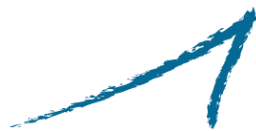


VILLAGE OF GROTON

Groton, New York

FINANCIAL REPORT

**For the Year Ended
May 31, 2024**



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Certified Public Accountants

VILLAGE OF GROTON

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INDEPENDENT AUDITORS' REPORT

Mayor and Village Trustees
Village of Groton
Groton, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Groton (the Village), as of and for the year ended May 31, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Groton as of May 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Groton Housing Authority, which represent 100% of the assets, net position, and revenues of the aggregately discretely presented component unit as of December 31, 2023, and the respective changes in financial position, thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Groton Housing Authority, are based solely on the report of other auditors.

Basis for Opinions

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

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; Budgetary Comparison Information; Schedule of Changes in the Village's Total OPEB Liability and Related Ratios; Schedule of the Village's Contributions - NYSLRS Pension Plan; Schedule of the Village's Proportionate Share of the Net Pension (Asset)/Liability; and related notes to required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2025, on our consideration of the Village'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 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 Village's internal control over financial reporting and compliance.

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
March 17, 2025

VILLAGE OF GROTON

MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2024

Our discussion and analysis of the Village of Groton's (the Village) financial performance provides an overview of the Village's financial activities for the fiscal year ended May 31, 2024. This section is a summary of the Village's financial activities based on currently known facts, decisions, or conditions. It is also based on both the Government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed in the current year. Please read it in conjunction with the Village's financial statements, which immediately follow this section.

USING THIS ANNUAL REPORT

This annual report consists of a series of basic financial statements. The Statement of Net Position and the Statement of Activities (on pages 5-6) provide information about the Village as a whole and present a longer-term view of the Village's finances. Governmental Fund financial statements start on page 7. For Governmental Activities, these statements tell how these services were financed in the short-term, as well as what remains for future spending. Governmental Fund financial statements also report the Village's operations in greater detail than the Government-wide financial statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside the government. Following these statements are notes that provide additional information essential to a full understanding of the data provided in the financial statements.

In addition to the basic financial statements, the financial reporting package contains budgetary comparison schedules for the General Fund and Major Special Revenue Funds; Schedule of Changes in the Village's Total OPEB Liability and Related Ratios; Schedule of the Village's Contributions - NYSLRS Pension Plan; Schedule of the Village's Proportionate Share of the Net Pension (Asset)/Liability; and Notes to Required Supplementary Information.

Reporting the Village as a Whole

Our analysis of the Village as a whole begins on page 5, with the Government-wide financial statements. The Statement of Net Position and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer the question of whether the Village, as a whole, is better or worse off as a result of the year's activities. These statements include *all* assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when the cash is received or paid.

These two statements report the Village's net position and changes therein. One can think of the Village's net position - the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources - as one way to measure the Village's financial health or financial position. Over time, increases or decreases in the Village's net position are one indicator of whether its financial health is improving or deteriorating. One needs to consider other nonfinancial factors, however, such as changes in the Village's property tax base and the condition of the Village's roads, to assess the overall health of the Village.

VILLAGE OF GROTON

MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2024

In the Statement of Net Position and the Statement of Activities, we separate Village activities into three activities:

Governmental Activities: Most of the Village's services are reported in this category, including public safety, public health, economic assistance, transportation, home and community services, culture and recreation, and general administration. Property and sales taxes, and state and federal grants, finance most of these activities.

Business-Type Activities: The Village charges a fee to customers to help cover all or most of the cost of certain services it provides. The Village's electric utility operations are reported here.

Component Unit: The Village includes one separate legal entity in its report: the Groton Housing Authority. Complete financial statements for the Groton Housing Authority can be obtained from its administrative office.

Reporting on the Village's Most Significant Funds

Governmental Fund Financial Statements

Analysis of the Village's Major Funds begins on page 7. The Governmental Fund financial statements provide detailed information about the most significant funds and not on the Village as a whole. Some funds are required to be established by New York State law. However, management establishes many other funds to help it control and manage money for particular purposes or to show it is meeting legal responsibilities for using certain taxes and grants. The Village's two kinds of funds (Governmental and Proprietary) are reported within with different accounting approaches.

Governmental Funds: All of the Village's services are reported in the Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other financial assets that can be readily converted to cash. The Governmental Fund financial statements provide a detailed short-term view of the Village's general governmental operations and the basic services it provides. Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. The relationship (or differences) between Governmental Activities (reported in the Government-wide financial statements) and Governmental Funds is explained in a reconciliation following the Governmental Fund financial statements.

Proprietary Funds: When the Village charges customers for the services it provides - whether to outside customers or to other units of the Village - these services are generally reported in Proprietary Funds. Proprietary Funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The Village's Enterprise Fund (which is a Proprietary Fund) is the same as the Business-type Activities we report in the Government-wide financial statements but provide more detail and additional information, such as cash flows, for Proprietary Funds.

VILLAGE OF GROTON

MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2024

THE VILLAGE AS A WHOLE

The Village's *combined* net position for fiscal year ended May 31, 2024 increased 9.05%. The Village's investment in its capital assets (such as land, buildings, machinery and equipment, and infrastructure), less any outstanding debt used to acquire those assets, consisted of 72.77% of total net position. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources, as the capital assets themselves cannot be used to liquidate these liabilities.

Our analysis below focuses on the net position (*Figures 1A and 1B*), and changes in net position (*Figures 2A and 2B*), of the Village's Governmental and Business-Type Activities.

*Figure 1A
Net Position at May 31, 2024*

<i>Condensed Statement of Net Position</i>	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
<i>Current and Other Assets</i>	\$ 1,035,719	\$ 581,676	\$ 1,617,395
<i>Capital Assets</i>	9,150,118	1,036,942	10,187,060
<i>Noncurrent Assets</i>	3,174,523	775,094	3,949,617
<i>Total Assets</i>	13,360,360	2,393,712	15,754,072
<i>Total Deferred Outflows of Resources</i>	706,261	386,025	1,092,286
<i>Current Liabilities</i>	4,673,589	76,560	4,750,149
<i>Other Liabilities</i>	2,499,631	1,557,480	4,057,111
<i>Total Liabilities</i>	7,173,220	1,634,040	8,807,260
<i>Total Deferred Inflows of Resources</i>	635,114	371,900	1,007,014
<i>Net Investment in Capital Assets</i>	4,080,118	1,036,942	5,117,060
<i>Restricted</i>	594,661	399,200	993,861
<i>Unrestricted (Deficit)</i>	1,583,508	(662,345)	921,163
<i>Total Net Position</i>	\$ 6,258,287	\$ 773,797	\$ 7,032,084

VILLAGE OF GROTON

MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2024

*Figure 1B
Net Position at May 31, 2023*

<i>Condensed Statement of Net Position</i>	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
<i>Current and Other Assets</i>	\$ 1,105,059	\$ 627,705	\$ 1,732,764
<i>Capital Assets</i>	6,060,507	1,051,838	7,112,345
<i>Noncurrent Assets</i>	1,201,226	606,067	1,807,293
<i>Total Assets</i>	8,366,792	2,285,610	10,652,402
<i>Total Deferred Outflows of Resources</i>	861,833	405,777	1,267,610
<i>Current Liabilities</i>	304,589	90,456	395,045
<i>Other Liabilities</i>	2,686,518	1,568,389	4,254,907
<i>Total Liabilities</i>	2,991,107	1,658,845	4,649,952
<i>Total Deferred Inflows of Resources</i>	554,046	267,279	821,325
<i>Net Investment in Capital Assets</i>	5,123,007	1,051,838	6,174,845
<i>Restricted</i>	683,379	397,802	1,081,181
<i>Unrestricted (Deficit)</i>	(122,914)	(684,377)	(807,291)
<i>Total Net Position</i>	\$ 5,683,472	\$ 765,263	\$ 6,448,735

Significant changes from the prior year are as follows:

- Total assets increased by 47.89%. This change was driven by increase in capital assets mainly due to a large increase in construction in progress (CIP) for the construction of the Municipal Building. Noncurrent assets also increased, which was attributable to an increase in investments.
- Total liabilities increased 89.41%. Current liabilities increased primarily due to the issuance of a new BAN to finance the construction of the new Municipal Building.
- The changes in deferred outflows of resources and deferred inflows of resources stem from changes in actuarial determined calculations and differences between projected and actual earning on pension plan assets, as well as changes of assumptions related to the Village's other postemployment benefits (OPEB) plan.
- Total net position increased 9.05%. This change is the result of excess revenues over expenses.

VILLAGE OF GROTON

MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2024

*Figure 2A
Changes in Net Position at May 31, 2024*

<i>Changes in Net Position</i>	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
<i>REVENUES</i>			
<i>Program Revenues:</i>			
<i>Charges for Services</i>	\$ 1,234,692	\$ 1,890,671	\$ 3,125,363
<i>Operating Grants</i>	162,827	-	162,827
<i>General Revenues:</i>			
<i>Property Taxes and Tax Items</i>	914,087	-	914,087
<i>Nonproperty Taxes</i>	577,770	-	577,770
<i>State Sources</i>	29,736	-	29,736
<i>Other</i>	1,002,427	20,052	1,022,479
<i>Total Revenues</i>	3,921,539	1,910,723	5,832,262
<i>PROGRAM EXPENSES</i>			
<i>General Governmental Support</i>	363,089	131,442	494,531
<i>Public Safety</i>	658,216	-	658,216
<i>Public Health</i>	510,284	-	510,284
<i>Transportation</i>	356,502	-	356,502
<i>Economic Assistance and Opportunity</i>	7,775	-	7,775
<i>Culture and Recreation</i>	279,735	-	279,735
<i>Home and Community Services</i>	1,021,054	1,770,747	2,791,801
<i>Interest on Debt</i>	150,069	-	150,069
<i>Total Expenses</i>	3,346,724	1,902,189	5,248,913
<i>CHANGE IN NET POSITION</i>	\$ 574,815	\$ 8,534	\$ 583,349

VILLAGE OF GROTON

MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2024

*Figure 2B
Changes in Net Position at May 31, 2023*

<i>Changes in Net Position</i>	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
REVENUES			
<i>Program Revenues:</i>			
<i>Charges for Services</i>	\$ 1,113,629	\$ 1,872,964	\$ 2,986,593
<i>Operating Grants</i>	203,993	-	203,993
<i>General Revenues:</i>			
<i>Property Taxes and Tax Items</i>	893,703	-	893,703
<i>Nonproperty Taxes</i>	567,998	-	567,998
<i>State Sources</i>	32,168	-	32,168
<i>Other</i>	36,252	10,438	46,690
Total Revenues	2,847,743	1,883,402	4,731,145
PROGRAM EXPENSES			
<i>General Government</i>	315,761	131,442	447,203
<i>Public Safety</i>	497,376	-	497,376
<i>Public Health</i>	376,451	-	376,451
<i>Transportation</i>	365,794	-	365,794
<i>Economic Assistance and Opportunity</i>	7,700	-	7,700
<i>Culture and Recreation</i>	236,423	-	236,423
<i>Home and Community Services</i>	858,009	2,083,159	2,941,168
<i>Interest on Debt</i>	16,648	-	16,648
Total Expenses	2,674,162	2,214,601	4,888,763
CHANGE IN NET POSITION	\$ 173,581	\$ (331,199)	\$ (157,618)

Governmental Activities

- Total revenues increased 37.71% primarily due a significant donation to the Village from the Groton Fire Department in the current year and interest income in comparison to the prior year. Both of these items are located in other revenue.
- Total expenses increased 25.15% primarily due to an increase in water/sewer contractual expenses, as well as increases in employee benefits due to pensions and OPEB, and an increase in accrued interest expense.

