

TOWN OF MORETOWN, VERMONT
FINANCIAL STATEMENTS
AND
INDEPENDENT ACCOUNTANT'S REVIEW REPORT
DECEMBER 31, 2018

TOWN OF MORETOWN, VERMONT

DECEMBER 31, 2018

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Select Board
Town of Moretown, VT

We have reviewed the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Moretown, VT, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services issued by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Supplementary Information

The combining statements of nonmajor governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to such information in order for it to be in conformity with the modified cash basis of accounting described in Note 1. We have not audited such information and do not express an opinion on it.

The Select Board
Town of Moretown, VT

The schedule of budgetary comparison information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. We have not audited or reviewed such information and do not express an opinion, a conclusion, nor provide any assurance on it.

Pace & Hawley, LLC

January 25, 2019
Berlin, VT

TOWN OF MORETOWN, VERMONT
Statement of Net Position - Modified Cash Basis
December 31, 2018

| | Governmental Activities |
|---------------------------------|----------------------------|
| Assets | |
| Cash and cash equivalents | \$ 800,274 |
| Investments | 555,361 |
| Due from school district | 60,805 |
| Other assets | 1,108 |
| Total assets | 1,417,548 |
| Liabilities | |
| Accrued payroll withholding | 2,532 |
| Due to State of Vermont | 37,290 |
| Due to Delinquent Tax Collector | 1,072 |
| Total liabilities | 40,894 |
| Net position | |
| Restricted | 131,235 |
| Unrestricted | 1,245,419 |
| Total net position | \$ 1,376,654 |

See accompanying notes and independent accountant's review report.

TOWN OF MORETOWN, VERMONT
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2018

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Change in Net Position |
|--------------------------------|---------------------|-------------------------|--|--|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| Governmental activities | | | | | |
| General government | \$ 462,387 | \$ 24,794 | \$ 94,370 | \$ - | \$ (343,223) |
| Highways and streets | 648,182 | 633 | 166,158 | 21,003 | (460,388) |
| Public safety | 63,170 | 1,075 | 26,539 | - | (35,556) |
| Culture and recreation | 36,606 | - | 401 | - | (36,205) |
| Cemetery | 9,877 | 500 | - | - | (9,377) |
| Debt service - principal | 143,352 | - | - | - | (143,352) |
| Debt service - interest | 30,868 | - | - | - | (30,868) |
| Total governmental activities | \$ <u>1,394,442</u> | \$ <u>27,002</u> | \$ <u>287,468</u> | \$ <u>21,003</u> | <u>(1,058,969)</u> |
| | | General revenues | | | |
| | | | | | 987,069 |
| | | | | | 5,769 |
| | | | | | 5,380 |
| | | | | | 50,805 |
| | | | | | <u>1,049,023</u> |
| | | | | | (9,946) |
| | | | | | <u>1,386,600</u> |
| | | | | | \$ <u>1,376,654</u> |

See accompanying notes and independent accountant's review report.

TOWN OF MORETOWN, VERMONT
Balance Sheet - Modified Cash Basis - Governmental Funds
December 31, 2018

| | General Fund | Savings Reserve Fund | Capital Reserve Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-------------------|----------------------------|----------------------------|-----------------------------------|--------------------------------|
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Assets | | | | | |
| Cash and cash equivalents | \$ 13,567 | \$ 571,861 | \$ 111,463 | \$ 103,383 | \$ 800,274 |
| Investments | - | 502,474 | - | 52,887 | 555,361 |
| Due from school district | 60,805 | - | - | - | 60,805 |
| Other assets | 1,108 | - | - | - | 1,108 |
| Due from other funds | 5,543 | - | - | - | 5,543 |
| Total assets | <u>\$ 81,023</u> | <u>\$ 1,074,335</u> | <u>\$ 111,463</u> | <u>\$ 156,270</u> | <u>\$ 1,423,091</u> |
| Liabilities and fund balances | | | | | |
| Liabilities: | | | | | |
| Accrued payroll withholding | \$ 2,532 | \$ - | \$ - | \$ - | \$ 2,532 |
| Due to State of Vermont | 37,290 | - | - | - | 37,290 |
| Due to Delinquent Tax Collector | 1,072 | - | - | - | 1,072 |
| Due to other funds | - | - | - | 5,543 | 5,543 |
| Total liabilities | <u>40,894</u> | <u>-</u> | <u>-</u> | <u>5,543</u> | <u>46,437</u> |
| Fund balances: | | | | | |
| Restricted | - | - | - | 131,235 | 131,235 |
| Committed | - | 1,074,335 | 111,463 | 25,035 | 1,210,833 |
| Assigned | 29,100 | - | - | - | 29,100 |
| Unassigned | 11,029 | - | - | (5,543) | 5,486 |
| Total fund balances | <u>40,129</u> | <u>1,074,335</u> | <u>111,463</u> | <u>150,727</u> | <u>1,376,654</u> |
| Total liabilities, and fund balances | <u>\$ 81,023</u> | <u>\$ 1,074,335</u> | <u>\$ 111,463</u> | <u>\$ 156,270</u> | <u>\$ 1,423,091</u> |

See accompanying notes and independent accountant's review report.

