

TOWN OF GEORGIA, VERMONT

Financial Statements

December 31, 2020

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Independent Auditor's Report

To the Select Board
Town of Georgia
Georgia, Vermont

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, 2020, 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 1; 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 from 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 entity'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 entity'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 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, 2020, 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 1.

Basis of Accounting

We draw attention to Note 1 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 and the combining and individual nonmajor 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 subject 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 May 27, 2021, 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 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.

Telling & Hillman, P.C.

Telling & Hillman, P.C.
License #092.0131564
Middlebury, Vermont
May 27, 2021

TOWN OF GEORGIA, VERMONT
Statement of Net Position - Modified Cash Basis
December 31, 2020

	<u>Governmental Activities</u>
Assets	
Cash	\$ <u>1,062,221</u>
Total assets	\$ <u><u>1,062,221</u></u>
Liabilities	
Due to others	\$ <u>7,675</u>
Deferred inflows of resources	
Prepaid taxes	<u>1,386</u>
Net Position	
Restricted	562,226
Unrestricted	<u>490,934</u>
Total net position	<u><u>1,053,160</u></u>
Total liabilities, deferred inflows of resources, and net position	\$ <u><u>1,062,221</u></u>

The accompanying notes are an integral part of the financial statements.

TOWN OF GEORGIA, VERMONT
Statement of Activities - Modified Cash Basis
Year Ended December 31, 2020

<u>Function/Programs</u>	<u>Cash</u> <u>Disbursements</u>	<u>Program Cash Receipts</u>		<u>Net (Disbursements)</u> <u>Receipts and Changes</u> <u>in Net Position</u> <u>Governmental</u> <u>Activities</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants</u>	
<i>Governmental activities</i>				
General government	\$ 937,873	\$ 273,970	\$ 5,250	\$ (658,653)
Public safety	422,623	3,465	12,272	(406,886)
Public works	1,433,503	1,467	209,602	(1,222,434)
Culture and recreation	159,458	726	520	(158,212)
Debt service:				
Principal	220,581	-	-	(220,581)
Interest	33,260	-	-	(33,260)
<i>Total governmental activities</i>	<u>3,207,298</u>	<u>279,628</u>	<u>227,644</u>	<u>(2,700,026)</u>
<i>General receipts</i>				
				1,989,252
Real property taxes				34,014
Penalties and interest on delinquent taxes				242,610
State sources, not restricted to specific programs				3,838
Investment earnings				34,459
Impact fees				140,000
Loan proceeds				39,628
Proceeds from sale of equipment				10,569
Miscellaneous				<u>2,494,370</u>
<i>Total general receipts</i>				<u>2,494,370</u>
<i>Change in net position</i>				(205,656)
<i>Net position - beginning of year</i>				<u>1,258,816</u>
<i>Net position - end of year</i>				<u>\$ 1,053,160</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF GEORGIA, VERMONT
Balance Sheet - Modified Cash Basis - Governmental Funds
December 31, 2020

		<u>General</u>	<u>Reappraisal</u>	<u>Capital Projects Bridge Reserve</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Cash	\$	264,108	\$ 235,887	\$ 154,786	\$ 407,440	\$ 1,062,221
Due from other funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>23,145</u>	<u>23,145</u>
Total assets	\$	<u>264,108</u>	<u>\$ 235,887</u>	<u>\$ 154,786</u>	<u>\$ 430,585</u>	<u>\$ 1,085,366</u>
Liabilities						
Due to other funds	\$	23,145	\$ -	\$ -	\$ -	\$ 23,145
Due to others		<u>7,675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,675</u>
Total liabilities		<u>30,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,820</u>
Deferred inflows of resources						
Prepaid taxes		<u>1,386</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,386</u>
Fund balance						
Restricted		-	-	154,786	225,684	380,470
Committed		-	-	-	181,756	181,756
Assigned		479,613	235,887	-	23,145	738,645
Unassigned		<u>(247,711)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(247,711)</u>
Total fund balance		<u>231,902</u>	<u>235,887</u>	<u>154,786</u>	<u>430,585</u>	<u>1,053,160</u>
Total liabilities, deferred inflows of resources and fund balance	\$	<u>264,108</u>	<u>\$ 235,887</u>	<u>\$ 154,786</u>	<u>\$ 430,585</u>	<u>\$ 1,085,366</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF GEORGIA, VERMONT
Statement of Cash Receipts, Cash Disbursements and Changes in
Modified Cash Basis Fund Balance - Governmental Funds
Year Ended December 31, 2020

