | 3,000 | 1,815 | 1,185 |
| Total Drainage Maintenance | 11,000 | 9,171 | 1,829 |

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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, 2017

| | Budget | Actual | Variance Favorable/ (Unfavorable) |
|---------------------------------------|----------------|----------------|---|
| Roadside Maintenance: | | | |
| Tree/Brush Removal | \$ 5,000 | \$ 4,250 | \$ 750 |
| Road Signs | 3,000 | 7,547 | (4,547) |
| Total Roadside Maintenance | 8,000 | 11,797 | (3,797) |
| Winter Maintenance: | | | |
| Winter Maintenance Regular Labor | 40,000 | 37,067 | 2,933 |
| Winter Maintenance Overtime Labor | 28,560 | 28,514 | 46 |
| Winter Sand and Salt | 75,000 | 72,382 | 2,618 |
| Winter Parts and Supplies | 10,000 | 10,268 | (268) |
| Total Winter Maintenance | 153,560 | 148,231 | 5,329 |
| Bridges: | | | |
| Bridge - Culvert Reserve Fund | 20,000 | 20,000 | 0 |
| Total Bridges | 20,000 | 20,000 | 0 |
| Equipment: | | | |
| Equipment Fuel And Oils | 40,000 | 31,427 | 8,573 |
| Small Tools and Equipment | 2,500 | 2,487 | 13 |
| Equipment Rental | 5,000 | 1,704 | 3,296 |
| Highway Parts and Supplies | 40,000 | 41,739 | (1,739) |
| Loan Interest Payment | 0 | 1,142 | (1,142) |
| Equipment Money to Reserve Fund | 52,000 | 52,000 | 0 |
| Total Equipment | 139,500 | 130,499 | 9,001 |
| Road Commissioner: | | | |
| Road Commissioner Salary | 3,800 | 3,800 | 0 |
| Road Commissioner Permit Salary | 400 | 175 | 225 |
| Total Road Commissioner | 4,200 | 3,975 | 225 |
| Garage Expense: | | | |
| Building/Grounds Maintenance Supplies | 5,000 | 2,270 | 2,730 |
| Garage Utilities | 4,100 | 4,250 | (150) |
| Garage Phone | 1,425 | 1,464 | (39) |
| Garage Miscellaneous Expense | 100 | 65 | 35 |
| Total Garage Expense | 10,625 | 8,049 | 2,576 |
| Total Highway | 721,055 | 689,350 | 31,705 |

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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, 2017

| | Budget | Actual | Variance Favorable/ (Unfavorable) |
|--|--------------|------------|---|
| Appropriations: | | | |
| Champlain Valley Agency On Aging | \$ 1,100 | \$ 1,100 | \$ 0 |
| Franklin County Animal Rescue Society | 286 | 0 | 286 |
| Franklin County Home Health | 9,030 | 9,030 | 0 |
| Northwest Counseling & Support | 2,600 | 2,600 | 0 |
| Franklin County Court Diversion | 1,250 | 1,250 | 0 |
| Watershed Association | 2,500 | 2,500 | 0 |
| Green Mountain Transit Agency | 3,713 | 3,713 | 0 |
| Friends of Northern Lake Champlain | 1,200 | 1,200 | 0 |
| Voices Against Violence/Laurie's House | 2,500 | 2,500 | 0 |
| Total Appropriations | 24,179 | 23,893 | 286 |
| Total Cash Disbursements | 2,778,805 | 2,553,677 | 225,128 |
| Excess/(Deficiency) of Cash Receipts Over Cash Disbursements | \$ (150,000) | (41,900) | \$ 108,100 |
| Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Cash Basis of Accounting: | | | |
| Administrative Reserve Fund Income | | 1 | |
| Administrative Reserve Fund Transfers Out | | (112) | |
| Planning Reserve Fund Income | | 1 | |
| Conservation Fund Income | | 2 | |
| Conservation Commission Fund Transfers In | | 3,924 | |
| Conservation Commission Fund Transfers Out | | (4,407) | |
| Net Change in Fund Balance | | (42,491) | |
| Fund Balance - January 1, 2017, As Restated/Reclassified | | 278,282 | |
| Fund Balance - December 31, 2017 | | \$ 235,791 | |

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.

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TOWN OF GEORGIA, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS
 ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2017

| | Special Revenue Fund <hr/> Records Preservation Fund <hr/> | Capital Projects Funds <hr/> | <hr/> Total <hr/> |
|--|--|---------------------------------------|----------------------|
| <u>ASSETS</u> | | | |
| Cash | \$ 34,548 | \$ 366,292 | \$ 400,840 |
| Due from Other Funds | <hr/> 0 | <hr/> 27,153 | <hr/> 27,153 |
| Total Assets | \$ <u>34,548</u> | \$ <u>393,445</u> | \$ <u>427,993</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Liabilities: | \$ <u>0</u> | \$ <u>0</u> | \$ <u>0</u> |
| Fund Balances: | | | |
| Restricted | 34,548 | 296,004 | 330,552 |
| Committed | 0 | 70,288 | 70,288 |
| Assigned | <hr/> 0 | <hr/> 27,153 | <hr/> 27,153 |
| Total Fund Balances | <hr/> 34,548 | <hr/> 393,445 | <hr/> 427,993 |
| Total Liabilities and Fund Balances | \$ <u>34,548</u> | \$ <u>393,445</u> | \$ <u>427,993</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, 2017