TOWN OF MORETOWN, VERMONT
Statement of Revenues, Expenditures and Changes
in Fund Balances - Modified Cash Basis - Governmental Funds
For the Year Ended December 31, 2018

| | General Fund | Savings Reserve Fund | Capital Reserve Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---------------------------------------|------------------|----------------------------|----------------------------|-----------------------------------|--------------------------------|
| Revenues | | | | | |
| Property taxes | \$ 986,569 | \$ - | \$ - | \$ 500 | \$ 987,069 |
| Interest on delinquent taxes | 5,769 | - | - | - | 5,769 |
| Intergovernmental | 271,190 | - | - | 29,752 | 300,942 |
| Permits, licenses and fees | 26,505 | - | - | 1,836 | 28,341 |
| Investment income | 1,175 | 3,089 | 479 | 637 | 5,380 |
| Donations | - | - | - | 6,190 | 6,190 |
| Miscellaneous | 50,149 | - | - | 656 | 50,805 |
| Total revenues | <u>1,341,357</u> | <u>3,089</u> | <u>479</u> | <u>39,571</u> | <u>1,384,496</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | 458,663 | - | - | 3,724 | 462,387 |
| Highways and streets | 627,085 | - | - | - | 627,085 |
| Public safety | 63,170 | - | - | - | 63,170 |
| Culture and recreation | 30,903 | - | - | 5,703 | 36,606 |
| Cemetery | 8,175 | - | - | 1,702 | 9,877 |
| Capital outlay | - | - | - | 21,097 | 21,097 |
| Debt service - principal | 143,352 | - | - | - | 143,352 |
| Debt service - interest | 30,868 | - | - | - | 30,868 |
| Total expenditures | <u>1,362,216</u> | <u>-</u> | <u>-</u> | <u>32,226</u> | <u>1,394,442</u> |
| Excess of revenues or (expenditures) | <u>(20,859)</u> | <u>3,089</u> | <u>479</u> | <u>7,345</u> | <u>(9,946)</u> |
| Other financing sources (uses) | | | | | |
| Transfers in (out) | 46,140 | - | (49,572) | 3,432 | - |
| Net change in fund balances | 25,281 | 3,089 | (49,093) | 10,777 | (9,946) |
| Fund balances, beginning of year | 14,848 | 1,071,246 | 160,556 | 139,950 | 1,386,600 |
| Fund balances, end of year | <u>\$ 40,129</u> | <u>\$ 1,074,335</u> | <u>\$ 111,463</u> | <u>\$ 150,727</u> | <u>\$ 1,376,654</u> |

See accompanying notes and independent accountant's review report.

TOWN OF MORETOWN, VERMONT
Statement of Fiduciary Net Position - Modified Cash Basis
December 31, 2018

| | | Private Purpose Trust Fund |
|---|----|-------------------------------------|
| | | <u>Charles O'Davis Fund</u> |
| Assets | | |
| Cash and cash equivalents | \$ | 17,650 |
| Investments | | <u>63,635</u> |
| Total assets | | <u>81,285</u> |
| Liabilities | | |
| | | <u>-</u> |
| Net position | | |
| Restricted for: | | |
| Held in trust for individuals and organizations | | <u>81,285</u> |
| Total net position | \$ | <u><u>81,285</u></u> |

See accompanying notes and independent accountant's review report.

TOWN OF MORETOWN, VERMONT
Statement of Changes in Fiduciary Net Position - Modified Cash Basis
For the Year Ended December 31, 2018

| | Private Purpose Trust Funds <hr/> Charles O'Davis Fund <hr/> |
|---------------------------------|---|
| Additions | |
| Investment income | \$ <u>2,820</u> |
| Deductions | <u>-</u> |
| Change in net position | 2,820 |
| Net position, beginning of year | <u>78,465</u> |
| Net position, end of year | \$ <u>81,285</u> |

See accompanying notes and independent accountant's review report.

TOWN OF MORETOWN, VERMONT
Notes to Financial Statements
December 31, 2018

1. Summary of significant accounting policies

The Town of Moretown, VT (the Town) is a unit of local government organized under the statutes of the State of Vermont. The Town operates under a Select Board form of government and provides the following services: public safety, highways and streets, community development, culture and recreation, public improvements, planning and zoning, and general and administrative services.

As discussed further in Note 1.C., these financial statements are presented on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

A. Financial reporting entity

The Town is a primary government under reporting criteria established by the GASB. In evaluating how to define the government for financial reporting purposes, management has considered all potential component units and evaluated them against the criteria established by the GASB. Based on these criteria, there are no other entities that are considered to be component units of the Town that should be included in these financial statements.

B. Basis of presentation

Fund accounting: The accounts of the Town are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Government-wide statements: The Statement of Net Position and the Statement of Activities present financial information about the Town as a whole within the limitations of the modified cash basis of accounting. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. The effect of interfund activity has been removed from these statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund financial statements: Fund financial statements are presented according to each fund category; governmental and fiduciary. Separate financial statements are provided for each of these categories. Major governmental funds are reported as separate columns in the fund financial statements. All remaining funds are aggregated and reported as non-major funds.