	<u>General</u>	<u>Reappraisal</u>	<u>Capital Projects Bridge Reserve</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash Receipts					
Property taxes	\$ 1,989,252	\$ -	\$ -	\$ -	\$ 1,989,252
Penalties and interest on delinquent taxes	34,014	-	-	-	34,014
Intergovernmental	427,025	-	-	39,446	466,471
Charges for services	160,076	-	-	-	160,076
Permits, licenses, and fees	102,536	-	-	46,544	149,080
Fines and forfeitures	3,465	-	-	-	3,465
Investment income	2,894	215	144	585	3,838
Miscellaneous	15,818	-	-	-	15,818
Total cash receipts	<u>2,735,080</u>	<u>215</u>	<u>144</u>	<u>86,575</u>	<u>2,822,014</u>
Cash Disbursements					
General government	937,873	-	-	-	937,873
Public safety	422,623	-	-	-	422,623
Public works	1,433,503	-	-	-	1,433,503
Culture and recreation	159,458	-	-	-	159,458
Debt service:					
Principal	220,581	-	-	-	220,581
Interest	33,260	-	-	-	33,260
Total cash disbursements	<u>3,207,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,207,298</u>
Excess (deficiency) of cash receipts over cash disbursements	<u>(472,218)</u>	<u>215</u>	<u>144</u>	<u>86,575</u>	<u>(385,284)</u>
Other financing source (uses)					
Loan proceeds	140,000	-	-	-	140,000
Proceeds from sale of equipment	-	-	-	39,628	39,628
Transfers in	739,429	16,000	10,000	272,200	1,037,629
Transfers out	(307,535)	-	-	(730,094)	(1,037,629)
Total other financing sources (uses)	<u>571,894</u>	<u>16,000</u>	<u>10,000</u>	<u>(418,266)</u>	<u>179,628</u>
Change in fund balance	99,676	16,215	10,144	(331,691)	(205,656)
Fund balance - beginning of year	<u>132,226</u>	<u>219,672</u>	<u>144,642</u>	<u>762,276</u>	<u>1,258,816</u>
Fund balance - end of year	<u>\$ 231,902</u>	<u>\$ 235,887</u>	<u>\$ 154,786</u>	<u>\$ 430,585</u>	<u>\$ 1,053,160</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF GEORGIA, VERMONT

Notes to the Financial Statements

The Town of Georgia, Vermont (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.

Note 1. Summary of Significant Accounting Policies

As discussed further in Note 1.d), these financial statements are prepared 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 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 the financial statements.

a) Reporting Entity

This report includes all of the activities of the Town. 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 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 purpose 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 on the fund financial statements is on reporting the operating results and financial position of the most significant funds of the Town.

TOWN OF GEORGIA, VERMONT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

b) Basis of Presentation (continued)

Government-wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the primary government, the Town. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Adjustments have been made to minimize the effect of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and 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 and are clearly identifiable to a particular function. Program receipts include charges paid by the recipients of good or services offered by the programs, and grants and contributions that are restricted to meeting the operations or capital requirements of a particular program. Receipts that are not classified as program revenues, including all taxes, are presented as general revenues.

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 to program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

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 sperate 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 is used to account for all financial resources, except those required to be accounted for in another fund.

Highway Reserve – This fund is used to account for highway capital expenditures not including paving and bridge work as the Town determines appropriate.

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

Paving Escrow – This fund is used to account for expenditures for paving projects.

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 decrease (i.e. disbursements) in modified cash basis of net position.