| | Special Revenue Fund | Capital Projects Funds | Total |
|--|---------------------------------|-------------------------------|-------------------------------|
| | Records Preservation Fund | Funds | Total |
| | <u> </u> | <u> </u> | <u> </u> |
| Cash Receipts: | | | |
| Investment Income | \$ <u> 5</u> | \$ <u> 42</u> | \$ <u> 47</u> |
| Total Cash Receipts | <u> 5</u> | <u> 42</u> | <u> 47</u> |
| Cash Disbursements: | <u> 0</u> | <u> 0</u> | <u> 0</u> |
| Excess of Cash Receipts Over Cash Disbursements | <u> 5</u> | <u> 42</u> | <u> 47</u> |
| Other Financing Sources/(Uses): | | | |
| Transfers In | 0 | 167,924 | 167,924 |
| Transfers Out | <u> 0</u> | <u> (235,312)</u> | <u> (235,312)</u> |
| Total Other Financing Sources/(Uses) | <u> 0</u> | <u> (67,388)</u> | <u> (67,388)</u> |
| Net Change in Fund Balances | 5 | (67,346) | (67,341) |
| Fund Balances - January 1, 2017 | <u> 34,543</u> | <u> 460,791</u> | <u> 495,334</u> |
| Fund Balances - December 31, 2017 | \$ <u><u> 34,548</u></u> | \$ <u><u> 393,445</u></u> | \$ <u><u> 427,993</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, 2017

| | Bridge Reserve Fund | Highway Reserve Fund | 1st Response Reserve Fund | Parks & Recreation Reserve Fund | Paving Reserve Fund | Library Reserve Fund | Conservation Reserve Fund | Total |
|--|---------------------------|----------------------------|---------------------------------|--|---------------------------|----------------------------|---------------------------------|-------------------|
| <u>ASSETS</u> | | | | | | | | |
| Cash | \$ 114,086 | \$ 111,617 | \$ 5,375 | \$ 0 | \$ 70,301 | \$ 207 | \$ 64,706 | \$ 366,292 |
| Due from Other Funds | <u>0</u> | <u>0</u> | <u>0</u> | <u>27,153</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>27,153</u> |
| Total Assets | <u>\$ 114,086</u> | <u>\$ 111,617</u> | <u>\$ 5,375</u> | <u>\$ 27,153</u> | <u>\$ 70,301</u> | <u>\$ 207</u> | <u>\$ 64,706</u> | <u>\$ 393,445</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | | | | |
| Liabilities: | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Fund Balances: | | | | | | | | |
| Restricted | 114,086 | 111,617 | 0 | 0 | 70,301 | 0 | 0 | 296,004 |
| Committed | 0 | 0 | 5,375 | 0 | 0 | 207 | 64,706 | 70,288 |
| Assigned | <u>0</u> | <u>0</u> | <u>0</u> | <u>27,153</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>27,153</u> |
| Total Fund Balances | <u>114,086</u> | <u>111,617</u> | <u>5,375</u> | <u>27,153</u> | <u>70,301</u> | <u>207</u> | <u>64,706</u> | <u>393,445</u> |
| Total Liabilities and Fund Balances | <u>\$ 114,086</u> | <u>\$ 111,617</u> | <u>\$ 5,375</u> | <u>\$ 27,153</u> | <u>\$ 70,301</u> | <u>\$ 207</u> | <u>\$ 64,706</u> | <u>\$ 393,445</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 CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017

| | Bridge Reserve Fund | Highway Reserve Fund | 1st Response Reserve Fund | Parks & Recreation Reserve Fund | Paving Reserve Fund | Library Reserve Fund | Conservation Reserve Fund | Total |
|--|---------------------------|----------------------------|---------------------------------|--|---------------------------|----------------------------|---------------------------------|-------------------|
| Cash Receipts: | | | | | | | | |
| Investment Income | \$ 15 | \$ 14 | \$ 0 | \$ 0 | \$ 2 | \$ 0 | \$ 11 | \$ 42 |
| Total Cash Receipts | <u>15</u> | <u>14</u> | <u>0</u> | <u>0</u> | <u>2</u> | <u>0</u> | <u>11</u> | <u>42</u> |
| Cash Disbursements: | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess of Cash Receipts Over Cash Disbursements | <u>15</u> | <u>14</u> | <u>0</u> | <u>0</u> | <u>2</u> | <u>0</u> | <u>11</u> | <u>42</u> |
| Other Financing Sources/(Uses): | | | | | | | | |
| Transfers In | 20,000 | 52,000 | 2,000 | 3,924 | 70,000 | 0 | 20,000 | 167,924 |
| Transfers Out | <u>0</u> | <u>(15,674)</u> | <u>0</u> | <u>(10,592)</u> | <u>(70,000)</u> | <u>0</u> | <u>(139,046)</u> | <u>(235,312)</u> |
| Total Other Financing Sources/(Uses) | <u>20,000</u> | <u>36,326</u> | <u>2,000</u> | <u>(6,668)</u> | <u>0</u> | <u>0</u> | <u>(119,046)</u> | <u>(67,388)</u> |
| Net Change in Fund Balances | 20,015 | 36,340 | 2,000 | (6,668) | 2 | 0 | (119,035) | (67,346) |
| Fund Balances - January 1, 2017 | <u>94,071</u> | <u>75,277</u> | <u>3,375</u> | <u>33,821</u> | <u>70,299</u> | <u>207</u> | <u>183,741</u> | <u>460,791</u> |
| Fund Balances - December 31, 2017 | <u>\$ 114,086</u> | <u>\$ 111,617</u> | <u>\$ 5,375</u> | <u>\$ 27,153</u> | <u>\$ 70,301</u> | <u>\$ 207</u> | <u>\$ 64,706</u> | <u>\$ 393,445</u> |