The Town reports the following major governmental funds:

General Fund - The General Fund is the primary operating fund of the Town. It is used to account for all financial resources not accounted for and reported in another fund.

Savings Reserve Fund - This special revenue fund accounts for landfill hosting fees committed for tax stabilization.

Capital Reserve Fund - This capital project fund accounts for assets committed for capital needs.

The Town also reports fiduciary activities for the Charles O'Davis Fund.

TOWN OF MORETOWN, VERMONT
Notes to Financial Statements
December 31, 2018

1. Summary of significant accounting policies (continued)

C. Measurement focus and basis of accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. Measurement focus is a term used to describe when transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied.

Measurement focus - The government-wide financial statements and fiduciary fund financial statements are reported using the economic resources measurement focus, within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of changes in net position and net financial position. All assets, deferred outflows, liabilities, deferred inflows associated with their activities are generally reported within the limitations of the modified cash basis of accounting.

Governmental fund financial statements are reported using the current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources for a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of accounting - Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of measurement made, regardless of the measurement focus applied.

The financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by the GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position, or balance sheets, cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments, amounts due to the State of Vermont, payroll withholdings, property taxes paid in advance, amounts outstanding on its lines of credit, and interfund receivables and payables. General capital asset acquisitions are reported as expenditures. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues and certain liabilities and their related expenses or expenditures are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the Town utilized the basis of accounting recognized as generally accepted in the United States, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

- D. Governmental fund equity – The difference among assets, deferred outflows, liabilities, and deferred inflows of governmental funds is reported as fund balance and classified as nonspendable, restricted, committed, assigned and unassigned based on the respective level of constraint. These constraints are defined as follows:

Nonspendable – Resources which cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

TOWN OF MORETOWN, VERMONT
Notes to Financial Statements
December 31, 2018

1. Summary of significant accounting policies (continued)

Restricted - Resources with constraints placed on the use of resources which are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Committed - Resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner. For the purposes of defining the committed fund balance category, the Town considers the taxpayers, through voted Town Articles, its highest level of decision-making authority.

Assigned - Resources neither restricted nor committed for which a government has a stated intended use as established by the Select Board or a body or official to which the Select Board has delegated the authority to assign amounts for specific purposes.

Unassigned - Resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include any negative residual balance resulting from expenditures exceeded amounts restricted, committed or assigned for a specific purpose.

The Town has not formalized a policy which identifies which fund balance classification is affected when an expenditure has been incurred for purposes for which restricted, committed, assigned or unassigned amounts could be used.

- E. Budgetary accounting - The operating budget of the General Fund is prepared by the Town on the budgetary basis of accounting. The budget is approved at Town Meeting and the Select Board sets the tax rate based on the grand list and approved budget.
- F. Estimates - The preparation of the financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, or expenses during the reported period. Actual results could differ from those estimates.
- G. Cash and cash equivalents - Cash and cash equivalents consists of cash and short-term investments with an original maturity of three months or less.
- H. Investments - Investments are recorded at cost.
- I. Education property taxes – The Town serves as an agent for the State of Vermont. As required by State statute, the Town bills, collects and remits education property taxes. Amounts received for such purposes are considered an agency function and are not recorded as Town revenues.
- J. Interfund balances and transfers - Interfund receivables and payables represent transactions incurred within the fund for other funds. These accounts are expected to be eliminated in the normal course of operations. Interfund transfers represent flows of cash or goods from one fund to another without a requirement for repayment.

TOWN OF MORETOWN, VERMONT
Notes to Financial Statements
December 31, 2018

2. Cash and investments

Custodial credit risk-deposits – Custodial credit risk is the risk that in the event of bank failure, the Town’s deposits may not be returned to it. As of December 31, 2018, the Town reported cash and cash equivalents of \$817,924, which included \$17,650 of cash held in a trustee capacity and reported as fiduciary activities. As of December 31, 2018, the entire amount of the Town’s cash bank balance was insured by the FDIC.

As of December 31, 2018, the Town reported investments at cost value of \$618,996, which included \$63,635 held in a trustee capacity and reported as fiduciary activities. The Town’s investments were all held in certificates of deposit as of December 31, 2018.

3. Property taxes

Property taxes attach as an enforceable lien on property owned as of April 1st. Property taxes for the year ended December 31, 2018 were payable in one installment, due November 1, 2018. During the year ended December 31, 2018, the Town collected and distributed \$3,097,582 in educational property taxes as instructed by the State of Vermont. Subsequent to year end the state will issue its final education property tax reconciliation. The Town estimates that the state’s final reconciliation will show a \$60,805 overpayment and accordingly the Town has recorded this balance as a receivable as of December 31, 2018.

4. Risk management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, and injuries to employees. The Town maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town.