TOWN OF GEORGIA, VERMONT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

c) Measurement Focus (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus within 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 balance.

d) Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements 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 to others for resources held for reclamation work under surety agreement with local business 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) Cash and Cash Equivalents

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

f) Internal Transactions

The operations of the Town include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowing. The Town typically loans resources between funds for the purpose of providing cash flow. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services. Eliminations have been made for all interfund receivables and payables between the funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the Town's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note 4 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

g) Net Position/Governmental Fund Balance

In the government-wide financial statements, net position is classified in the following categories:

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

TOWN OF GEORGIA, VERMONT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

g) Net Position/Governmental Fund Balance (continued)

Unrestricted net position – This category includes both designated and undesignated net position of the Town. Designated net position includes reserves that were established by the Board, which are considered internally designated. Undesignated net position is not restricted for any project or purpose.

In the fund basis statements there are five classifications of fund balance:

Non-spendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The Town has the following restricted fund balances as of December 31, 2020:

Capital projects funds:	
Restricted for highway expenditures by statute – designated for highway equipment expenditures	26,274
Restricted for highway expenditures by statute – designated for paving expenditures	72,317
Restricted for highway expenditures by statute – designated for bridge expenditures	154,786
Special revenue funds:	
Restricted for capital improvements by ordinances	79,717
Restricted for records preservation by Statute	<u>47,376</u>
Total restricted fund balance	\$ <u>380,470</u>

Committed – Includes amounts that can only be used for the specific purpose pursuant to constraints imposed by formal action of the Town’s highest level of decision making authority, i.e., the legal voters of the Town. The Town has the following committed fund balance as of December 31, 2020:

Capital projects funds:	
Committed for fire department capital expenditures by the voters	\$ 65,916
Committed for first response capital expenditures by the voters	4,415
Committed for library capital expenditures by the voters	5,208
Committed for conservation capital expenditures by the voters	<u>106,214</u>
Total committed fund balance	\$ <u>181,756</u>

TOWN OF GEORGIA, VERMONT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

g) Net Position/Governmental Fund Balance (continued)

Assigned – Includes amounts that are constrained by the Town’s intent to be used for specific purposes but are neither restricted nor committed. All encumbrances and appropriated fund balances of the General Fund are classified as assigned. The Town has the following assigned fund balance as of December 31, 2020:

General Fund:	
Assigned to reduce property taxes in fiscal year 2020	\$ 178,000
Assigned for administrative reserve fund expenditures	7,085
Assigned for planning reserve fund expenditures	966
Assigned for conservation commission expenditures	34,530
Capital projects funds:	
Assigned for parks and recreation capital expenditures	23,145
Special revenue funds:	
Assigned for reappraisal expenditures	<u>235,887</u>
Total assigned fund balance	<u>\$ 479,613</u>

Unassigned – Includes all other General Fund net position that do not meet the definition of the above four classifications and are deemed to be available for general use by the Town.

Order of use of fund balance:

The Town’s policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes determined. Any remaining fund balance amounts for funds other than the General Fund are classified as assigned fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned.

h) 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 and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report taxes paid in advance as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Note 2. Stewardship, Compliance, and Accountability

a) Budgetary Information

Budget 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.

TOWN OF GEORGIA, VERMONT

Notes to Financial Statements

Note 2. Stewardship, Compliance, and Accountability (continued)

b) Budgeted Deficits

The Town has elected to budget cash disbursements in excess of cash receipts by \$105,000 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 deficiencies of cash receipts over cash disbursements in the budgetary comparison schedule.

c) Budget/Modified Cash Basis of Accounting Reconciliation

The budgetary data for the general fund is based upon accounting principles that differ from modified cash basis of accounting. Therefore, in addition to the modified cash basis of accounting financial statements, the results of operations of the general fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison to the budgetary data.

The following is a summary of adjustments made to the actual cash receipts and disbursements to conform to the budgetary basis of accounting.

The following are summaries of adjustments made to the actual cash receipts and disbursements to conform to the budgetary basis of accounting.