Business-Type Activities

- Revenue of the Village's Business-Type Activities increased by 1.45%, based on an increase in overall electricity sales and an increase in interest income in comparison to the prior year.
- Total expenses decreased by 14.11%. The decrease was primarily due to decreases in contractual expenditures.

VILLAGE OF GROTON

MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2024

THE VILLAGE'S GOVERNMENTAL FUNDS

Figure 3 shows the changes in fund balances for the year for the Village's Governmental funds. Total fund balances decreased by 130.05%. The decrease is primarily due to purchases within the Capital Projects Fund relating to the construction of the new Municipal Building, including the issuance of short-term debt to finance these purchases.

*Figure 3
Major Governmental Funds
Fund Balance at Year Ended May 31,*

<i>Governmental Fund Balances</i>	<i>2024</i>	<i>2023</i>	<i>Total Dollar Change</i>
<i>General Fund</i>	\$ 1,130,564	\$ 1,183,929	\$ (53,365)
<i>Special Grant Fund</i>	202,478	220,808	(18,330)
<i>Sewer Fund</i>	54,556	63,068	(8,512)
<i>Capital Projects Fund</i>	(2,219,179)	-	(2,219,179)
<i>Non-Major Governmental Funds</i>	298,960	304,720	(5,760)
<i>Total Governmental (Deficit) Fund Balance</i>	\$ (532,621)	\$ 1,772,525	\$ (2,305,146)

General Fund Budgetary Highlights

Over the course of the year, the Village Board, as well as management of the Village, revised the Village budget several times. These budget amendments consisted of budget transfers between functions and recording additional budgetary revenue and appropriations.

After these adjustments, the actual charges to appropriations (expenditures) and other financing sources (uses) were \$605,370 below the final budget amounts. Resources available for appropriation were \$311,440 below the final budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village invested in a broad range of capital assets totaling \$18,001,825 and \$3,513,536, offset by accumulated depreciation of \$8,851,707 and \$2,476,594 for Governmental Activities and Business-Type activities, respectively. Overall, combined capital assets, net, increased by 43.23% from prior year. Capital assets additions and depreciation totaled \$3,630,602 and \$555,887, respectively. Figure 4 shows the balances in capital assets, net, at May 31, 2024.

VILLAGE OF GROTON

MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2024

*Figure 4
Capital Assets, Net of Depreciation at May 31, 2024*

	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
<i>Land and CIP</i>	\$ 3,819,232	\$ 12,271	\$ 3,831,503
<i>Buildings and Improvements</i>	44,582	59,623	104,205
<i>Equipment</i>	380,701	965,048	1,345,749
<i>Infrastructure</i>	4,905,603	-	4,905,603
<i>Total</i>	\$ 9,150,118	\$ 1,036,942	\$ 10,187,060

Debt Administration

Figure 5 shows total debt as of May 31, 2024. Of this amount, \$4,880,000 is subject to the constitutional debt limit and represents 71.61% of the Village's statutory debt limit. Overall, total debt increased 440.80% from prior year, resulting from the issuance of a new BAN.

*Figure 5
Outstanding Debt at May 31, 2024*

	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
<i>Serial Bonds and Loans</i>	\$ 870,000	\$ -	\$ 870,000
<i>Bond Anticipation Notes</i>	4,200,000	-	4,200,000
<i>Total</i>	\$ 5,070,000	\$ -	\$ 5,070,000

The Village's Moody's bond rating, which did not change from the prior year, is currently ABB. More detailed information about the Village's debt is presented in Notes 6 and 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The Municipal Building construction was completed in July 2024.
- The Village has been developing the comprehensive plan which is being administered by Thoma Development Consultants and is funded by a grant through the Smart Growth Comprehensive Planning Program by the NYS DOS Office of Planning, Development & Community Infrastructure.
- The Village was awarded the NY Forward Program Grant for \$4.5 million and is in the process of working with NYS representatives and the LPC (Local Planning Committee). This group will review submitted applications for downtown improvement projects from local businesses, non-profits, individuals and the Village of Groton to present to NYS for approval. The submission of the project plan is scheduled to be the beginning of 2025 with notification in the spring of 2025.

VILLAGE OF GROTON

MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2024

- The Village received a grant for the NYS Consolidated Funding Application for the Engineering Planning Grant and is working on a comprehensive engineering plan for the Wastewater Treatment Plant.
- The Village electric department has selected Landis & Gyr to begin a project to replace all village electric meters with an upgraded AMI (Advanced Metering Infrastructure) system. This will allow automatic meter monitoring and reading, reducing the need for manual reading and manual input.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about the report or need any additional financial information, contact Nancy Niswender, Clerk-Treasurer, at 308 Main Street, Groton, New York 13073.

VILLAGE OF GROTON

STATEMENT OF NET POSITION MAY 31, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	December 31, 2023
				Groton Housing Authority
ASSETS				
Current Assets				
Cash and Cash Equivalents - Unrestricted	\$ 732,016	\$ 292,304	\$ 1,024,320	\$ 2,761
Other Receivables	98,958	152,284	251,242	6,259
Loans Receivable - Current Portion	20,000	-	20,000	-
Due From Other Governments	120,253	-	120,253	-
Prepaid Expenses	64,492	16,653	81,145	9,545
Inventories	-	120,435	120,435	-
Total Current Assets	1,035,719	581,676	1,617,395	18,565
Noncurrent Assets				
Cash and Cash Equivalents - Restricted	594,661	564,167	1,158,828	22,427
Temporary Investments Unrestricted	2,317,668	210,927	2,528,595	-
Loans Receivable - Long-Term Portion	262,194	-	262,194	-
Restricted Investments	-	-	-	215,167
Land and Construction in Progress	3,819,232	12,271	3,831,503	269,836
Depreciable Capital Assets, Net	5,330,886	1,024,671	6,355,557	2,579,975
Total Noncurrent Assets	12,324,641	1,812,036	14,136,677	3,087,405
Total Assets	13,360,360	2,393,712	15,754,072	3,105,970
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	552,398	140,086	692,484	171
Other Postemployment Benefits	153,863	245,939	399,802	-
Total Deferred Outflows of Resources	706,261	386,025	1,092,286	171
LIABILITIES				
Current Liabilities				
Accounts Payable	194,214	49,742	243,956	28,037
Accrued Liabilities	24,432	17,652	42,084	-
Interest Payable	142,920	-	142,920	181,502
Bond Anticipation Notes Payable	4,200,000	-	4,200,000	-
Due to Employees' Retirement Systems	33,073	-	33,073	-
Customer Deposits	-	9,166	9,166	-
Unearned Revenues	8,950	-	8,950	22,427
Mortgages Payable - Due Within One Year	-	-	-	55,959
Bonds Payable - Due Within One Year	70,000	-	70,000	-
Total Current Liabilities	4,673,589	76,560	4,750,149	287,925
Noncurrent Liabilities				
Mortgages Payable - Due in More Than One Year	-	-	-	3,563,073
Bonds Payable - Due in More Than One Year	800,000	-	800,000	-
Other Postemployment Benefits Liability	963,249	1,314,078	2,277,327	-
Compensated Absences	62,976	69,314	132,290	-
Net Pension Liability - Proportionate Share	673,406	174,088	847,494	-
Total Noncurrent Liabilities	2,499,631	1,557,480	4,057,111	3,563,073
Total Liabilities	7,173,220	1,634,040	8,807,260	3,850,998
DEFERRED INFLOWS OF RESOURCES				
Pensions	434,732	98,538	533,270	4,312
Other Postemployment Benefits	200,382	273,362	473,744	-
Total Deferred Inflows of Resources	635,114	371,900	1,007,014	4,312
NET POSITION				
Net Investment in Capital Assets	4,080,118	1,036,942	5,117,060	(769,221)
Restricted	594,661	399,200	993,861	215,167
Unrestricted - Deficit	1,583,508	(662,345)	921,163	(195,115)
Total Net Position	\$ 6,258,287	\$ 773,797	\$ 7,032,084	\$ (749,169)

See Notes to Financial Statements

VILLAGE OF GROTON

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED MAY 31, 2024

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit December 31, 2023 Groton Housing Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total	
				Governmental Activities	Business-Type Activities		
Primary Government							
Governmental Activities:							
General Governmental Support	\$ 363,089	\$ 6,717	\$ -	\$ (356,372)	\$ -	\$ (356,372)	\$ -
Public Safety	658,216	52,929	914	(604,373)	-	(604,373)	-
Public Health	510,284	335,460	-	(174,824)	-	(174,824)	-
Transportation	356,502	-	61,089	(295,413)	-	(295,413)	-
Economic Assistance and Opportunity	7,775	-	-	(7,775)	-	(7,775)	-
Culture and Recreation	279,735	156,899	-	(122,836)	-	(122,836)	-
Home and Community Services	1,021,054	682,687	100,824	(237,543)	-	(237,543)	-
Interest on Debt	150,069	-	-	(150,069)	-	(150,069)	-
Total Governmental Activities	3,346,724	1,234,692	162,827	(1,949,205)	-	(1,949,205)	-
Business-Type Activities:							
Municipal Electric	1,902,189	1,890,671	-	-	(11,518)	(11,518)	-
Total Business-Type Activities	1,902,189	1,890,671	-	-	(11,518)	(11,518)	-
Total Primary Government	\$ 5,248,913	\$ 3,125,363	\$ 162,827	(1,949,205)	(11,518)	(1,960,723)	-
Component Unit							
Groton Housing Authority	\$ 531,405	\$ 394,803	\$ -	-	-	-	(136,602)
Total Component Units	\$ 531,405	\$ 394,803	\$ -	-	-	-	(136,602)
GENERAL REVENUES							
Property Taxes, Levied for General Purposes				900,579	-	900,579	-
Property Tax Items				13,508	-	13,508	-
Sales Taxes				540,972	-	540,972	-
Other Taxes				36,798	-	36,798	-
State Sources				29,736	-	29,736	-
Use of Money and Property				125,042	20,052	145,094	-
Miscellaneous				821,450	-	821,450	-
Sale of Property and Compensation for Loss				55,935	-	55,935	-
Total General Revenues				2,524,020	20,052	2,544,072	-
Change in Net Position				574,815	8,534	583,349	(136,602)
Net Position (Deficit) - Beginning of Year				5,683,472	765,263	6,448,735	(612,567)
Net Position (Deficit) - End of Year				\$ 6,258,287	\$ 773,797	\$ 7,032,084	\$ (749,169)

