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Town of Granby, Connecticut June 30, 2025 Audit Presentation

October 27, 2025

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Agenda:

- Terms of the Engagement
- Executive Summary
- Financial Highlights
- Federal and State Single Audits
- Governance Communication
- Upcoming GASB Pronouncements



Terms of the Engagement:

- Express opinions on whether the basic financial statements are presented in accordance with GAAP
- Express an “in relation” to opinion on the schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance.
- Provide a report on internal control over financial reporting and compliance with laws, regulations, contracts and grants
- Express an opinion on compliance related to major federal and state programs
- Provide a report on internal control over compliance related to major federal award and state financial assistance programs



Executive Summary

- Financial Statements

- Unmodified opinions on the financial statements

- Federal Single Audit - DRAFT

- Unmodified opinion on compliance for the major federal program
- No control deficiencies in internal controls over major federal program

- State Single Audit

- Unmodified opinion on the major state programs
- No control deficiencies in internal controls over major programs

Financial Highlights

Government Wide Financial Statements

	Governmental Activities	
	2025	2024
Assets:		
Current and Other Assets	\$ 31,132,902	\$ 30,341,299
Capital Assets, Net of Accumulated Depreciation	71,561,081	70,819,570
Total Assets	102,693,983	101,160,869
Deferred Outflows of Resources	1,941,221	1,914,342
Liabilities:		
Long-Term Debt Outstanding	20,106,188	22,043,233
Other Liabilities	2,661,802	4,156,047
Total Liabilities	22,767,990	26,199,280
Deferred Inflows of Resources	3,612,325	3,282,919
Net Position:		
Net Investment in Capital Assets	58,039,026	55,907,158
Restricted	7,401,758	7,542,793
Unrestricted	12,814,105	10,143,061
Total Net Position	\$ 78,254,889	\$ 73,593,012



Financial Highlights – Governmental Funds

	General	Capital Projects	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 46,266,635	\$ -	\$ -	\$ -	\$ 46,266,635
Intergovernmental	12,802,340	1,389,914	1,508,627	2,676,209	18,377,090
Licenses, Fees, and Charges for Services	634,852	-	-	2,751,076	3,385,928
Investment Income	908,503	142,274	34,210	117,998	1,202,985
Other Revenues	369,065	32,853	-	251,897	653,815
Total Revenues	60,981,395	1,565,041	1,542,837	5,797,180	69,886,453
EXPENDITURES					
Current:					
General Government	5,522,736	-	1,670,760	17,663	7,211,159
Public Safety	3,288,783	-	-	31,086	3,319,869
Public Works and Environmental	3,575,019	-	-	666,046	4,241,065
Recreation and Social Services	966,347	-	-	1,313,675	2,280,022
Education	42,541,338	-	-	3,199,881	45,741,219
Capital Outlay	-	4,552,918	-	-	4,552,918
Debt Service	1,737,913	158,134	-	-	1,896,047
Total Expenditures	57,632,136	4,711,052	1,670,760	5,228,351	69,242,299
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,349,259	(3,146,011)	(127,923)	568,829	644,154
OTHER FINANCING SOURCES (USES)					
Transfers In	18,431	6,759,205	14,500	89,375	6,881,511
Transfers Out	(6,339,375)	-	-	(542,136)	(6,881,511)
Issuance of Leases	-	438,000	-	-	438,000
Total Other Financing Sources (Uses)	(6,320,944)	7,197,205	14,500	(452,761)	438,000
NET CHANGES IN FUND BALANCES	(2,971,685)	4,051,194	(113,423)	116,068	1,082,154
Fund Balances - Beginning of Year	14,993,708	(94,392)	172,653	5,717,244	20,789,213
FUND BALANCES - END OF YEAR	<u>\$ 12,022,023</u>	<u>\$ 3,956,802</u>	<u>\$ 59,230</u>	<u>\$ 5,833,312</u>	<u>\$ 21,871,367</u>



Financial Highlights

- Internal Service Fund
 - Net position at year end \$1.6M
 - Net position increased \$1.3M
- Pension and Other Postemployment Benefits (OPEB)
 - Pension trust fund net position increased by \$2M to \$25.4M
 - Net Pension liability - \$859K, Prior Year – \$1.6M
 - 96.73% funded, up from 93.71% in prior year
 - OPEB trust fund net position increased by \$609K to \$6.7M
 - Net OPEB liability - \$5.1M, Prior Year - \$4.8M
 - 56.53% funded, up from 55.69% in prior year



Financial Highlights – Pension and OPEB Trust Funds

	Pension Trust Fund	OPEB Trust Fund
ADDITIONS		
Contributions:		
Employer	\$ 631,221	\$ -
Employee	208,665	-
Total	<u>839,886</u>	<u>-</u>
INVESTMENT INCOME		
Net Appreciation in Fair Value of		
Investments	2,091,980	736,780
Interest and Dividends	705,926	-
Total Investment Gain	<u>2,797,906</u>	<u>736,780</u>
Less Investment Expenses:		
Investment Management Fees	43,709	-
Net Investment Income	<u>2,754,197</u>	<u>736,780</u>
Total Additions	3,594,083	736,780
DEDUCTIONS		
Benefits	1,615,637	124,884
Administrative Expenses	12,471	2,946
Total Deductions	<u>1,628,108</u>	<u>127,830</u>
CHANGE IN NET POSITION	1,965,975	608,950
Net Position - Beginning of Year	<u>23,464,212</u>	<u>6,067,735</u>
NET POSITION - END OF YEAR	<u>\$ 25,430,187</u>	<u>\$ 6,676,685</u>



Financial Highlights

- General Fund – Budgetary Basis
 - Total revenues exceeded budget by \$1.98M
 - Total property tax collections were \$45.3M
 - Property Tax Collections – 99.32% in the current and 98.93% in the prior year
 - Actual expenditures below budget by \$1.9M
 - Additional appropriations of \$9,335 were approved during the year

Federal Single Audit: (DRAFT, compliance supplement not final)

- Total federal awards expended - \$2.8M
- Major program:
 - ◇ American Rescue Plan Act Local Fiscal Recovery (ARPA)
- Unmodified opinion on major program compliance
- No findings on internal controls over major program tested



State Single Audit:

- Total state awards expended - \$8.3M, \$2.4M subject to single audit
- Major program:
 - ◇ Small Town Economic Assistance Program (STEAP)
 - ◇ Open Choice
- Unmodified opinion on major program compliance
- No findings on internal controls over major program tested

Governance Communication:

- GASB 101 – *Compensated Absences* adopted
- Significant Estimates
 - Net Pension Liability, Net OPEB Liability
 - Incurred but not reported (IBNR) health insurance claims
- No disagreements with management
- No difficulties encountered in performing the audit
- Uncorrected misstatements – immaterial lease and SBITA entries
- No independence issues

Governance Communication:

- Management did not consult with other independent accountants
- No significant issues discussed with management prior to engagement

GASB Standards:

- Implementation Year 2026:
 - Statement 103 – Financial Reporting Model Improvements
 - Statement 104 – Disclosure of Certain Capital Assets

A first-person perspective of a teal mountain bike on a paved road. The bike's handlebars with orange grips and a red fender are visible at the top. The road stretches forward, flanked by dense evergreen forests. The sun is low on the right side, creating a bright lens flare effect. The word "Questions?" is written in white serif font on the left side of the road.

Questions?