General fund:	
Total cash receipts (modified cash basis)	\$ 2,735,080
Add: transfers in	730,095
loan proceeds	140,000
Less: conservation commission fund revenue	(55)
planning reserve fund revenue	(2)
administrative reserve fund revenue	(6)
Total cash receipts - budgetary basis	\$ <u>3,605,112</u>
Total cash disbursements (modified cash basis)	\$ 3,207,298
Add: transfers out	307,535
Total cash disbursements budgetary basis	\$ <u>3,514,833</u>

Note 3. Cash and Cash Equivalents

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's aggregate bank balance included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	\$ 250,000
Collateralized securities held by the pledging financial institution, or its trust department or agent, but not in the Town's name	\$ 931,162

TOWN OF GEORGIA, VERMONT

Notes to Financial Statements

Note 4. Interfund Balances and Activity

Interfund balances and activity at December 31, 2020 and for the fiscal year then ended, were as follows:

Fund	Interfund	
	Receivable	Payable
General Fund	\$ -	\$ 23,145
Highway	-	-
Reappraisal	-	-
Paving	-	-
Special Revenue	23,145	-
Total	\$ 23,145	\$ 23,145

Transfer from	Transfer to	Amount	Purpose
Impact fee fund	General fund	\$ 56,081	Fund capital expenditures
Fire department reserve fund	General fund	120,791	Fund capital expenditures
General fund	Fire department reserve fund	90,000	Appropriation
First response reserve fund	General fund	2,764	Fund capital expenditures
General fund	First response reserve fund	2,000	Appropriation
General fund	Parks and recreation reserve fund	10,200	Appropriation
General fund	Library reserve fund	5,000	Appropriation
General fund	Conservation reserve fund	5,000	Appropriation
Highway reserve fund	General fund	290,458	Fund capital expenditures
General fund	Highway reserve fund	90,000	Appropriation
General fund	Bridge reserve fund	10,000	Appropriation
General fund	Reappraisal fund	16,000	Transfer state reappraisal income
General fund	Paving reserve fund	70,000	Appropriation
Paving reserve fund	General Fund	260,000	Fund capital expenditures
General fund	Administrative reserve fund	4,000	Appropriation
General fund	Conservation reserve fund	5,335	Appropriation
Total		\$ 1,037,629	

Note 5. Long-term Bonds Payable

Long-term debt: Long-term liability balances and activity for the year are summarized below:

	Balance December 31, 2019	Additions	Reductions	Balance December 31, 2020
Governmental Activities				
Bonds payable	\$ 770,000	\$ -	\$ 70,000	\$ 700,000
Notes payable	493,919	140,000	150,581	483,338
Total	\$ 1,263,919	\$ 140,000	\$ 220,581	\$ 1,183,338

TOWN OF GEORGIA, VERMONT

Notes to Financial Statements

Note 5. Long-term Bonds Payable (continued)

Bonds and notes payable are comprised of the following:

Description	Issue Date	Maturity Date	Interest Rate	Balance December 31, 2020
Bonds payable:				
Fire station	7/1/10	12/1/30	1.03-3.43%	\$ <u>700,000</u>
Notes payable:				
MEC Expansion	11/16/11	11/1/21	3.00%	11,670
E-One Loan	12/26/18	12/1/23	2.35%	214,566
Highway Tandem	6/24/19	6/30/24	2.00%	52,440
Loader Loan	2/25/20	11/1/25	2.35%	70,000
Kenworth Loan	5/11/20	11/2/25	2.35%	70,000
Gilmont Land	12/19/19	12/1/24	2.35%	64,662
Total notes payable				<u>483,338</u>
Total bonds and notes payable				1,183,338
Less: current portion				<u>(205,169)</u>
Long-term portion				<u>\$ 978,169</u>

The debt service requirements at December 31, 2020 for the next five years and thereafter are as follows:

Fiscal year	Governmental Activities		
	Principal	Interest	Total
2021	\$ 205,169	\$ 36,297	\$ 241,466
2022	198,336	28,675	227,011
2023	201,616	23,529	225,145
2024	128,441	18,325	146,766
2025	99,776	15,244	115,020
2026-2030	350,000	35,972	385,972
	<u>\$ 1,183,338</u>	<u>\$ 158,042</u>	<u>\$ 1,341,380</u>

Note 6. Pensions

Summary of significant accounting policies

Pensions

For the purpose of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pensions expense information about the fiduciary net position of the Vermont Municipal Employees' Retirement System (VMERS), and additions to/deductions from VMERS's fiduciary net position has been determined on the same basis as they are reported by VMERS.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TOWN OF GEORGIA, VERMONT

Notes to Financial Statements

Note 6. Pensions (continued)

General information about the pension plan

Plan Description

VMERS is a cost sharing, multi-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for school districts and other municipal 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 fired 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, 2019, the retirement plan consisted of 402 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.