See Notes to Financial Statements

VILLAGE OF GROTON

BALANCE SHEET - GOVERNMENTAL FUNDS MAY 31, 2024

	Major Funds					Total Governmental Funds
	Special Revenue Funds			Capital Projects Fund	Non-Major Funds	
	General Fund	Special Grant Fund	Sewer Fund			
ASSETS						
Cash and Cash Equivalents - Unrestricted	\$ 619,039	\$ -	\$ 3,186	\$ 75,375	\$ 34,416	\$ 732,016
Cash and Cash Equivalents - Restricted	179,425	202,478	16,916	-	195,842	594,661
Temporary Investments - Unrestricted	236,035	-	-	2,049,881	31,752	2,317,668
Due From Other Governments	108,013	-	-	-	12,240	120,253
Other Receivables	2,500	-	63,601	-	32,857	98,958
Prepaid Expenses	58,127	-	1,793	-	4,572	64,492
Loans Receivables	-	282,194	-	-	-	282,194
Total Assets	\$ 1,203,139	\$ 484,672	\$ 85,496	\$2,125,256	\$ 311,679	\$ 4,210,242
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 15,421	\$ -	\$ 29,520	\$ 144,435	\$ 4,838	\$ 194,214
Accrued Liabilities	19,684	-	1,420	-	3,328	24,432
Bond Anticipation Notes Payable	-	-	-	4,200,000	-	4,200,000
Due to ERS/PFRS	33,073	-	-	-	-	33,073
Unearned Revenues	4,397	-	-	-	4,553	8,950
Total Liabilities	72,575	-	30,940	4,344,435	12,719	4,460,669
Deferred Inflows of Resources						
Unavailable Revenue	-	282,194	-	-	-	282,194
Fund Balances						
Nonspendable	58,127	-	1,793	-	4,572	64,492
Restricted	179,425	202,478	16,916	-	195,842	594,661
Assigned	402,037	-	35,847	-	98,546	536,430
Unassigned	490,975	-	-	(2,219,179)	-	(1,728,204)
Total Fund Balances (Deficit)	1,130,564	202,478	54,556	(2,219,179)	298,960	(532,621)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,203,139	\$ 484,672	\$ 85,496	\$2,125,256	\$ 311,679	\$ 4,210,242

See Notes to Financial Statements

VILLAGE OF GROTON

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION MAY 31, 2024

Total Governmental Fund Balances		\$ (532,621)
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets, net of accumulated depreciation, used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.		
Historical Cost	\$ 18,001,825	
Accumulated Depreciation	<u>(8,851,707)</u>	9,150,118
The Village's proportion of the collective net pension liability is not reported in the funds.		
ERS Net Pension Liability - Proportionate Share	\$ (323,306)	
PFRS Net Pension Liability - Proportionate Share	<u>(350,100)</u>	(673,406)
Certain long-term assets are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the funds.		
		282,194
Certain accrued obligations and expenses reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in Governmental Funds.		
Accrued Interest Payable		(142,920)
Deferred outflows of resources represent a consumption of net position that applies to future periods and, therefore, is not reported in the Governmental Funds. Deferred inflows of resources represent an acquisition of net position that applies to future periods and, therefore, is not reported in the Governmental Funds.		
OPEB Deferred Inflows of Resources	\$ (200,382)	
ERS Deferred Inflows of Resources - Pension	(182,998)	
PFRS Deferred Inflows of Resources - Pension	(251,734)	
OPEB Deferred Outflows of Resources	153,863	
ERS Deferred Outflows of Resources - Pension	260,159	
PFRS Deferred Outflows of Resources - Pension	<u>292,239</u>	71,147
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds Payable	\$ (870,000)	
Compensated Absences	(62,976)	
Other Postemployment Benefits Liability	<u>(963,249)</u>	<u>(1,896,225)</u>
Net Position of Governmental Activities		\$ <u>6,258,287</u>

See Notes to Financial Statements

VILLAGE OF GROTON

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED MAY 31, 2024

	Major Funds					Total Governmental Funds
	Special Revenue Funds			Capital Projects Fund	Non-Major Funds	
	General Fund	Special Grant Fund	Sewer Fund			
REVENUES						
Real Property Taxes	\$ 900,579	\$ -	\$ -	\$ -	\$ -	\$ 900,579
Real Property Tax Items	13,508	-	-	-	-	13,508
Nonproperty Tax Items	540,972	-	-	-	-	540,972
Miscellaneous Taxes	36,798	-	-	-	-	36,798
Departmental Income	392,464	13,121	456,650	-	263,204	1,125,439
Intergovernmental Charges	55,710	-	-	-	68,757	124,467
Use of Money and Property	26,289	512	78	95,841	2,322	125,042
Licenses and Permits	5,826	-	-	-	-	5,826
Fines and Forfeitures	125	-	-	-	-	125
Sale of Property and Compensation for Loss	55,935	-	-	-	-	55,935
Miscellaneous Local Sources	20,000	-	120	800,100	1,230	821,450
State Sources	90,825	-	-	-	-	90,825
Federal Sources	101,738	-	-	-	-	101,738
Total Revenues	2,240,769	13,633	456,848	895,941	335,513	3,942,704
EXPENDITURES						
General Governmental Support	260,581	-	6,125	-	20,655	287,361
Public Safety	482,671	-	-	-	-	482,671
Public Health	391,029	-	-	-	-	391,029
Transportation	429,442	-	-	-	-	429,442
Economic Assistance and Opportunity	7,775	-	-	-	-	7,775
Culture and Recreation	180,360	-	-	-	80,591	260,951
Home and Community Services	32,325	31,963	488,529	-	150,895	703,712
Employee Benefits	307,946	-	15,949	-	47,322	371,217

See Notes to Financial Statements

VILLAGE OF GROTON

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS (CONTINUED) FOR THE YEAR ENDED MAY 31, 2024

	Major Funds					Total Governmental Funds
	Special Revenue Funds			Capital Projects Fund	Non-Major Funds	
	General Fund	Special Grant Fund	Sewer Fund			
EXPENDITURES (Continued)						
Debt Service						
Principal	\$ 12,500	\$ -	\$ 25,000	\$ -	\$ 30,000	\$ 67,500
Interest	6,375	-	4,038	-	3,424	13,837
Capital Outlay	-	-	-	3,232,355	-	3,232,355
Total Expenditures	2,111,004	31,963	539,641	3,232,355	332,887	6,247,850
Excess of Revenues (Expenditures)	129,765	(18,330)	(82,793)	(2,336,414)	2,626	(2,305,146)
OTHER FINANCING SOURCES (USES)						
Interfund Transfers In	8,386	-	90,824	117,235	-	216,445
Interfund Transfers (Out)	(191,516)	-	(16,543)	-	(8,386)	(216,445)
Total Other Financing Sources (Uses)	(183,130)	-	74,281	117,235	(8,386)	-
Excess of Revenues and Other Financing Sources Over (Expenditures) and Other Financing (Uses)	(53,365)	(18,330)	(8,512)	(2,219,179)	(5,760)	(2,305,146)
Fund Balances, Beginning of Year	1,183,929	220,808	63,068	-	304,720	1,772,525
Fund Balances (Deficit), End of Year	\$ 1,130,564	\$ 202,478	\$ 54,556	\$(2,219,179)	\$ 298,960	\$ (532,621)

See Notes to Financial Statements

VILLAGE OF GROTON

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED MAY 31, 2024

Net Change in Fund Balances - Total Governmental Funds **\$ (2,305,146)**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report purchases of capital assets as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Asset Additions	\$ 3,527,657	
Depreciation Expense	<u>(438,046)</u>	3,089,611

Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal Payments		67,500
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Changes in the Village's proportionate share of net pension liabilities have no effect on current financial resources and, therefore, are not reported in the Governmental Funds. In addition, changes in the Village's deferred outflows and deferred inflows of resources related to pensions and other postemployment benefits (OPEB) do not affect current financial resources and are also not reported in the Governmental Funds.

Deferred Outflows of Resources, Other Postemployment Benefits	\$ (101,649)	
Deferred Inflows of Resources, Other Postemployment Benefits	157,424	
Deferred Outflows of Resources, Pensions	(53,923)	
Deferred Inflows of Resources, Pensions	(238,492)	
Net Pension (Asset)/Liability, Proportionate Share	<u>194,403</u>	(42,237)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds.

Net Change in Accrued Interest Payable	\$ (136,232)	
Net Change in Compensated Absences	(7,736)	
Net Change in Liability for Other Postemployment Benefits	<u>(69,780)</u>	(213,748)

Revenues and expenses from activities that result in long-term assets are not recorded in the Governmental Funds. This amount represents the net change in these revenues deferred in the Governmental Funds.

(21,165)

Change in Net Position of Governmental Activities **\$ 574,815**

See Notes to Financial Statements

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY NET POSITION MAY 31, 2024

	<u>Enterprise Fund</u> <u>Municipal Electric</u> <u>Fund</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents - Unrestricted	\$ 292,304
Other Receivables, Net	152,284
Prepaid Expenses	16,653
Inventories	120,435
Total Current Assets	581,676
Noncurrent Assets	
Cash and Cash Equivalents - Restricted	564,167
Temporary Investments - Unrestricted	210,927
Non-Depreciable Capital Assets	12,271
Depreciable Capital Assets, Net	1,024,671
Total Noncurrent Assets	1,812,036
Total Assets	2,393,712
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	140,086
Other Postemployment Benefits	245,939
Total Deferred Outflows of Resources	386,025
LIABILITIES	
Current Liabilities	
Accounts Payable	49,742
Accrued Liabilities	17,652
Customer Deposits	9,166
Total Current Liabilities	76,560
Noncurrent Liabilities	
Compensated Absences	69,314
Other Postemployment Benefits Payable	1,314,078
Net Pension Liability - Proportionate Share	174,088
Total Noncurrent Liabilities	1,557,480
Total Liabilities	1,634,040
DEFERRED INFLOWS OF RESOURCES	
Pensions	98,538
Other Postemployment Benefits	273,362
Total Deferred Inflows of Resources	371,900
NET POSITION	
Net Investment in Capital Assets	1,036,942
Restricted	399,200
Unrestricted (Deficit)	(662,345)
Total Net Position	\$ 773,797

See Notes to Financial Statements

VILLAGE OF GROTON

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN PROPRIETARY FUND NET POSITION FOR THE YEAR ENDED MAY 31, 2024

	<u>Enterprise Fund</u> <u>Municipal Electric</u> <u>Fund</u>
OPERATING REVENUES	
Charges for Services	\$ 1,890,671
Total Operating Revenues	<u>1,890,671</u>
OPERATING EXPENSES	
Salaries and Wages	419,999
Contractual Services	965,608
Employee Benefits	398,741
Depreciation	<u>117,841</u>
Total Operating Expenses	<u>1,902,189</u>
(Loss) From Operations	<u>(11,518)</u>
NONOPERATING REVENUES	
Use of Money and Property	<u>20,052</u>
Total Nonoperating Revenues	<u>20,052</u>
Change in Net Position	8,534
Total Net Position, Beginning of Year	<u>765,263</u>
Total Net Position, End of Year	<u><u>\$ 773,797</u></u>

See Notes to Financial Statements

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

	Enterprise Fund Municipal Electric Fund
Cash Flows From Operating Activities	
Cash Received From Providing Services	\$ 1,866,295
Cash Payments - Employees (Payroll and Benefits)	(167,733)
Cash Payments - Suppliers	(1,488,531)
Net Cash Provided (Used) by Operating Activities	210,031
Cash Flows From Capital and Related Financing Activities	
Cash Received From Rental of Real Property	7,521
Payments to Contractors	(102,945)
Net Cash Provided (Used) by Capital and Related Financing Activities	(95,424)
Cash Flows From Investing Activities	
Purchase of Investments	(10,686)
Interest Income Received	12,531
Net Cash Provided (Used) by Investing Activities	1,845
Change in Cash and Cash Equivalents	116,452
Cash and Cash Equivalents, June 1, 2023	740,019
Cash and Cash Equivalents, May 31, 2024	\$ 856,471
Reconciliation of Income From Operations to Net Cash Provided (Used) by Operating Activities	
Gain (Loss) From Operations	\$ (11,518)
Depreciation and Amortization	117,841
(Increase) Decrease in Accounts Receivable	2,026
(Increase) Decrease in Prepaid Expenses	290
(Increase) Decrease in Inventory	1,824
(Increase) Decrease in Net Pension Asset and Outflows of Resources	14,761
Increase (Decrease) in Other Postemployment Benefits	77,387
Increase (Decrease) in Accrued Liabilities	835
Increase (Decrease) in Accounts Payable	(9,626)
Increase (Decrease) in Customer Deposits	1,142
Increase (Decrease) in Net Pension Liability and Deferred Inflows/Outflows of Resources	15,069
Net Cash Provided (Used) by Operating Activities	\$ 210,031

See Notes to Financial Statements

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

***Note 1* Summary of Significant Accounting Policies**

The accompanying financial statements of the Village of Groton (the Village) have been prepared in conformity with generally accepted accounting principles (U.S. GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

Financial Reporting Entity

The Village of Groton, which was established in 1860, is governed by Village Law and other municipal laws of New York State and various local laws. The Mayor and four trustees are the legislative body responsible for overall operations; the Mayor serves as chief executive officer and the Clerk/Treasurer serves as chief fiscal officer.