5. Due to the State of Vermont

The Town has recorded a December 31, 2018, liability of \$37,290 due to the State of Vermont. This amount includes grant proceeds from the State of Vermont Agency of Transportation of \$37,335. The state grant money was intended to pay expenditures associated with box culverts on Ward Brook which were originally excluded from reimbursement by FEMA. However, upon review of the project, FEMA modified the scope of work to include the box culverts. As a result, the Town has recorded the state grant money as a liability. The liability will be eliminated when the funds are repaid or approved by the State of Vermont for an alternative purpose.

6. Short-term debt

The Town utilizes short-term borrowing to coordinate cash flow needs. On January 3, 2018, the Town obtained a tax anticipation note which allowed for borrowing up to \$650,000 at an interest rate of 2.73% due December 31, 2018.

The following is a summary of changes in short-term debt:

| | | |
|----------------------------|----|----------------|
| Balance, beginning of year | \$ | - |
| Additions | | 650,000 |
| Retirements | | <u>650,000</u> |
| Balance, end of year | \$ | <u>-</u> |

Subsequent to year end, on January 3, 2019 the Town obtained a tax anticipation note which allowed for borrowing up to \$750,000 at an interest rate of 3.25% due December 31, 2019.

TOWN OF MORETOWN, VERMONT
Notes to Financial Statements
December 31, 2018

7. Long-term liabilities

Long-term liabilities consisted of the following at December 31, 2018:

Governmental activities

| | |
|---|-------------------|
| Note payable, Community Bank, deficit refunding, principal payments of \$16,000 payable on December 20th annually, interest rate of 2.75%, through December 20, 2021 | \$ 48,000 |
| Bond payable, Vermont Municipal Bond Bank, Town Garage, principal payments of \$45,000 payable on November 1st annually, interest payable on May 1st and November 1st, through November 1, 2029 | 495,000 |
| Note payable, Community National Bank, Town Hall capital improvements, principal and interest payments of \$9,403 payable on December 28th annually, interest rate of 3.5%, through December 28, 2019 | 9,256 |
| Note payable, Community Bank, Town Office capital improvements, principal payments of \$8,000 and interest at a rate of 1.72% due May 6th annually, through May 6, 2020 | 16,000 |
| Note payable, Community Bank, 1996 fire truck, principal payments of \$16,000 payable on November 20th annually, interest rate of 1.71%, through November 20, 2021 | 48,000 |
| Note payable, Community Bank, 2018 International truck, principal payments of \$49,572 payable annually, interest rate of 2.35%, through 2020 | <u>99,145</u> |
| | <u>\$ 715,401</u> |

The following is a summary of changes in long-term liabilities:

| | Balance January 1, <u>2018</u> | <u>Additions</u> | <u>Retirements</u> | Balance December 31, <u>2018</u> | Due Within <u>One Year</u> |
|-------------------------|--------------------------------------|------------------|--------------------|--|----------------------------------|
| Governmental activities | | | | | |
| Bonds payable | \$ 540,000 | \$ - | \$ 45,000 | 495,000 | \$ 45,000 |
| Notes payable | <u>318,753</u> | <u>-</u> | <u>98,352</u> | <u>220,401</u> | <u>98,839</u> |
| | <u>\$ 858,753</u> | <u>\$ -</u> | <u>\$ 143,352</u> | <u>\$ 715,401</u> | <u>\$ 143,839</u> |

TOWN OF MORETOWN, VERMONT
Notes to Financial Statements
December 31, 2018

7. Long-term liabilities (continued)

Annual maturities of long-term liabilities are as follows:

| Year ending December 31, | <u>Principal</u> | <u>Interest</u> |
|--------------------------|-------------------|-------------------|
| 2019 | \$ 143,839 | \$ 26,113 |
| 2020 | 134,562 | 23,234 |
| 2021 | 77,000 | 19,473 |
| 2022 | 45,000 | 16,865 |
| 2023 | 45,000 | 14,907 |
| 2024-2028 | 225,000 | 43,514 |
| 2029 | <u>45,000</u> | <u>2,241</u> |
| | <u>\$ 715,401</u> | <u>\$ 146,347</u> |

8. Retirement plan

Vermont Municipal Employees Retirement System - The Town contributes to the Vermont Municipal Employees Retirement System (VMERS), a cost-sharing multiple-employer public employee retirement system with defined benefit plans, administered by the State of Vermont. VMERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The State statutory provisions, found in Title 24, V.S.A., Chapter 125, govern eligibility for benefits, service requirements and benefit provisions. The general administration and responsibility for the operation of VMERS is vested in the Board of Trustees. VMERS issues annual financial information which is available at the VMERS' office, 133 State Street, Montpelier, VT 05602.

Employees meeting certain eligibility requirements are covered under the VMERS defined benefit plan. Town employees participating in this plan (Group B) are required to contribute 4.875% of gross wages and the Town contributes 5.500% of the employees' gross wages to the plan. The Town's contributions to VMERS for the years ended December 31, 2018, 2017 and 2016 were \$13,120, \$13,142, and \$13,068, respectively.

Because of the use of a modified cash basis of accounting, the Town's proportionate share of the VMERS's net pension liability is not reported in the Town's financial statements as a liability. Pension expense or expenditures are only reported when contributions are paid by the Town to VMERS.