Summary of system provisions

Membership	Full-time employees of participating municipalities. Municipality elects coverage under Group A, B, C, or D provisions.
Creditable Service	Service as a member plus purchased service.
Average Final Compensation (AFC)	Group A – average annual compensation during the highest 5 consecutive years. Group B and C – average annual compensation during highest 3 consecutive years. Group D – average annual compensation during highest 2 consecutive years.
Service Retirement Allowance	
Eligibility	Group A – the earlier of age 65 with 5 years of service or age 55 with 35 years of service. Group B – the earlier of age 62 with 5 years of service or age 55 with 30 years of service. Group C and D – age 55 with 5 years of service.

TOWN OF GEORGIA, VERMONT

Notes to Financial Statements

Note 6. Pensions (continued)

Summary of system provisions (continued)

Amount	Group A – 1.4% of AFC x service. Group B – 1.7% of AFC x service as Group B member plus percentage earned as a group A member x AFC. Group C – 2.5% of AFC x service as a Group C member plus percentage earned as a Group A or B member x AFC. Group D – 2.5% of AFC x service as a Group D member plus percentage earned as a Group A, B, or C member x AFC. Maximum benefit is 60% of AFC for Group A and B and 50% of AFC for Groups C and D. The above amounts include the portion of the allowance provided by member contributions.
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Early Retirement Allowance

Eligibility	Age 55 with 5 years of service for Group A and B; age 50 with 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 Group A and B members, and payable without reduction to Group D members.

Vested Retirement Allowance

Eligibility	5 years of service.
Amount	Allowance beginning at normal retirement aged 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" described below.

Disability Retirement Allowance

Eligibility	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.

TOWN OF GEORGIA, VERMONT

Notes to Financial Statements

Note 6. Pensions (continued)

Summary of system provisions (continued)

Death Benefits

Eligibility	Death after 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 Group 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.
Member Contributions	Group A – 2.75% Group B – 5.125% Group C – 10.25% Group D – 11.600%
Employer Contributions	Group A – 4.25% Group B – 5.75% Group C – 7.50% Group D – 10.100%
Retirement Stipend	\$25 per month payable at the option of the Board of Retirees

Pension liabilities, pension expense, and deferred outflows of resources, and deferred inflows of resources related to pensions

At December 31, 2020 the Town's net pension liability is \$279,550. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2019 the Town's portion was 0.16113%.

For the year ended December 31, 2020 the Town recognized pension expense of \$83,783.

TOWN OF GEORGIA, VERMONT

Notes to Financial Statements

Note 6. Pensions (continued)

At December 31, 2020 the Town incurred deferred outflows and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 36,218	\$ 2,416
Changes of assumptions	9,333	-
Net difference between projected and actual earnings on pension plan investments	19,040	-
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	-	17,488
Total	\$ 64,591	\$ 19,904

The Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows and deferred inflows or resources related to pensions will be recognized in pension expense as follows:

Year ended:		
2020	\$	19,402
2021		7,800
2022		10,954
2023		6,532
Total	\$	44,688

Employer contribution history for the Town as of June 30, 2019 is as follows:

FY 19	\$	30,959
FY 18		30,695
FY 17		29,712

Significant actuarial assumptions and methods

Investment rate of return: 7.50%, net of pension plan investment expense, including inflation.

Salary increase: 5.00% per year.

Mortality:

Death in active service:

Group A, B, and C – 98% of RP-2006 blended 60% Blue Collar Employee, 40% Healthy Employee with generational improvements.