The following basic services are provided: water, sewer, public safety (police and fire), and maintenance of highways and streets.

All Governmental Activities and functions performed for the Village of Groton are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity consists of the following, as defined by GASB Statement No. 14, "The Financial Reporting Entity," as amended.

- The primary government, which is the Village;
- 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 exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The decision to include a potential component unit in the Village's reporting entity is based on several criteria set forth in GASB Statement No. 14, as amended, including legal standing, fiscal dependency, and financial accountability.

Financial Reporting Entity - Included in the Reporting Entity, as Discretely Presented Component Unit

The Village of Groton Housing Authority (Housing Authority) is a nonprofit organization formed to construct, own, and manage an apartment complex for elderly persons. The Village Trustees appoint the governing board of the Housing Authority. Additionally, the Village Trustees can remove appointed members of the Housing Authority at will. A separate report was issued for the Housing Authority and can be obtained by contacting the Housing Authority directly at 200 West Street, Groton, NY 13073.

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

***Note 1* Summary of Significant Accounting Policies - Continued**

Financial Reporting Entity - Included in the Reporting Entity, as a Joint Activity

The Village of Groton entered into a joint activity with the Town of Groton to provide recreational services directly to the citizens served by the governments. The purpose of the Fund is to hire a Joint Recreational Coordinator (the Coordinator) who will assist the Village and Town with the day-to-day administration of joint recreation programs. For the purposes of payroll management, recordkeeping, benefit programs, and general oversight, the Coordinator is an employee of the Village of Groton. The Recreation Fund is not a legally separate entity. The Village and Town each bear any liability incurred by the Fund and share costs equally. Also, the Town will pay the Village \$12,000 annually for the purpose of maintenance and management of the Village's park facilities.

Basic Financial Statements

The Village's basic financial statements include both Government-wide (reporting the Village as a whole) and Governmental Fund financial statements (reporting the Village's Major Funds.) Both the Government-wide and Governmental Fund financial statements categorize primary activities as either Governmental or Business-type. The Village's general governmental support, public safety, public health, transportation, economic assistance and opportunity, home and community services, and culture and recreation are classified as Governmental Activities. The Village's Municipal Electric Activity is a Business-type Activity.

Basic Financial Statements - Government-Wide Financial Statements

The Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of activities for the primary government. The focus of the Government-wide financial statements addresses the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

In the Government-wide Statement of Net Position, both the Governmental and Business-type Activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net position is reported in three parts - net investment in capital assets, restricted, and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The Statement of Activities reports both the gross and net cost for each of the Village's functions or programs. Gross expenses are direct expenses, including depreciation, that are specifically associated with a service, program, or department and are, therefore, clearly identifiable to a particular function. These expenses are offset by program revenues - charges paid by the recipients of the goods or services offered by the programs, grants, and contributions that are restricted to meeting the program or capital requirements of a particular program. Depreciation on assets that are shared by essentially all of the Village's programs have been reported by function. Indirect expenses, particularly employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Revenues which are not classified as program revenues are presented as general revenues of the Village, with certain limited exceptions. The net cost represents the extent to which each function or program is self-financing or draws from the general revenues of the Village.

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

***Note 1* Summary of Significant Accounting Policies - Continued**

Basic Financial Statements - Governmental Fund Financial Statements

Financial transactions of the Village are reported in individual funds in the Governmental Fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows and outflows of resources, reserves, fund equity, revenues, and expenditures or expenses. Fund accounting is designed to demonstrate legal compliance and aid financial management by segregating transactions related to certain government functions or activities.

The Village records its transactions in the funds described below.

Governmental Funds

Governmental Funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources, and the related liabilities, are accounted for through Governmental Funds. The measurement focus of the Governmental Funds is based on determination of financial position and changes in financial position under the modified accrual basis of accounting. The following are the Village's Governmental Funds.

Major Funds

- General Fund - The principal operating fund which includes all operations not required to be recorded in other funds.
- Special Revenue Funds
 - Special Grant Fund - Accounts for Community Development Block Grants.
 - Sewer Fund - Accounts for revenues derived from charges for sewer usage and benefited assessments and the application of such revenues toward related operating expenses and debt retirement.
- Capital Projects Fund - Accounts for and reports financial resources to be used for the acquisition, construction, or renovation of the Village's major capital facilities or equipment.

Non-Major Funds

- Recreation Fund - A special revenue fund that accounts for joint recreation activities.
- Water Fund - Accounts for revenues derived from charges for water consumption and benefited assessments, and the application of such revenues toward related operating expenses and debt retirement.
- Police Seizure Fund - Used to account for equitable sharing payments returned to the Village from the federal government when the Village has joint involvement with the DEA or another federal agency in seizing illegal assets.

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

***Note 1* Summary of Significant Accounting Policies - Continued**

Basic Financial Statements - Proprietary Fund Financial Statements

Proprietary Fund

The Proprietary Fund is used to account for ongoing organizations or activities similar to those often found in the private sector. Measurement focus is based upon determination of net income, financial position, and changes in financial position. The following Proprietary Fund is utilized:

- **Municipal Electric Fund** - The Municipal Electric Fund, a Proprietary Fund Type, uses the accrual basis of accounting. It is used to account for operations financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services are to be financed or recovered primarily through user charges.

Discretely Presented Component Unit

The Village of Groton Housing Authority is a Proprietary Fund Type and uses the accrual basis of accounting. The Housing Authority's fiscal year end is December 31, and the amounts reported in the combined basic financial statements are for the year ended December 31, 2023.

Basis of Accounting/Measurement Focus

Basis of accounting refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, such as expenditures or expenses.

Accrual Basis

The Government-wide and Proprietary Fund financial statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

***Note 1* Summary of Significant Accounting Policies - Continued**

Modified Accrual Basis

The Governmental Fund financial statements are prepared using the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Material revenues that are accrued include real property taxes, state and federal aid, sales tax, and certain user charges. The Village considers property tax receivables collected within 60 days after year end to be available and recognizes them as revenues of the current year. All other revenues that are deemed collectible within one year after year end are recognized as revenues in the current year. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

Expenditures are recorded when incurred. The cost of capital assets is recognized as an expenditure when the asset is received. Exceptions to this general rule are 1) principal and interest on indebtedness are not recognized as an expenditure until due, and 2) compensated absences, such as vacation and sick leave, which vest or accumulate, are charged as an expenditure when paid.

Property Taxes

Real property taxes are levied annually by the Village of Groton no later than June 1 and become a lien on June 1. Taxes are collected during the period June 1 to November 1.

Uncollected real property taxes are subsequently enforced by the County of Tompkins, in which the Village is located. An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the Village no later than the forthcoming April 1.

Property tax revenues are recognized as revenues in the year they are levied and collected. Property taxes not collected within 60 days subsequent to fiscal year end are reported as unearned revenues.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Village considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Temporary Investments

Temporary investments consist of certificates of deposit and NYCLASS investments with original maturity dates of three months to one year.

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

Note 1 Summary of Significant Accounting Policies - Continued

Receivables

Receivables are stated net of estimated allowances for uncollectible amounts. Amounts due from state and federal governments represent amounts owed to the Village to reimburse it for expenditures incurred pursuant to State and federally funded programs. Other receivables represent amounts owed to the Village, including Accounts Receivable and Water and Sewer Rents Receivable.

Inventory

Inventory is valued utilizing the average cost method for Proprietary Funds.

Capital Assets - Governmental Activities

All capital assets are valued at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets. Governmental capital assets are capitalized based on the following estimated useful lives and values.

<u>Description</u>	<u>Valuation Threshold</u>	<u>Estimated Useful Lives</u>
Buildings	\$ 5,000	30 Years
Machinery and Equipment	2,000	5-10 Years
Infrastructure	5,000	15-40 Years

Capital Assets - Business-Type Activities

Capital Assets acquired through business-type activities are stated at cost (or estimated historical cost). Contributed fixed assets are recorded at fair market value at the date received. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Valuation Threshold</u>	<u>Estimated Useful Lives</u>
Transportation Equipment	\$ 2,000	8 Years
Communication	2,000	20 Years
Laboratory Equipment	2,000	25 Years
Office Equipment	2,000	20 Years
Buildings	2,000	40 Years
Transmission Overhead	2,000	35 Years
Fixtures	2,000	33 Years
Underground Conduits	2,000	41 Years

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

***Note 1* Summary of Significant Accounting Policies - Continued**

Other Postemployment Benefits (OPEB)

In addition to providing pension benefits, the Village provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the Village's employees may become eligible for these benefits if they reach normal retirement age while working for the Village. Health care benefits and survivors benefits are provided through an insurance company whose premiums are based on the benefits paid during the year.

The Village follows GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." The Village's liability for other postemployment benefits has been recorded in the Statement of Net Position in accordance with that statement. See Note 8 for additional information.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The Village reports deferred outflows of resources related to pensions and OPEB plan in the Statement of Net Position. The types of deferred outflows of resources related to pensions and OPEB plan are described in Notes 5 and 8, respectively.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The Village reports deferred inflows of resources related to pensions and OPEB plans which are further described in Notes 5 and 8, respectively.

In addition, the Governmental Funds Balance Sheet reports deferred inflows of resources for unavailable revenue. This represents loans which will be received after the availability period expires.

Unearned Revenue

Unearned revenues arise when resources are received by the Village before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when the Village has legal claim to the resources, the liability for unearned revenue is removed and revenues are recorded.

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

***Note 1* Summary of Significant Accounting Policies - Continued**

Vacation, Sick Leave, and Compensatory Absences

Village of Groton employees are granted vacation leave based primarily on the number of years of continuous service, up to 22 days per year. However, vacation leave does not accumulate.