9. Tax stabilization

Amounts committed for tax stabilization in the Savings Reserve Fund were primarily the result of previous landfill host fees being committed for such purposes by voter approved articles. The Moretown landfill did not accept solid waste during 2018 and accordingly the Town did not receive any landfill host fees for the year ended December 31, 2018. There are no specific requirements for additions to the Savings Reserve Fund. Distributions from the Savings Reserve Fund shall be approved by the Select Board and shall be required to coincide with the Town budget and the capital improvement plan.

10. Contingencies

Grants - The Town receives significant financial assistance from the State of Vermont and Federal government through grants and other forms of state aid. Entitlement to these resources is generally based on compliance with terms and conditions of grant agreements and applicable state regulations, including the expenditure of the resources for eligible purposes. These funds are subject to audit by the granting authority in order to ensure compliance. Any disallowance as a result of these audits becomes a liability of the Town. Other than the liability described in Note 5, Management believes that there are no significant contingent liabilities relating to compliance with grant agreements and applicable state regulations.

TOWN OF MORETOWN, VERMONT
Notes to Financial Statements
December 31, 2018

11. Governmental fund equity

As of December 31, 2018, governmental fund balances consisted of the following:

| | <u>General Fund</u> | <u>Savings Reserve Fund</u> | <u>Capital Reserve Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---------------------|-------------------------|-------------------------------------|-------------------------------------|--|---|
| Restricted for: | | | | | |
| Reappraisal | \$ - | \$ - | \$ - | \$ 62,047 | \$ 62,047 |
| Recreation | - | - | - | 1,544 | 1,544 |
| Library | - | - | - | 5,278 | 5,278 |
| Preservation | - | - | - | 5,259 | 5,259 |
| Cemetery | - | - | - | 57,107 | 57,107 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>131,235</u> | <u>131,235</u> |
| Committed to: | | | | | |
| Tax stabilization | - | 1,074,335 | - | - | 1,074,335 |
| Capital projects | - | - | 111,463 | - | 111,463 |
| Bridge and culvert | - | - | - | 25,035 | 25,035 |
| | <u>-</u> | <u>1,074,335</u> | <u>111,463</u> | <u>25,035</u> | <u>1,210,833</u> |
| Assigned to: | | | | | |
| Deeryard | 29,100 | - | - | - | 29,100 |
| Unassigned | 11,029 | - | - | (5,543) | 5,486 |
| Total fund balances | \$ <u>40,129</u> | \$ <u>1,074,335</u> | \$ <u>111,463</u> | \$ <u>150,727</u> | \$ <u>1,376,654</u> |

12. Interfund balances

Interfund receivable and payable balances at December 31, 2018 were as follows:

| | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|-----------------------------|---------------------------------|------------------------------|
| Governmental activities | | |
| General Fund | \$ 5,543 | \$ - |
| Nonmajor Governmental Funds | - | 5,543 |
| | <u>\$ 5,543</u> | <u>\$ 5,543</u> |

The interfund payable and interfund receivables result from the pooling of cash in a common bank account.

13. Interfund transfers

Interfund transfers for the year ended December 31, 2018 consisted of the following:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|-----------------------------|---------------------|----------------------|
| General Fund | \$ 46,140 | \$ - |
| Capital Reserve Fund | - | 49,572 |
| Nonmajor Governmental Funds | 3,432 | - |
| | <u>\$ 49,572</u> | <u>\$ 49,572</u> |

The \$49,572 transfer from the Capital Reserve Fund to the General Fund was used to pay the debt service on the 2018 International truck, which was reported as an expenditure in the General Fund. The \$3,432 transfer from the General Fund to the Nonmajor Governmental Funds was to transfer the Town's share of the sidewalk construction project.

TOWN OF MORETOWN, VERMONT
Notes to Financial Statements
December 31, 2018

14. Mad River Resource Management Alliance

The Town is a participating member in the Mad River Resource Management Alliance. The Town could be subject to a portion of the Alliance's debt if the Alliance experiences financial problems.

15. Excess expenditures over budget

For the year ended December 31, 2018, General Fund expenditures exceeded appropriations by \$226,243. This is primarily due to emergency highway repairs to Lover's Lane which was partially offset by grant revenue, replacement of firemen's uniforms damaged in a gas spill which was partially offset by insurance proceeds and an unbudgeted debt service payment that was offset by a transfer from the Capital Reserve Fund.

16. Deficit fund balance

The Town anticipates eliminating the December 31, 2018 fund deficit in the Sidewalk Fund of \$1,539 by receiving additional reimbursement funds from the State of Vermont and using funds assigned in the General Fund for the Children Deeryard. The Town anticipates eliminating the December 31, 2018 fund deficit in the Planning Grant Fund by receiving additional grant funds or transferring money from the General Fund.