TOWN OF GEORGIA, VERMONT

Notes to Financial Statements

Note 6. Pensions (continued)

Group D – RP-2006 Blue Collar Annuitant Table with generational improvements.

Healthy post-retirement:

Group A, B, and C – 98% of RP-2014 blended 60% Blue Collar Employee, 40% Healthy Annuitant with generational improvements.

Group D – 100% of RP-2014 Healthy Annuitant with generational improvements.

Disabled post-retirement

All groups – RP-2006 Disabled Mortality Table with generational improvements.

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

Cost-of-living adjustments: Assumed to occur on January 1 following one year of retirement at the rate of 1.15% per annum for Group A members and 1.30% per annum for Groups B, C, and D members.

Actuarial cost method: Entry age normal cost method.

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 difference between actual and assumed investment return. The value for actuarial purposes may not differ from market value of assets by more than 20%.

Inflation: 2.50%.

Long-term expected rate of return: The long-term expected rate of return on System 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

TOWN OF GEORGIA, VERMONT

Notes to Financial Statements

Note 6. Pensions (continued)

Best estimates of arithmetic rates of return for each major class included in the target asset allocation at June 30, 2019, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected</u>
Global equity	29.0%	6.90%
US equity – large cap	4.0	5.94
US equity – small/mid cap	3.0	6.72
Non-US equity – large Cap	5.0	6.81
Non-US equity – small cap	2.0	7.31
Emerging market debt	4.0	4.26
Core bond	14.0	1.79
Non-core bonds	6.0	3.22
Short quality credit	5.0	1.81
Private credit	5.0	6.00
US TIPS	3.0	1.45
Core real estate	5.0	4.26
Non-core real estate	3.0	5.76
Private equity	10.0	10.81
Infrastructure/farmland	2.0	4.89
Total	100.0%	

Discount rate

The discount rate used to measure the total pension liability was 7.50%. In accordance with paragraph 29 of GASB 68, professional judgement was applied to determine that the System’s projected fiduciary net position exceeds projected benefit payments for current active and inactive members for all years. The analysis was based on the expectation that employees will continue to contribute at the rates set by the Board, which exceed the actuarially determined contribution, which is comprised on an employer normal cost payment and a payment to reduce the unfunded liability to zero by June 30, 2038. 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.

Sensitivity of the employer’s 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 of 7.50%, as well as what the proportionate share would be if it were calculated using a discount rate that in one percent lower (6.50%) and one percent higher (8.50%):

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
Town’s proportionate share of the net pension liability	\$ 458,420	\$ 279,550	\$ 131,479

TOWN OF GEORGIA, VERMONT

Notes to Financial Statements

Note 6. Pensions (continued)

Pension plan fiduciary net position

Detailed information about the pension plan’s fiduciary net position is available as a part of the State of Vermont’s Comprehensive Annual Financial Report (CAFR). The CAFR can be viewed on the State’s Department of Finance & Management website at:

<http://finance.vermont.gov/reports-and-publications/CAFR>

Note 7. 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 October 15th. Interest is charged at one percent (1%) per month for the first three months and one and a half percent (1 ½%) per month for each month thereafter. The tax rates for 2019 were as follows.

Town tax rate	\$	0.3098
Local agreement		0.0029
Education tax rate - residential		1.4715
Education tax rate - nonresidential		1.7321

Note 8. Commitments

The Town leases a photocopier under an operating lease agreement. Total lease expense for the year ended December 31, 2020 was \$1,073.

Future minimum payments required under the terms of the current lease and contract agreements are as follows:

Year Ending December 31,		
2021		1,140
2022		1,140
2023		1,140
Total future minimum lease payments	\$	<u>3,420</u>

Note 9. Risk Management

The Town is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets, errors and omissions, and injuries to employees. The Town maintains commercial insurance coverage 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 commercial coverage in any of the past three (3) fiscal years.

TOWN OF GEORGIA, VERMONT

Notes to Financial Statements

Note 10. Contingencies

Federal and State Grants

In the normal course of operations, the Town receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authorities, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of such audits is not likely to have a material adverse effect on the Town's funds.