Employees are granted sick leave at the rate of ten days per year and may accumulate no more than a maximum of 130 days. Employees who retire are either compensated for 50% of accumulated sick leave or given the option of using 60% of accumulated sick leave to pay their portion of ensuing health insurance premiums, so long as such is sufficient to pay said premium.

Estimated accumulated sick leave is recorded in the Proprietary Fund as a liability and expense and in Governmental Activities as a long-term liability if payable from future financial resources, or as a governmental fund liability and expenditures, if payable from current resources. See Note 7 for the amounts recorded for compensated absences.

Currently, four employees are using 60% of their accumulated sick leave to pay for their portion of health insurance premiums and four employees have exercised the 50% lump sum payment option.

Insurance and Risk Management

The Village maintains insurance coverage for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. No settlements have exceeded insurance coverage in the past three years.

Equity Classifications - Government-Wide Financial Statements

Equity is classified as net position and displayed in three components:

- Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - Consists of net resources with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - Consists of all other net resources that do not meet the definition of “restricted” or “net investment in capital assets.”

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

***Note 1* Summary of Significant Accounting Policies - Continued**

Equity Classifications - Governmental Fund Financial Statements

The Village follows GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." Statement No. 54 changed the terminology and classification of fund balance to reflect spending constraints on resources rather than availability for appropriation. This approach is intended to provide users more consistent and understandable information about a fund's net resources.

Constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor any constraints on, or specific purposes for which, resources in a fund can be spent.

- **Nonspendable** - Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowment principal.
- **Restricted** - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally, or through constitutional provisions or enabling legislation.
- **Committed** - Consists of amounts subject to a purpose constraint imposed by formal action of the government's highest level of decision-making authority, the Board of Trustees, prior to the end of the fiscal year, and requires the same level of formal action to remove said constraint.
- **Assigned** - Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.
- **Unassigned** - Represents the residual classification of the government's General Fund and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

The Village Board may adopt resolutions to commit or assign fund balance. By resolution, fund balance of the Village may be committed for a specific source by formal action of the Village Board. The Village Board, by resolution, approves fund balance appropriations for next year's budget. The Village applies expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

***Note 1* Summary of Significant Accounting Policies - Continued**

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Proprietary Fund's principal ongoing operation. The principal operating revenues of the Proprietary Funds are charges to customers for sales and services. Operating expenses for Proprietary Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. All interfund activities between governmental activities are eliminated on the Statement of Net Position and the Statement of Activities.

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, it is the Village's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements.

New Accounting Standards

The Village adopted and implemented the following current Statements of the GASB effective for the year ended May 31, 2024:

- GASB has issued Statement No. 96, "Subscription-Based Information Technology Arrangements," effective for the year ending May 31, 2024. The Village has determined there was no material impact on its financial statements.

Future Changes in Accounting Standards

- GASB has issued Statement No. 100, "Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62," effective for the year ending May 31, 2025.
- GASB has issued Statement No. 101, "Compensated Absences," effective for the year ending May 31, 2025.
- GASB has issued Statement No. 102, "Certain Risk Disclosures," effective for the year ending May 31, 2026.

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

***Note 1* Summary of Significant Accounting Policies - Continued**

Future Changes in Accounting Standards - Continued

- GASB has issued Statement No. 103, “Financial Reporting Model Improvements,” effective for the year ending May 31, 2027.
- GASB has issued Statement No. 104, “Disclosure of Certain Capital Assets,” effective for the year ending May 31, 2027.

The Village will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

Use of Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

***Note 2* Cash and Investments**

The Village of Groton's investment policies are governed by State statutes. In addition, the Village of Groton has its own written investment policy. Village of Groton's monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. The Clerk-Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State and its localities.

Collateral is required for demand and time deposits and certificates of deposit at 105% of all deposits not covered by FDIC. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities and villages.

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned. While the Village does not have a specific policy for custodial credit risk, New York State statutes govern the Village's investment policies, as discussed previously in these notes. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Village's name.

The Village's aggregate bank balances of \$2,286,770 and the aggregate bank balances of \$240,355 of the component units of the Village were either covered by depository insurance or collateralized as described above.

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

Note 2 Cash and Investments - Continued

The Village also participates in a local government external investment pool through the New York Cooperative Liquid Assets Securities System (NYCLASS). NYCLASS is rated by S&P Global Ratings. The current rating is AAA. The cooperative is actively managed and invests exclusively in investments legally permissible for New York State school districts and municipal corporations. These permissible investments include: U.S. Treasury securities, obligations backed by the full faith and credit of the U.S. government, collateralized bank deposits, and repurchase agreements collateralized at 102% by Treasury securities and agency securities backed by the full faith and credit of the U.S. government.

All counterparties to repurchase agreements are highly-rated primary dealers, and a custodial bank holds all collateral supporting the transactions in constructive possession on the cooperative's behalf.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In order to limit its exposure, the Village's external investment pool limits the maturity of its investments. The dollar weighted average days to maturity (WAM) at May 31, 2024 is 43 days. Next interest rate reset days for floating rate securities are used in the calculation of WAM. The weighted average life of the pool is 76 days.

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The following investments are held by the Village.

Fund	Cost	Carrying Amount Fair Value	Type of Investment	Category
General Fund	\$ 236,035	\$ 236,035	NYCLASS	(2)
Capital Fund	444,269	444,269	NYCLASS	(2)
Capital Fund	1,605,612	1,605,612	Certificate of Deposit	(2)
Recreation Fund	31,752	31,752	NYCLASS	(2)
Enterprise Fund	210,927	210,927	NYCLASS	(2)
Total	<u>\$2,528,595</u>	<u>\$2,528,595</u>		

The Village does not typically purchase investments for long enough duration to cause it to believe that it is exposed to any material interest rate risk.

The Village does not typically purchase investments denominated in a foreign currency and is not exposed to foreign currency risk.

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

Note 2 Cash and Investments - Continued

Restricted cash and investments at May 31, 2024 consisted of:

Restricted Cash and Investments

Governmental Activities

General Fund Reserves	\$ 179,425
Special Grant Fund	202,478
Water Fund Reserves	195,842
Sewer Fund Reserves	<u>16,916</u>

Total Governmental Activities	<u>\$ 594,661</u>
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Business -Type Activities

Enterprise Fund Reserves	<u>\$ 564,167</u>
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Component Unit

Housing Authority Reserve, as of December 31, 2023	<u>\$ 237,594</u>
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Note 3 Other Receivables and Interfund Balances

Other Receivables

Other receivables at May 31, 2024 consisted of the following, which are stated at net realizable value. Except where noted, the Village has deemed the amounts fully collectible.

	Description	Amount
Water Fund	Water Rents Receivable	\$ 32,857
Sewer Fund	Sewer Rents Receivable	63,601
General Fund	Miscellaneous Receivable	<u>2,500</u>
Total Governmental Activities		<u>\$ 98,958</u>
Municipal Electric Fund	Sale of Electricity Receivable	\$ 192,084
Municipal Electric Fund	Allowance for Doubtful Accounts	<u>(39,800)</u>
Total Business-Type Activities		<u>\$ 152,284</u>

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

Note 3 Other Receivables and Interfund Balances - Continued

Interfund Balances

Interfund balances at May 31, 2024 were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Interfund Revenue</u>	<u>Interfund Expenditures</u>
General Fund	\$ -	\$ -	\$ 8,386	\$ 191,516
Sewer Fund	-	-	90,824	16,543
Capital Fund	-	-	117,235	-
Non-Major Funds	-	-	-	8,386
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 216,445</u>	<u>\$ 216,445</u>

The Village transfers from various funds to finance capital projects. The Village typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables, if any, are expected to be repaid within one year.

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

Note 4 Capital Assets

A summary of changes in capital assets at May 31, 2024 follows:

	<u>Balance at May 31, 2023</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance at May 31, 2024</u>
Governmental Activities				
Non-Depreciable Capital Assets				
Land	\$ 369,529	\$ -	\$ -	\$ 369,529
Construction in Progress	233,891	3,215,812	-	3,449,703
Total Non-Depreciable Capital Assets	<u>603,420</u>	<u>3,215,812</u>	<u>-</u>	<u>3,819,232</u>
Depreciable Capital Assets				
Buildings	578,945	-	-	578,945
Machinery and Equipment	1,320,647	158,937	(56,385)	1,423,199
Infrastructure	12,108,856	152,908	(81,315)	12,180,449
Total Depreciable Capital Assets	<u>14,008,448</u>	<u>311,845</u>	<u>(137,700)</u>	<u>14,182,593</u>
Total Historical Cost	<u>14,611,868</u>	<u>3,527,657</u>	<u>(137,700)</u>	<u>18,001,825</u>
(Less) Accumulated Depreciation				
Buildings	(529,255)	(5,108)	-	(534,363)
Machinery and Equipment	(1,049,009)	(49,874)	56,385	(1,042,498)
Infrastructure	(6,973,097)	(383,064)	81,315	(7,274,846)
Total Accumulated Depreciation	<u>(8,551,361)</u>	<u>(438,046)</u>	<u>137,700</u>	<u>(8,851,707)</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,060,507</u>	<u>\$3,089,611</u>	<u>\$ -</u>	<u>\$ 9,150,118</u>
Business-Type Activities				
Non-Depreciable Capital Assets				
Land	\$ 12,271	\$ -	\$ -	\$ 12,271
Total Non-Depreciable Capital Assets	<u>12,271</u>	<u>-</u>	<u>-</u>	<u>12,271</u>
Depreciable Capital Assets				
Buildings	198,161	-	-	198,161
Machinery and Equipment	3,225,718	102,945	(25,559)	3,303,104
Total Depreciable Capital Assets	<u>3,423,879</u>	<u>102,945</u>	<u>(25,559)</u>	<u>3,501,265</u>
Total Historical Cost	<u>3,436,150</u>	<u>102,945</u>	<u>(25,559)</u>	<u>3,513,536</u>
(Less) Accumulated Depreciation				
Buildings	(134,422)	(4,116)	-	(138,538)
Machinery and Equipment	(2,249,890)	(113,725)	25,559	(2,338,056)
Total Accumulated Depreciation	<u>(2,384,312)</u>	<u>(117,841)</u>	<u>25,559</u>	<u>(2,476,594)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,051,838</u>	<u>\$ (14,896)</u>	<u>\$ -</u>	<u>\$ 1,036,942</u>

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

Note 4 Capital Assets - Continued

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Governmental Support	\$ 28,210
Public Safety	30,115
Transportation	94,399
Culture and Recreation	1,730
Home and Community Services	<u>283,592</u>
Total	<u>\$ 438,046</u>
Business-Type Activities	
	<u>\$ 117,841</u>
Total	<u>\$ 117,841</u>

Capital Assets - Component Units

A summary of the Village of Groton Housing Authority capital assets, net, at December 31, 2023 follows:

Land	\$ 269,836
Building and Improvements	4,706,760
Furniture, Fixtures, and Equipment	234,316
(Less) Accumulated Depreciation	<u>(2,361,101)</u>
Capital Assets, Net	<u>\$ 2,849,811</u>

Depreciation expense of \$121,315 was charged to operations on a straight-line basis for the year ended December 31, 2023.