TOWN OF MORETOWN, VERMONT
Schedule of Revenues and Expenditures - Budget and Actual
Budgetary Basis - General Fund
For the Year Ended December 31, 2018
(Page 1 of 8)

| | Original Budget | Final Budget | Actual Budgetary Basis | Variance Favorable (Unfavorable) |
|------------------------------|--------------------|------------------|------------------------------|--|
| Revenues | | | | |
| Property taxes | \$ 971,368 | \$ 971,368 | \$ 986,569 | \$ 15,201 |
| Interest on delinquent taxes | - | - | 5,769 | 5,769 |
| Intergovernmental | 161,062 | 161,062 | 271,190 | 110,128 |
| Permits, licenses and fees | 14,550 | 14,550 | 26,505 | 11,955 |
| Investment income | - | - | 1,175 | 1,175 |
| Miscellaneous | 10,880 | 10,880 | 50,149 | 39,269 |
| Total revenues | <u>1,157,860</u> | <u>1,157,860</u> | <u>1,341,357</u> | <u>183,497</u> |
| Expenditures | | | | |
| Town Office | | | | |
| Custodial services | 1,690 | 1,690 | 2,750 | (1,060) |
| Building maintenance | 2,000 | 2,000 | 8,493 | (6,493) |
| Equipment maintenance | 4,200 | 4,200 | 8,620 | (4,420) |
| Equipment lease-copier | 2,076 | 2,076 | 2,247 | (171) |
| Telephone | 5,000 | 5,000 | 5,542 | (542) |
| Postage | 2,500 | 2,500 | 2,474 | 26 |
| Land records book | 1,500 | 1,500 | - | 1,500 |
| Supplies | 3,000 | 3,000 | 3,346 | (346) |
| Electricity | 3,000 | 3,000 | 3,480 | (480) |
| Equipment purchase | 1,500 | 1,500 | 1,171 | 329 |
| Debt retirement - principal | 8,000 | 8,000 | 8,000 | - |
| Debt retirement - interest | 540 | 540 | 412 | 128 |
| Total Town Office | <u>35,006</u> | <u>35,006</u> | <u>46,535</u> | <u>(11,529)</u> |
| Town Hall | | | | |
| Custodial wages | 1,000 | 1,000 | 1,297 | (297) |
| FICA/Medicare | 77 | 77 | 95 | (18) |
| Building maintenance | 6,000 | 6,000 | 25,085 | (19,085) |
| Supplies | 150 | 150 | 1,275 | (1,125) |
| Electricity | 750 | 750 | 857 | (107) |
| Heating fuel | 2,500 | 2,500 | 3,172 | (672) |
| Debt retirement - principal | 8,780 | 8,780 | 8,779 | 1 |
| Debt retirement - interest | 625 | 625 | 623 | 2 |
| Total Town Hall | <u>19,882</u> | <u>19,882</u> | <u>41,183</u> | <u>(21,301)</u> |
| Library | | | | |
| Librarian pay | 13,725 | 13,725 | 14,400 | (675) |
| Assistant Librarian pay | 5,850 | 5,850 | 4,646 | 1,204 |
| FICA/Medicare | 1,564 | 1,564 | 1,457 | 107 |
| Rental port-o-let | 1,200 | 1,200 | 1,330 | (130) |
| Building maintenance | 2,000 | 2,000 | 1,968 | 32 |
| Equipment/maintenance | 500 | 500 | 329 | 171 |
| Telephone | 1,100 | 1,100 | 990 | 110 |
| Printing / advertising | 75 | 75 | - | 75 |
| Training/mileage | 300 | 300 | 107 | 193 |
| Memberships | 600 | 600 | 629 | (29) |
| <i>continued</i> | | | | |

See independent accountant's review report.

TOWN OF MORETOWN, VERMONT
Schedule of Revenues and Expenditures - Budget and Actual
Budgetary Basis - General Fund
For the Year Ended December 31, 2018

(Page 2 of 8)