The COVID-19 outbreak in the United States (and across the globe) has resulted in economic uncertainties. There is considerable uncertainty around the duration and scope of the economic disruption. The extent on the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on individuals served by the Town, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Town's financial condition or results or operation are uncertain.

Note 11. Subsequent Events

Management has evaluated subsequent events through May 27, 2021, the date that the financial statements were available to be issued.

TOWN OF GEORGIA, VERMONT
Statement of Cash Receipts and Cash Disbursements - Modified Cash Basis
Budget and Actual - Budgetary Basis - General Fund
Year Ended December 31, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts			
Property taxes	\$ 1,984,935	\$ 2,023,266	\$ 38,331
Fees, licenses, and fines	83,760	102,936	19,176
State of Vermont	218,470	225,430	6,960
Other revenue	269,950	307,862	37,912
Grant and capital revenue	826,983	945,618	118,635
Total cash receipts	<u>3,384,098</u>	<u>3,605,112</u>	<u>221,014</u>
Cash Disbursements			
General government			
Selectboard	260,553	236,319	24,234
Voter approved loan	96,667	96,667	-
Town clerk	97,050	96,351	699
Town treasurer	24,300	24,306	(6)
Delinquent tax collector	18,150	19,491	(1,341)
Administrative	52,100	49,230	2,870
Building and grounds	25,000	23,651	1,349
Public safety	204,570	207,359	(2,789)
Animal control	4,200	1,687	2,513
Health officer	870	620	250
Fire department	230,780	226,689	4,091
First response	19,338	17,070	2,268
Solid waste management Assessor	5,400	5,257	143
Assessor	63,200	65,871	(2,671)
Auditors	13,500	11,890	1,610
Town boards	75,450	79,236	(3,786)
Regional	70,994	70,843	151
Parks and recreation	38,410	27,436	10,974
Library	140,423	133,568	6,855
Benefits	295,691	288,069	7,622
Conservation	15,310	15,338	(28)
Grants and capital expenses			
Admin/Board/Commissions	33,100	22,056	11,044
Fire department	193,250	142,966	50,284
First response	5,160	15,036	(9,876)
Parks and recreation	27,000	13,776	13,224
Library	-	659	(659)
Highway	568,473	733,273	(164,800)
Highway			
Road surface management	410,500	374,913	35,587
Drainage maintenance	11,100	12,130	(1,030)
Roadside maintenance	9,750	7,580	2,170
Winter maintenance	193,000	180,025	12,975
Bridges	10,000	10,000	-
Equipment	158,525	174,811	(16,286)
Road commissioner	4,000	4,000	-
Garage expense	88,600	98,486	(9,886)
Highway disaster fund	-	4,030	(4,030)
Appropriations	24,144	24,144	-
Total cash disbursements	<u>3,488,558</u>	<u>3,514,833</u>	<u>(26,275)</u>
Change in fund balance	<u>\$ (104,460)</u>	<u>\$ 90,279</u>	<u>\$ 194,739</u>

See the independent auditor's report.

TOWN OF GEORGIA, VERMONT
Combining Balance Sheet - Modified Cash Basis
Nonmajor Governmental Funds
December 31, 2020

	Impact Fees	Records Preservation	Capital Projects						Totals	
			Fire Dept Reserve	First Response Reserve	Highway Reserve	Parks and Rec Reserve	Paving Escrow	Library Reserve		Conservation Reserve
Assets										
Cash	\$ 79,717	\$ 47,376	\$ 65,916	\$ 4,415	\$ 26,274	\$ -	\$ 72,317	\$ 5,208	\$ 106,217	\$ 407,440
Due from other funds	-	-	-	-	-	23,145	-	-	-	23,145
Total assets	<u>\$ 79,717</u>	<u>\$ 47,376</u>	<u>\$ 65,916</u>	<u>\$ 4,415</u>	<u>\$ 26,274</u>	<u>\$ 23,145</u>	<u>\$ 72,317</u>	<u>\$ 5,208</u>	<u>\$ 106,217</u>	<u>\$ 430,585</u>
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance										
Restricted	79,717	47,376	-	-	26,274	-	72,317	-	-	225,684
Committed	-	-	65,916	4,415	-	-	-	5,208	106,217	181,756
Assigned	-	-	-	-	-	23,145	-	-	-	23,145
Total fund balance	<u>79,717</u>	<u>47,376</u>	<u>65,916</u>	<u>4,415</u>	<u>26,274</u>	<u>23,145</u>	<u>72,317</u>	<u>5,208</u>	<u>106,217</u>	<u>430,585</u>
Total liabilities and fund balance	<u>\$ 79,717</u>	<u>\$ 47,376</u>	<u>\$ 65,916</u>	<u>\$ 4,415</u>	<u>\$ 26,274</u>	<u>\$ 23,145</u>	<u>\$ 72,317</u>	<u>\$ 5,208</u>	<u>\$ 106,217</u>	<u>\$ 430,585</u>