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

***Note 5* Pension Obligations - New York State and Local Retirement System**

Plan Descriptions and Benefits Provided - Employees' Retirement Systems (ERS) and Police and Fire Retirement System (PFRS) (the System)

The Village participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS), which are collectively referred to as the New York State and Local Retirement System (the System). The System is a cost-sharing multiple-employer defined benefits pension plan. The System provides retirement benefits as State Common Retirement Fund (the Fund) which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the States of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York States Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. The Village also participated in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Generally, Tier 3, 4, and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1973 who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

Summary of Significant Accounting Policies

The System's financial statements from which the System's fiduciary net position is determined are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and the employer has a legal requirement to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are reported at fair value. For detailed information on how investments are valued, please refer to the System's annual report.

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

Note 5 Pension Obligations - New York State and Local Retirement System - Continued

Contributions

The Village participated in New York State's Employer's Contribution Stabilization Program (Program), which allows it to amortize a portion of the actuarially required contribution. Contributions for the current year and two preceding Plan years were equal to 100% of the contributions required under the program, as follows:

	<u>ERS</u>	<u>PFRS</u>
2024	\$ 120,633	\$ 35,458
2023	100,906	33,981
2022	130,152	28,307

Pension (Assets)/Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At May 31, 2024, the Village reported the following liability for its proportionate share of the net pension (asset)/liability for each of the System's plans. The net pension (asset)/liability was measured as of March 31, 2024. The total pension liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation. The Village's proportionate share of the net pension (asset)/liability was based on a projection of the Village's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was derived from reports provided to the Village by the Systems.

	<u>ERS</u>	<u>PFRS</u>
Actuarial Valuation Date	April 1, 2023	April 1, 2023
Net Pension Liability	\$ 14,724,050,185	\$ 4,742,822,088
Village's Proportionate Share of the Plan's		
Total Net Pension (Asset)/Liability	497,394	350,100
Village's Share of the Plan's		
Total Net Pension (Asset)/Liability	0.0033781%	0.0073817%

For the year ended May 31, 2024, the Village recognized pension expense of \$210,359 for ERS and \$80,428 for PFRS in the financial statements.

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

Note 5 Pension Obligations - New York State and Local Retirement System - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

At May 31, 2024, the Village reported deferred outflows and inflows of resources related to the pensions from the following sources:

	ERS	PFRS
Deferred Outflows of Resources		
Differences Between Expected and Actual Experience	\$ 160,210	\$ 107,861
Changes in Assumptions	188,054	132,058
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	-
Changes in Proportion and Differences Between the Village's Contributions and Proportionate Share of Contributions	27,276	43,952
Village's Contributions Subsequent to the Measurement Date	24,705	8,368
Total Deferred Outflows of Resources	\$ 400,245	\$ 292,239
Deferred Inflows of Resources		
Differences Between Expected and Actual Experience	\$ 13,563	\$ -
Changes of Assumptions	-	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	242,975	95,035
Changes in Proportion and Differences Between the Village's Contributions and Proportionate Share of Contributions	24,998	156,699
Total Deferred Inflows of Resources	\$ 281,536	\$ 251,734

Village contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension (asset)/liability in the year ending May 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	ERS	PFRS
2025	\$ (96,624)	\$ (64,181)
2026	98,245	65,685
2027	144,425	43,060
2028	(52,042)	(18,462)
2029	-	6,035
Thereafter	-	-

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

Note 5 Pension Obligations - New York State and Local Retirement System - Continued

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date.

Significant actuarial assumptions used in the valuations were as follows:

	ERS	PFRS
Measurement Date	March 31, 2024	March 31, 2024
Actuarial Valuation Date	April 1, 2023	April 1, 2023
Investment Rate of Return	5.9%	5.9%
Salary Increases	4.4%	5.7%
Cost of Living Adjustment	1.5%	1.5%
Inflation Rate	2.9%	2.9%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation.

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	ERS and PFRS
Measurement Date	March 31, 2024
Asset Type	
Domestic Equity	4.00%
International Equity	6.65%
Real Estate	4.60%
Private Equity	7.25%
Opportunistic Portfolio/Absolute Return Strategy	5.25%
Real Assets	5.79%
Cash	0.25%
Credit	5.40%
Fixed Income	1.50%

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

Note 5 Pension Obligations - New York State and Local Retirement System - Continued

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and contributions from employers will be made at statutorily required rates, actuarially. Based on the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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 Proportionate Share of the Net Pension (Asset)/Liability to the Discount Rate Assumption

The following presents the Village's proportionate share of the net pension (asset)/liability calculated using the discount rate of 5.9%, as well as what the Village's proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current rate:

ERS	1% Decrease (4.9)%	Current Assumption (5.9)%	1% Increase (6.9)%
Village's Proportionate Share of the Net Pension (Asset)/Liability	\$ 1,563,859	497,394	\$ (393,325)

PFRS	1% Decrease (4.9)%	Current Assumption (5.9)%	1% Increase (6.9)%
Village's Proportionate Share of the Net Pension (Asset)/Liability	\$ 818,266	350,100	\$ (36,673)

Pension Plan Fiduciary Net Position

The components of the current-year net pension (asset)/liability of the employers as of the respective valuation dates were as follows:

	Dollars in Thousands ERS	Dollars in Thousands PFRS
Measurement Date	March 31, 2024	March 31, 2024
Employers' Total Pension Liability	\$ 240,696,851	\$ 46,137,717
Plan Net Position	(225,972,801)	(41,394,895)
Employers' Net Pension (Asset)/Liability	\$ 14,724,050	\$ 4,742,822
Ratio of Plan Net Position to the Employers' Total Pension Liability	93.9%	89.7%

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

Note 5 Pension Obligations - New York State and Local Retirement System - Continued

Payables to the Pension Plan

Employer contributions are paid annually based on the System’s fiscal year which ends on March 31. Accrued retirement contributions as of May 31, 2024 represent the projected employer contribution for the period of April 1, 2024 through May 31, 2024 based on paid ERS and PFRS wages multiplied by the employer’s contribution rate, by tier. Accrued retirement contributions as of May 31, 2024 amounted to \$24,705 for ERS and \$8,368 for PFRS.

Current Year Activity

The following is a summary of current year activity:

ERS	Beginning Balance	Change	Ending Balance
Net Pension (Asset)/Liability	\$ 680,915	\$ (183,521)	\$ 497,394
Deferred Outflows of Resources	(442,420)	42,175	(400,245)
Deferred Inflows of Resources	54,964	226,572	281,536
Total	\$ 293,459	\$ 85,226	\$ 378,685

PFRS	Beginning Balance	Change	Ending Balance
Net Pension (Asset)/Liability	\$ 425,214	\$ (75,114)	\$ 350,100
Deferred Outflows of Resources	(318,748)	26,509	(292,239)
Deferred Inflows of Resources	160,513	91,221	251,734
Total	\$ 266,979	\$ 42,616	\$ 309,595

Note 6 Short-Term Debt

Bond Anticipation and Revenue Anticipation Notes

Liabilities for bond anticipation notes (BANs) are generally accounted for in the Capital Projects Fund. Principal payments on BANs must be made annually. The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12 month period thereafter. State law requires BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made. BAN activity for the year is summarized below.

The Village may issue revenue anticipation notes (RANs) in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs represent a liability that will be extinguished by the use of expendable, available resources of the fund. The Village did not issue or redeem any RANs during the year.

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

Note 6 Short-Term Debt - Continued

Changes in Short-Term Obligations

The following represents changes in the Village's obligations and interest expenses/expenditures recognized during the year ended May 31, 2024.

	<u>Payable at May 31, 2023</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Payable at May 31, 2024</u>
Bond Anticipation Notes 4.66%, matures 09/19/2024	\$ -	\$4,200,000	\$ -	\$ 4,200,000
Total	\$ -	\$4,200,000	\$ -	\$ 4,200,000
Interest Paid		\$ -		
Interest Accrued in the Current Year		136,460		
Total		\$ 136,460		

Note 7 Long-Term Debt

Constitutional Debt Limit

At May 31, 2024, the total outstanding indebtedness (bonds, bond anticipation notes, and loans) of the Village of Groton aggregated \$5,070,500. Of this amount, \$4,880,000 was subject to the Village's constitutional debt limit, and represented approximately 71.61% of its debt limit.

Serial Bonds and Statutory Installment Bonds

The Village of Groton borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the local government, are recorded in the Statement of Net Position and, in the case of Municipal Electric Fund debt, in the Business-type activities.

Statutory Installment Bonds are sometimes issued directly with a financial institution or investor and are not offered for public sale. There are no terms that present additional risk to the Village associated with these direct borrowings or placements.

Compensated Absences

Compensated absences represent the value of the earned and unused portion of the liability for employee compensated absences. The Village's General, Water, Sewer, and Electric funds liquidate this liability.

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

Note 7 Long-Term Debt - Continued

Changes in Long-Term Obligations

The following represents changes in the Village's obligations and interest expenses/expenditures recognized during the year ended May 31, 2024.

	Balance		Balance		Balance
	May 31, 2023	Additions	Deletions	May 31, 2024	May 31, 2024
Serial Bonds	\$ 180,000	\$ -	\$ 30,000	\$ 150,000	\$ 150,000
Statutory Installment Bonds	212,500	-	12,500	200,000	200,000
NYS EFC Revolving Bond	545,000	-	25,000	520,000	520,000
Compensated Absences	55,240	7,736	-	62,976	62,976
Total Long-Term Indebtedness - Governmental Activities	992,740	7,736	67,500	932,976	932,976
Compensated Absences - Enterprise Fund	63,067	6,247	-	69,314	69,314
Total	\$ 1,055,807	\$ 13,983	\$ 67,500	\$ 1,002,290	\$ 1,002,290

Additions and deletions to compensated absences are shown net, as it is impractical to determine the amounts separately.

Interest paid by the Village's governmental activities on long-term debt during the year was:

Interest Paid	\$ 13,837
(Less) Interest Accrued in the Prior Year	(6,688)
Interest Accrued in the Current Year	6,460
Total	\$ 13,609

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

Note 7 Long-Term Debt - Continued

Debt Maturity Schedule

The following is a summary of maturity of indebtedness:

Description of Issue	Original Date Issued	Original Amount	Interest Rate	Final Maturity Date	Outstanding Balance	Due Within One Year
Serial Bonds						
Water Fund	06/01/2007	239,713	Various	03/01/2027	\$ 45,000	\$ 15,000
Water Fund	06/12/2015	225,000	2.70%	06/12/2031	<u>105,000</u>	<u>15,000</u>
Total Serial Bonds					<u>150,000</u>	<u>30,000</u>
Statutory Installment Bonds						
General Fund	11/01/2017	275,000	3.00%	11/01/2036	<u>200,000</u>	<u>15,000</u>
Total Statutory Installment Bonds					<u>200,000</u>	<u>15,000</u>
NYS EFC Revolving Bond						
Sewer Fund	11/01/2011	825,576	Various	05/01/2041	<u>520,000</u>	<u>25,000</u>
Total Debt Outstanding					<u>\$ 870,000</u>	<u>\$ 70,000</u>

The following tables summarize the Village of Groton's future debt service requirements as of May 31, 2024:

Year	Bonds	
	Principal	Interest
2025	\$ 70,000	\$ 33,623
2026	70,000	31,093
2027	70,000	28,554
2028	55,000	26,309
2029	60,000	24,393
2030-2034	257,000	91,309
2035-2039	218,000	44,170
2040-2041	<u>70,000</u>	<u>4,982</u>
Total	<u>\$ 870,000</u>	<u>\$ 284,433</u>

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

Note 7 Long-Term Debt - Continued

The interest column reflects 50% of the amount of interest the Village is required to pay on Environmental Project Bonds, which are subsidized by New York State.