See Disclaimer in Accompanying Independent Auditor's Report.

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Fred Duplessis, CPA
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Chad A. Hewitt, CPA
Wendy C. Gilwee, CPA
VT Lic. #92-000180

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with "Government Auditing Standards"**

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, 2017 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 March 19, 2019.

Internal Control Over Financial Reporting

In planning and performing the audit, we considered the Town of Georgia, Vermont's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Georgia, Vermont's internal control over financial reporting.

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. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. 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.

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 2017-01 through 2017-03 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Georgia, Vermont's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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".

We also noted certain other matters that we reported to the management of the Town of Georgia, Vermont in a separate letter dated March 19, 2019.

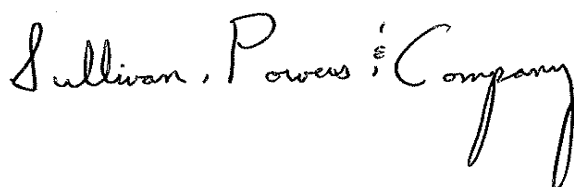
Town of Georgia, Vermont's Response to Deficiencies in Internal Control

The Town of Georgia, Vermont's responses to the deficiencies in internal control identified in our audit are included with the accompanying Schedule of Findings and Deficiencies in Internal Control. The Town of Georgia, Vermont's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.

March 19, 2019
Montpelier, Vermont
VT Lic. #92-000180



TOWN OF GEORGIA, VERMONT
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL
DECEMBER 31, 2017

Deficiencies in Internal Control:

Material Weaknesses:

2017-1 Basis of Accounting

Criteria:

Internal controls should be in place to ensure that the Town's accounting records and resulting financial statements are in conformity with the modified cash basis of accounting.

Condition:

The Town has elected to utilize the modified cash basis of accounting. The modified cash basis of accounting generally recognizes revenue when received not when earned and expenses when paid not when incurred. The Town recorded prepaid expenses and deposits in transit in the current year when the revenue was received in the following year both of which are not in conformity with the modified cash basis of accounting.

Cause:

Unknown.

Effect:

The Town's General Fund fund balance was overstated.

Recommendation:

We recommend that the Town implement controls to ensure that their accounting records and resulting financial statements are in conformity with the modified cash basis of accounting.

2017-2 Due to School District

Criteria:

Internal controls should be in place to provide a review of the calculation of the amount due to the School District for education taxes at year-end.

Condition:

The amount due to the School District recorded at year-end for education taxes was overstated.

TOWN OF GEORGIA, VERMONT
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL
DECEMBER 31, 2017

Cause:

Unknown.

Effect:

The Town's General Fund fund balance was understated.

Recommendation:

We recommend that the Town implement controls to verify the calculation of the amount due to the School District at year-end.

2017-3 Fund Balance Entries

Criteria:

Internal controls should be in place to ensure that all cash receipts and disbursements are recorded correctly. Separate revenue and expense accounts should be utilized to record the Town's cash receipts and disbursements. Fund balances should only be posted to in the event of a correction of an error or change in accounting principle.

Condition:

The Town posted current year activity to fund balance rather than to separate revenue and expense accounts.

Cause:

Unknown.

Effect:

Adjustments were required to correct the fund balance, cash receipts and cash disbursements.

Recommendation:

We recommend that the Town implement controls to ensure that all cash receipts and cash disbursements are recorded correctly.



Town of Georgia

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March 19, 2019

Sullivan, Powers & Company
PO Box 947
Montpelier, VT 05602

Dear Mr. Plummer,

As of result of the audit that was performed by Sullivan, Powers & Company, The Town of Georgia has received the schedule of internal control and other recommendations and we will take all issues into consideration.

It has been a pleasure to work with you and your staff.

Please let me know if there is anything further needed.

Regards,

A handwritten signature in cursive script that reads "Amber N. Baker".

Amber N. Baker
Town Treasurer