See the independent auditor's report.

TOWN OF GEORGIA, VERMONT
Statement of Cash Receipts, Cash Disbursements and Changes in Modified
Cash Basis Fund Balance - Nonmajor Governmental Funds
Year Ended December 31, 2020

	Capital Projects									Total
	Impact Fees	Records Preservation	Fire Dept Reserve	First Response Reserve	Highway Reserve	Parks and Rec Reserve	Paving Esrow	Library Reserve	Conservation Reserve	
Cash Receipts										
Interest income	\$ -	\$ 65	\$ 149	\$ 10	\$ 163	\$ -	\$ 8	\$ 1	\$ 189	\$ 585
Fees	34,459	12,085	-	-	-	-	-	-	-	46,544
Intergovernmental	-	-	-	-	39,446	-	-	-	-	39,446
Total cash receipts	<u>34,459</u>	<u>12,150</u>	<u>149</u>	<u>10</u>	<u>39,609</u>	<u>-</u>	<u>8</u>	<u>1</u>	<u>189</u>	<u>86,575</u>
Cash Disbursements	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>34,459</u>	<u>12,150</u>	<u>149</u>	<u>10</u>	<u>39,609</u>	<u>-</u>	<u>8</u>	<u>1</u>	<u>189</u>	<u>86,575</u>
Other financing sources (uses)										
Proceeds from sale of equipment	-	-	12,013	-	27,615	-	-	-	-	39,628
Transfers in	-	-	90,000	2,000	90,000	10,200	70,000	5,000	5,000	272,200
Transfers out	(56,082)	-	(120,791)	(2,763)	(290,458)	-	(260,000)	-	-	(730,094)
Total other financing sources (uses)	<u>(56,082)</u>	<u>-</u>	<u>(18,778)</u>	<u>(763)</u>	<u>(172,843)</u>	<u>10,200</u>	<u>(190,000)</u>	<u>5,000</u>	<u>5,000</u>	<u>(418,266)</u>
Change in fund balance	(21,623)	12,150	(18,629)	(753)	(133,234)	10,200	(189,992)	5,001	5,189	(331,691)
Fund balance - beginning of year	<u>101,340</u>	<u>35,226</u>	<u>84,545</u>	<u>5,168</u>	<u>159,508</u>	<u>12,945</u>	<u>262,309</u>	<u>207</u>	<u>101,028</u>	<u>762,276</u>
Fund balance - end of year	<u>\$ 79,717</u>	<u>\$ 47,376</u>	<u>\$ 65,916</u>	<u>\$ 4,415</u>	<u>\$ 26,274</u>	<u>\$ 23,145</u>	<u>\$ 72,317</u>	<u>\$ 5,208</u>	<u>\$ 106,217</u>	<u>\$ 430,585</u>

See the independent auditor's report.

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 *Governmental Auditing Standards*

To the Select Board
Town of Georgia
Georgia, Vermont

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Georgia, Vermont as of and for the year ended December 31, 2020, which collectively comprise the Town of Georgia, Vermont's basic financial statements and have issued our report thereon dated May 27, 2021.

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) to determine the 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.

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 entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

Telling & Hillman, P.C.

Telling & Hillman, P.C.
License #092.0131564
Middlebury, Vermont
May 27, 2021