The Village of Groton Housing Authority has the following mortgages payable:

<u>Housing Authority</u>	<u>Original Date Issued</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Outstanding Balance</u>
Rural Development	09/30/2019	\$ 261,127	3.13%	09/30/2039	\$ 261,127
Rural Development	09/30/2019	155,602	3.13%	09/30/2039	155,602
Rural Development	09/30/2019	62,395	3.13%	09/30/2039	62,395
Rural Development	12/31/2019	274,299	3.00%	12/31/2049	264,997
Rural Development	12/31/2018	2,874,911	1.00%	12/31/2038	2,874,911
Total					<u><u>\$ 3,619,032</u></u>

The following table summarizes the Housing Authority's future debt service as of December 31, 2023:

<u>Year</u>	<u>Mortgages Payable</u>
2024	\$ 55,959
2025	56,677
2026	57,406
2027	58,148
2028	58,903
Thereafter	3,331,939
Total	<u><u>\$ 3,619,032</u></u>

Note 8 Postemployment Benefits Other Than Pensions (OPEB)

General Information About the OPEB Plan

Plan Description

The Village provides postemployment (health insurance, etc.) coverage to retired employees in accordance with the provisions of various employment contracts. The Village's plan is a single-employer postemployment benefit plan (the Plan). No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements because there are no assets legally segregated for the sole purpose of paying benefits under the plan.

Benefits Provided

Health care benefits and survivors benefits are provided through an insurance company whose premiums are based on the benefits paid during the year.

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

Note 8 Postemployment Benefits Other Than Pensions (OPEB) - Continued

General Information About the OPEB Plan - Continued

Employees Covered by Benefit Terms

At May 31, 2024, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	4
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	<u>17</u>
Total	<u>21</u>

Total OPEB Liability

The Village's total OPEB liability of \$2,277,327 was measured as of June 1, 2023 and was determined by an actuarial valuation as of June 1, 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Single Discount Rate	3.67%
Salary Scale	3.00%
Rate of Inflation	2.50%
Marital Assumption	70.00%
Healthcare Cost Trend Rates	7.8% to 3.94% in 2093

The long-term bond rate is based on the Bond Buyer Weekly 20-Year Bond GO Index rate as of the measurement date (or the nearest business day thereto).

The salary scale reflects the rate at which payroll amounts are expected to increase over time for purposes of attributing liabilities under the Entry Age Normal, Level Percent of Pay Actuarial Cost Method.

Mortality rates were based on Pub-2010 Mortality Table for employees and then adjusted for mortality improvements with Scale MP-2021 mortality improvement scale on a fully generational basis.

Termination and retirement rates are based on the experience under the New York State and Local Retirement System as prepared by the Department of Civil Service's actuarial consultant in the report titled, Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 75 Valuation.

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

Note 8 Postemployment Benefits Other Than Pensions (OPEB) - Continued

Actuarial Assumptions and Other Inputs - Continued

Healthcare Cost Trend Rates were based on the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA Long-Run Medical Cost Trend Model and its baseline projections are based on an econometric analysis of historical US medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of an SOA Project Oversight Group.

The actuarial assumptions used in the June 1, 2022 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOP).

Changes of assumptions and other inputs reflect a change in the discount rate from 3.16% percent in 2023 to 3.67% in 2024.

	Total OPEB Liability
Balance at May 31, 2023	\$ 2,160,471
Changes for the Year	
Service Cost	\$ 97,695
Interest Cost	70,488
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes in Assumptions or Other Inputs	3,739
Benefit Payments	(55,066)
Balance at May 31, 2024	\$ 2,277,327

Changes in the Total OPEB Liability

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current discount rate.

	1% Decrease (2.67)%	Discount Rate (3.67)%	1% Increase (4.67)%
Total OPEB Liability	\$ 2,691,082	\$ 2,277,327	\$ 1,947,542

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

Note 8 Postemployment Benefits Other Than Pensions (OPEB) - Continued

Changes in the Total OPEB Liability - Continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or higher than the current healthcare cost trend rate.

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 1,888,265	\$ 2,277,327	\$ 2,787,586

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended May 31, 2024, the Village recognized OPEB expense of \$152,535.

At May 31, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 70,931	\$ 134,710
Changes in Assumptions or Other Inputs	267,728	339,034
Contributions Subsequent to Measurement Date	61,143	-
Total	<u>\$ 399,802</u>	<u>\$ 473,744</u>

Village contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the OPEB liability in the year ending May 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows.

<u>Fiscal Year Ending May 31,</u>	<u>Amount</u>
2025	\$ (15,648)
2026	(20,298)
2027	(32,148)
2028	(55,859)
2029	(12,219)
2030 and Thereafter	1,087

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

Note 8 Postemployment Benefits Other Than Pensions (OPEB) - Continued

Current Year Activity

The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
Other Postemployment Benefits Liability	\$ 2,160,471	\$ 116,856	\$ 2,277,327
Deferred Outflows of Resources	(506,442)	106,640	(399,802)
Deferred Inflows of Resources	605,848	(132,104)	473,744
Total	\$ 2,259,877	\$ 91,392	\$ 2,351,269

Note 9 Fund Balance Detail

At May 31, 2024, fund balances in the governmental funds were as follows:

	General Fund	Special Grant Fund	Sewer Fund	Capital Projects Fund	Non-Major Funds
Nonspendable					
Prepaid Expenses	\$ 58,127	\$ -	\$ 1,793	\$ -	\$ 4,572
Restricted					
Unemployment Insurance Reserve	\$ 9,742	\$ -	\$ -	\$ -	\$ -
Capital Reserve	166,681	-	16,916	-	195,842
Repair Reserve	3,002	-	-	-	-
Restricted for CDBG	-	202,478	-	-	-
Total Restricted Fund Balance	\$ 179,425	\$ 202,478	\$ 16,916	\$ -	\$ 195,842
Assigned					
Appropriated for Next Year's Budget	\$ 402,037	\$ -	\$ -	\$ -	\$ 13,154
Remaining Fund Balance	-	-	35,847	-	85,392
Total Assigned Fund Balance	\$ 402,037	\$ -	\$ 35,847	\$ -	\$ 98,546
Unassigned					
Total Unassigned (Deficit) Fund Balance	\$ 490,975	\$ -	\$ -	\$ (2,219,179)	\$ -

Proprietary Funds - Unassigned

At May 31, 2024, the Proprietary Fund had a restricted fund balance of \$399,200, which is restricted for the capital reserve.

VILLAGE OF GROTON

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED MAY 31, 2024

***Note 10* Insurance Pool, Non-Risk Retained**

The Village of Groton is exposed to loss related to employee injuries. In June 1985, the Village of Groton joined with other governments (520 current members) to form the Public Risk Management Association, Inc. (PERMA), a public entity risk pool currently operating as a common risk management and insurance program for workers' compensation. The Village of Groton pays an annual premium to the pool for its workers' compensation insurance coverage. The agreement for the formation of PERMA provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event.

The pooling agreement allows for the pool to make additional assessments to make the pool self-sustaining. It is not possible to estimate the amount of such additional assessments.

PERMA has published its own financial report for the year ended May 31, 2024, which can be obtained from the Public Employer Risk Management Association, Inc., P.O. Box 12250, Albany, New York 12212-2250.

During the year ended May 31, 2024, the Village incurred premiums of \$44,032.

***Note 11* Judgments and Claims**

The Village is named in certain lawsuits, some of which may be for substantial amounts. These claims are either adequately covered by insurance or, in the opinion of Village officials, will not result in material judgments against the Village or will not be pursued and, therefore, are not expected to have a material effect on the financial statements.

***Note 12* Compliance, Stewardship, and Accountability**

Deficit Fund Balance

At May 31, 2024, the Capital Projects Fund had a deficit fund balance of \$2,219,179. This deficit will be eliminated as short-term debt is redeemed or converted to long-term bond financing.

Deficit Net Position

At May 31, 2024, the Statement of Net Position had an unrestricted deficit of \$662,345 for Business-Type Activities. This is primarily the result of the requirement to record other postemployment benefits liability with no requirement or mechanism to fund this liability (see Note 8). This deficit is not expected to be eliminated during the normal course of operations.

***Note 13* Subsequent Event**

On September 18, 2024 the Village issued a \$4,200,000 Bond Anticipation Note Renewal, maturing September 17, 2025, to finance the construction of a new municipal and public safety building for the Village.

VILLAGE OF GROTON

BUDGETARY COMPARISON SCHEDULE GENERAL FUND - NON-U.S. GAAP BASIS FOR THE YEAR ENDED MAY 31, 2024

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Real Property Taxes	\$ 900,582	\$ 900,582	\$ 900,579	\$ (3)
Real Property Tax Items	10,200	10,200	13,508	3,308
Nonproperty Tax Items	539,000	539,000	577,770	38,770
Departmental Income	538,060	528,100	392,464	(135,636)
Intergovernmental Charges	65,355	75,315	55,710	(19,605)
Use of Money and Property	17,000	17,000	26,289	9,289
Licenses and Permits	9,110	9,110	5,826	(3,284)
Fines and Forfeitures	1,000	1,000	125	(875)
Sale of Property and Compensation for Loss	3,000	3,000	55,935	52,935
Miscellaneous Local Sources	20,858	20,858	20,000	(858)
State Sources	164,913	164,913	90,825	(74,088)
Federal Sources	100,000	100,000	101,738	1,738
Total Revenues	<u>2,369,078</u>	<u>2,369,078</u>	<u>2,240,769</u>	<u>(128,309)</u>
EXPENDITURES				
General Governmental Support	435,403	550,603	260,581	290,022
Public Safety	544,600	544,600	482,671	61,929
Public Health	447,500	447,500	391,029	56,471
Transportation	474,752	474,752	429,442	45,310
Economic Assistance and Opportunity	10,200	10,200	7,775	2,425
Culture and Recreation	222,917	229,717	180,360	49,357
Home and Community Services	92,700	92,700	32,325	60,375
Employee Benefits	347,426	347,426	307,946	39,480
Debt Service (Principal and Interest)	18,875	18,875	18,875	-
Total Expenditures	<u>2,594,373</u>	<u>2,716,373</u>	<u>2,111,004</u>	<u>605,369</u>
Excess of Revenues (Expenditures)	<u>(225,295)</u>	<u>(347,295)</u>	<u>129,765</u>	<u>477,060</u>
OTHER FINANCING SOURCES (USES)				
Interfund Transfers In	-	191,517	8,386	(183,131)
Interfund Transfers (Out)	(122,000)	(191,517)	(191,516)	1
Total Other Financing Sources (Uses)	<u>(122,000)</u>	<u>-</u>	<u>(183,130)</u>	<u>(183,130)</u>
Excess of Revenues and Other Financing Sources Over (Expenditures) and Other (Uses)	<u>(347,295)</u>	<u>(347,295)</u>	<u>(53,365)</u>	<u>\$ 293,930</u>
Appropriated Fund Balance	<u>347,295</u>	<u>347,295</u>		
Net Change	<u>\$ -</u>	<u>\$ -</u>	<u>(53,365)</u>	
Fund Balance, Beginning of Year			<u>1,183,929</u>	
Fund Balance, End of Year			<u>\$ 1,130,564</u>	