| | Original Budget | Final Budget | Actual Budgetary Basis | Variance Favorable (Unfavorable) |
|---|--------------------|-----------------|------------------------------|--|
| <i>continued</i> | | | | |
| Supplies | 300 | 300 | 365 | (65) |
| Postage | 400 | 400 | 278 | 122 |
| Electricity | 500 | 500 | 536 | (36) |
| Heating fuel | 700 | 700 | 890 | (190) |
| Books, periodicals, etc. | 3,000 | 3,000 | 2,578 | 422 |
| Performer grant | - | - | 200 | (200) |
| Programming | 200 | 200 | 200 | - |
| Total Library | <u>32,014</u> | <u>32,014</u> | <u>30,903</u> | <u>1,111</u> |
| Town Meeting | | | | |
| Election officials pay | 2,000 | 2,000 | 1,524 | 476 |
| FICA/Medicare | 170 | 170 | 268 | (98) |
| Printing and publications | 4,000 | 4,000 | 3,688 | 312 |
| Meals | 100 | 100 | 83 | 17 |
| Total Town Meeting | <u>6,270</u> | <u>6,270</u> | <u>5,563</u> | <u>707</u> |
| Town Reports | | | | |
| Postage/labeling | 700 | 700 | 589 | 111 |
| Printing | 3,200 | 3,200 | 1,688 | 1,512 |
| Total Town Reports | <u>3,900</u> | <u>3,900</u> | <u>2,277</u> | <u>1,623</u> |
| General town expenses | | | | |
| Miscellaneous | 1,200 | 1,200 | 802 | 398 |
| Unemployment | 500 | 500 | 780 | (280) |
| Legal - Select Board | - | - | 3,417 | (3,417) |
| Legal - tax sales | - | - | 1,271 | (1,271) |
| General legal | 5,000 | 5,000 | 2,069 | 2,931 |
| Recreation mowing | 5,000 | 5,000 | 8,862 | (3,862) |
| Washington County tax | 18,000 | 18,000 | 18,188 | (188) |
| Liability - workers compensation | 62,000 | 62,000 | 61,747 | 253 |
| Website | 250 | 250 | - | 250 |
| Health Reimbursement Account | 8,450 | 8,450 | 7,041 | 1,409 |
| Health Reimbursement Account - prior year | 250 | 250 | - | 250 |
| Street flags | 500 | 500 | 482 | 18 |
| LHMPG-Grant | - | - | 278 | (278) |
| Street lights | 3,000 | 3,000 | 3,475 | (475) |
| Shortfall note - principal | 16,000 | 16,000 | 16,000 | - |
| Shortfall note - interest | 2,190 | 2,190 | 1,725 | 465 |
| Tax anticipation note - interest | 500 | 500 | 568 | (68) |
| Total general town expenses | <u>122,840</u> | <u>122,840</u> | <u>126,705</u> | <u>(3,865)</u> |
| Memberships | | | | |
| Montpelier ambulance | 13,322 | 13,322 | 13,128 | 194 |
| CVEDC dues | 800 | 800 | 1,600 | (800) |
| Central VT regional plan | 1,874 | 1,874 | 1,874 | - |
| VLCT dues | 2,870 | 2,870 | 2,932 | (62) |
| <i>continued</i> | | | | |

See independent accountant's review report.

TOWN OF MORETOWN, VERMONT
Schedule of Revenues and Expenditures - Budget and Actual
Budgetary Basis - General Fund
For the Year Ended December 31, 2018
(Page 3 of 8)

| | Original Budget | Final Budget | Actual Budgetary Basis | Variance Favorable (Unfavorable) |
|----------------------------|--------------------|-----------------|------------------------------|--|
| <i>continued</i> | | | | |
| MRRM Alliance | 9,948 | 9,948 | 9,948 | - |
| Total memberships | <u>28,814</u> | <u>28,814</u> | <u>29,482</u> | <u>(668)</u> |
| Tax Collector | | | | |
| FICA/Medicare | 500 | 500 | 691 | (191) |
| Supplies | 250 | 250 | 268 | (18) |
| Total Tax Collector | <u>750</u> | <u>750</u> | <u>959</u> | <u>(209)</u> |
| Constables | | | | |
| Constable pay | 250 | 250 | - | 250 |
| FICA/Medicare | 20 | 20 | - | 20 |
| Total Constables | <u>270</u> | <u>270</u> | <u>-</u> | <u>270</u> |
| Health Officer | <u>50</u> | <u>50</u> | <u>-</u> | <u>50</u> |
| Animal control | | | | |
| Animal Control Officer pay | 1,400 | 1,400 | 1,400 | - |
| FICA/Medicare | 115 | 115 | 107 | 8 |
| Expenses | 100 | 100 | 74 | 26 |
| Mileage | 50 | 50 | - | 50 |
| Total animal control | <u>1,665</u> | <u>1,665</u> | <u>1,581</u> | <u>84</u> |
| Auditors | | | | |
| Auditor's pay | 1,200 | 1,200 | 1,017 | 183 |
| FICA/Medicare | 85 | 85 | 62 | 23 |
| CPA/bookkeeping services | 5,500 | 5,500 | 5,225 | 275 |
| Supplies | 50 | 50 | 76 | (26) |
| Total auditors | <u>6,835</u> | <u>6,835</u> | <u>6,380</u> | <u>455</u> |
| Listers | | | | |
| Consultant pay | 8,000 | 8,000 | 8,295 | (295) |
| Listers pay | 3,500 | 3,500 | 11,199 | (7,699) |
| FICA/Medicare | 220 | 220 | 771 | (551) |
| FICA/Medicare-consultant | 30 | 30 | 86 | (56) |
| Update tax maps | 1,500 | 1,500 | - | 1,500 |
| Postage | 100 | 100 | 671 | (571) |
| Mileage | 50 | 50 | - | 50 |
| Supplies | 2,800 | 2,800 | 1,817 | 983 |
| Mapping software | 2,400 | 2,400 | 2,000 | 400 |
| Total listers | <u>18,600</u> | <u>18,600</u> | <u>24,839</u> | <u>(6,239)</u> |
| Tax appeals | <u>50</u> | <u>50</u> | <u>42</u> | <u>8</u> |
| Zoning Administrator | | | | |
| Zoning Administrator pay | 17,609 | 17,609 | 13,678 | 3,931 |
| FICA/Medicare | 1,350 | 1,350 | 1,046 | 304 |
| Supplies/printing | 200 | 200 | 450 | (250) |
| <i>continued</i> | | | | |

See independent accountant's review report.