See Notes to Required Supplementary Information

VILLAGE OF GROTON

BUDGETARY COMPARISON SCHEDULE SPECIAL REVENUE FUND - NON-U.S. GAAP BASIS FOR THE YEAR ENDED MAY 31, 2024

	Sewer Fund			
	Original Budget	Final Budget	Actual	Variance
REVENUES				
Departmental Income	\$ 432,307	\$ 454,307	\$ 456,650	\$ 2,343
Use of Money and Property	3,560	3,560	78	(3,482)
Miscellaneous	-	-	120	120
Total Revenues	435,867	457,867	456,848	(1,019)
EXPENDITURES				
General Governmental Support	7,000	7,000	6,125	875
Home and Community Services	377,328	499,328	488,529	10,799
Employee Benefits	17,500	17,500	15,949	1,551
Debt Service (Principal and Interest)	29,039	29,039	29,038	1
Total Expenditures	430,867	552,867	539,641	13,226
Excess of Revenues (Expenditures)	5,000	(95,000)	(82,793)	12,207
OTHER FINANCING SOURCES (USES)				
Interfund Transfers In	-	117,000	90,824	(26,176)
Interfund Transfers (Out)	(5,000)	(22,000)	(16,543)	5,457
Total Other Financing Sources (Uses)	(5,000)	95,000	74,281	(20,719)
Excess of Revenues and Other Financing Sources Over (Expenditures) and Other (Uses)	-	-	(8,512)	\$ (8,512)
Appropriated Fund Balance	-	-		
Net Change	\$ -	\$ -	\$ (8,512)	
Fund Balance, Beginning of Year			63,068	
Fund Balance, End of Year			\$ 54,556	

See Notes to Required Supplementary Information

VILLAGE OF GROTON

SCHEDULE OF CHANGES IN THE VILLAGE'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total OPEB Liability										
Service Cost	\$ 97,695	\$ 129,470	\$ 133,970	\$ 90,614	\$ 95,064	\$ 95,316	\$ *	\$ *	\$ *	\$ *
Interest Cost	70,488	60,396	56,863	72,837	73,354	61,313	*	*	*	*
Changes of Benefit Terms	-	(89,905)	-	-	-	-	*	*	*	*
Differences Between Expected and Actual Experience	-	(106,346)	-	(133,124)	-	321,275	*	*	*	*
Changes in Assumptions or Other Inputs Benefit Payments	3,739	(420,079)	(18,859)	539,183	25,753	(201,981)	*	*	*	*
Benefit Payments	(55,066)	(57,754)	(51,745)	(59,105)	(51,293)	(15,721)	*	*	*	*
	116,856	(484,218)	120,229	510,405	142,878	260,202	*	*	*	*
Total OPEB Liability - Beginning of Year	\$ 2,160,471	\$ 2,644,689	2,524,460	2,014,055	1,871,177	1,610,975	*	*	*	*
Total OPEB Liability - End of Year	\$ 2,277,327	\$ 2,160,471	\$ 2,644,689	\$ 2,524,460	\$ 2,014,055	\$ 1,871,177	\$ 1,610,975	\$ *	\$ *	\$ *
Covered Employee Payroll	\$ 869,954	\$ 916,595	\$ 765,994	\$ 769,664	\$ 780,043	\$ 734,648	\$ *	\$ *	\$ *	\$ *
Liability as a Percentage of Covered Payroll	261.78%	235.71%	345.26%	328.00%	258.20%	254.70%				
The Following is a Summary of Changes of Assumptions										
Healthcare Cost Trend Rates	7.80%	7.80%	6.75%	6.50%	6.50%	7.00%	7.25%	*	*	*
Salary Increases	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	*	*	*
Discount Rate	3.67%	3.16%	2.20%	2.16%	3.51%	3.78%	3.61%	*	*	*
Society of Actuaries' Mortality Scale	MP-2021	MP-2021	MP-2021	MP-2020	MP-2018	MP-2018	MP-2017	*	*	*

* Information for periods prior to implementation of GASB Statement No 75 is unavailable and will be completed as it becomes available.

See Notes to Required Supplementary Information

VILLAGE OF GROTON

SCHEDULE OF VILLAGE'S CONTRIBUTIONS NYSLRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employees' Retirement System										
Contractually Required Contribution	\$ 120,633	\$ 100,906	\$ 130,152	\$ 113,330	\$ 121,763	\$ 121,633	\$ 123,811	\$ 110,730	\$ 124,991	\$ 120,967
Contributions in Relation to the Contractually Required Contribution	(120,633)	(100,906)	(130,152)	(113,330)	(121,763)	(121,633)	(123,811)	(110,730)	(124,991)	(120,967)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Village's Covered Employee Payroll for Year Ending May 31,	981,629	916,350	863,594	833,145	869,691	860,872	712,503	774,052	708,593	692,575
Contributions as a Percentage of Covered Employee Payroll	12.3%	11.0%	15.1%	13.6%	14.0%	14.1%	17.4%	14.3%	17.6%	17.5%
Police and Fire Retirement System										
Contractually Required Contribution	\$ 35,458	\$ 33,981	\$ 28,307	\$ 23,030	\$ 24,563	\$ 20,301	\$ 22,191	\$ 21,204	\$ 2,908	\$ 27,639
Contributions in Relation to the Contractually Required Contribution	(35,458)	(33,981)	(28,307)	(23,030)	(24,563)	(20,301)	(22,191)	(21,204)	(2,908)	(27,639)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Village's Covered Employee Payroll for Year Ending May 31,	174,852	165,800	140,430	143,514	141,959	129,318	129,335	124,071	105,879	153,784
Contributions as a Percentage of Covered Employee Payroll	20.3%	20.5%	20.2%	16.0%	17.3%	15.7%	17.2%	17.1%	2.7%	18.0%

See Notes to Required Supplementary Information

VILLAGE OF GROTON

SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED MAY 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employees' Retirement System	0.0033781%	0.0031753%	0.0031595%	0.0028652%	0.0032101%	0.0030810%	0.0032956%	0.0029529%	0.0029164%	0.308120%
Village's Proportion of the Net Pension (Asset)/Liability										
Village's Proportionate Share of the Net Pension (Asset)/Liability	\$ 497,394	\$ 680,915	\$ (258,272)	\$ 2,853	\$ 850,044	\$ 218,300	\$ 106,363	\$ 277,460	\$ 468,092	\$ 104,090
Village's Covered Employee Payroll During the Measurement Period	981,629	916,350	857,733	828,413	862,705	858,115	855,003	757,862	698,739	691,342
Village's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll	50.7%	74.3%	-30.1%	0.3%	98.5%	25.4%	12.4%	36.6%	67.0%	15.1%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.9%	90.8%	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%
The Following is a Summary of Changes of Assumptions										
Inflation	2.90%	2.90%	2.70%	2.70%	2.50%	2.50%	2.50%	2.50%	2.50%	2.70%
Salary Increases	4.40%	4.40%	4.40%	4.40%	4.20%	4.20%	3.80%	3.80%	3.80%	4.90%
Cost of Living Adjustments	1.50%	1.50%	1.40%	1.40%	1.30%	1.30%	1.30%	1.30%	1.30%	1.40%
Investment Rate of Return	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Discount Rate	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Society of Actuaries' Mortality Scale	MP-2021	MP-2021	MP-2021	MP-2020	MP-2019	MP-2018	MP-2017	MP-2016	MP-2014	MP-2014
Police and Fire Retirement System	0.0073817%	0.0077165%	0.0047094%	0.0051414%	0.0103760%	0.0046714%	0.0049585%	0.0042617%	0.0046010%	0.009915%
Village's Proportion of the Net Pension (Asset)/Liability										
Village's Proportionate Share of the Net Pension (Asset)/Liability	\$ 350,100	\$ 425,214	\$ 26,751	\$ 89,268	\$ 554,591	\$ 78,343	\$ 50,118	\$ 88,330	\$ 136,227	\$ 27,292
Village's Covered Employee Payroll During the Measurement Period	174,852	165,800	135,752	138,376	136,553	124,717	130,259	122,833	102,488	164,043
Village's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll	200.2%	256.5%	19.7%	64.5%	406.1%	62.8%	38.5%	71.9%	132.9%	16.6%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.7%	87.4%	98.7%	95.8%	84.9%	95.1%	96.9%	93.5%	90.2%	99.0%
The Following is a Summary of Changes of Assumptions										
Inflation	2.90%	2.90%	2.70%	2.70%	2.50%	2.50%	2.50%	2.50%	2.50%	2.70%
Salary Increases	5.70%	6.20%	6.20%	6.20%	5.00%	5.00%	4.50%	4.50%	3.80%	4.90%
Cost of Living Adjustments	1.50%	1.50%	1.40%	1.40%	1.30%	1.30%	1.30%	1.30%	1.30%	1.40%
Investment Rate of Return	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Discount Rate	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Society of Actuaries' Mortality Scale	MP-2021	MP-2021	MP-2021	MP-2020	MP-2019	MP-2018	MP-2017	MP-2016	MP-2014	MP-2014

See Notes to Required Supplementary Information

VILLAGE OF GROTON

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION MAY 31, 2024

***Note 1* Budget Basis of Accounting**

Except as indicated below, budgets are adopted annually on a basis consistent with U.S. GAAP. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. Encumbrances are not considered a disbursement in the financial plan or expenditure in U.S. GAAP based financial statements. Encumbrances reserve a portion of the applicable appropriation for purchase orders, contracts, and other commitments not expended at year end, thereby ensuring that appropriations are not exceeded.

***Note 2* Budget Policies**

Budget policies are as follows:

- Annual operating budgets are maintained for the following Governmental Fund types:
 - General Fund
 - Special Revenue Funds (Sewer and Water Funds)
- No later than March 31, the budget officer submits the tentative Village budget to the Board of Trustees for the fiscal year commencing the following June. Upon filing the tentative Village budget, a notice is published in the official newspaper of the Village.
- After the public hearing on the recommended budgets, the Mayor and Board of Trustees adopt the final Village budget no later than April 30.
- Annual budgets adopted represent the legal limit on expenditures for that period. At the end of each year unexpended, unencumbered appropriations lapse. Encumbered appropriations do not lapse and are carried forward.
- Expenditures may not legally exceed appropriations at the fund level.
- All modifications of the budget must be approved by the governing board.
- The Board of Trustees may increase the appropriations budget during the fiscal year where additional revenues or expenditures not involved in the original adopted budget are identified.

***Note 3* Reconciliation of the Budget Basis to U.S. GAAP**

No adjustment is necessary to convert the excess of revenues and other sources over expenditures and other uses on the U.S. GAAP basis to the budget basis, as there were no encumbrances recorded at May 31, 2024.

***Note 4* Schedules of Village's Contributions - NYSLRS Pension Plans and Schedules of the Village's Proportionate Share of the Net Pension (Asset)/Liability**

NYSLRS

Changes in Benefit Terms

None.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHERS MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Mayor and Village Trustees
Village of Groton
Groton, New York

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, business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Village of Groton (the Village), as of and for the year ended May 31, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated March 17, 2025. Our report includes a reference to other auditors who audited the financial statements of the Groton Housing Authority, as described in our report on the Village's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village'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 Village's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
March 17, 2025