TOWN OF MORETOWN, VERMONT
Schedule of Revenues and Expenditures - Budget and Actual
Budgetary Basis - General Fund
For the Year Ended December 31, 2018
(Page 4 of 8)

| | Original Budget | Final Budget | Actual Budgetary Basis | Variance Favorable (Unfavorable) |
|--------------------------------------|--------------------|-----------------|------------------------------|--|
| <i>continued</i> | | | | |
| Expenses - 911 Coordinator | 200 | 200 | 46 | 154 |
| Total Zoning Administrator | <u>19,359</u> | <u>19,359</u> | <u>15,220</u> | <u>4,139</u> |
| Planning Commission | | | | |
| Printing/advertising | 100 | 100 | 56 | 44 |
| Supplies | 50 | 50 | - | 50 |
| Total Planning Commission | <u>150</u> | <u>150</u> | <u>56</u> | <u>94</u> |
| Development Review Board | | | | |
| Secretary pay | 350 | 350 | - | 350 |
| FICA/Medicare | 40 | 40 | - | 40 |
| Postage | 50 | 50 | - | 50 |
| Printing/advertisement | 500 | 500 | 326 | 174 |
| Supplies | 50 | 50 | 25 | 25 |
| Total Development Review Board | <u>990</u> | <u>990</u> | <u>351</u> | <u>639</u> |
| Cemeteries | | | | |
| Contracted mowing | 7,750 | 7,750 | 7,750 | - |
| Administrative expenses | - | - | 25 | (25) |
| Supplies | 100 | 100 | - | 100 |
| Cleaning stones | 800 | 800 | 400 | 400 |
| Total cemeteries | <u>8,650</u> | <u>8,650</u> | <u>8,175</u> | <u>475</u> |
| Town Clerk | | | | |
| Town Clerk pay | 36,192 | 36,192 | 39,520 | (3,328) |
| Health insurance | 12,365 | 12,365 | 12,362 | 3 |
| Eye / Med | 100 | 100 | 109 | (9) |
| Delta Dental | 420 | 420 | 426 | (6) |
| FICA/Medicare - Town Clerk | 2,700 | 2,700 | 2,848 | (148) |
| Municipal retirement | 2,500 | 2,500 | 2,748 | (248) |
| Expenses - Town Clerk | 50 | 50 | 123 | (73) |
| Dog licenses | 250 | 250 | 61 | 189 |
| Assistant Town Clerk | 15,302 | 15,302 | 15,062 | 240 |
| FICA/Medicare - Asst. Town Clerk | 900 | 900 | 1,114 | (214) |
| Expenses - Asst. Town Clerk | - | - | 59 | (59) |
| Total Town Clerk | <u>70,779</u> | <u>70,779</u> | <u>74,432</u> | <u>(3,653)</u> |
| Town Treasurer | | | | |
| Town Treasurer pay | 9,048 | 9,048 | 9,880 | (832) |
| FICA/Medicare - Town Treasurer | 650 | 650 | 734 | (84) |
| Expenses - Treasurer | 250 | 250 | 404 | (154) |
| Training/membership | 100 | 100 | - | 100 |
| Assistant Town Treasurer | 6,200 | 6,200 | 5,895 | 305 |
| FICA/Medicare - Asst. Town Treasurer | 500 | 500 | 423 | 77 |
| Total Town Treasurer | <u>16,748</u> | <u>16,748</u> | <u>17,336</u> | <u>(588)</u> |
| <i>continued</i> | | | | |

See independent accountant's review report.

TOWN OF MORETOWN, VERMONT
Schedule of Revenues and Expenditures - Budget and Actual
Budgetary Basis - General Fund
For the Year Ended December 31, 2018

(Page 5 of 8)

| | Original Budget | Final Budget | Actual Budgetary Basis | Variance Favorable (Unfavorable) |
|------------------------------------|--------------------|-----------------|------------------------------|--|
| <i>continued</i> | | | | |
| Select Board | | | | |
| Select Board pay | 2,500 | 2,500 | 2,500 | - |
| FICA/Medicare - Select Board | 250 | 250 | 135 | 115 |
| Printing / publishing | 150 | 150 | - | 150 |
| Supplies | 250 | 250 | 502 | (252) |
| Town Administrator | 40,771 | 40,771 | 40,771 | - |
| Select Board assistant | 12,488 | 12,488 | 12,830 | (342) |
| Health insurance/HSA's | 12,365 | 12,365 | 12,362 | 3 |
| Disability insurance - SBA's | 250 | 250 | 253 | (3) |
| Eye / Med | 100 | 100 | 109 | (9) |
| Delta Dental | 420 | 420 | 425 | (5) |
| FICA/Medicare - Select Board Clerk | 3,000 | 3,000 | 4,076 | (1,076) |
| Municipal retirement | 2,700 | 2,700 | 2,277 | 423 |
| Employee compensation | 1,300 | 1,300 | - | 1,300 |
| Total Select Board | <u>76,544</u> | <u>76,544</u> | <u>76,240</u> | <u>304</u> |
| Fire department | | | | |
| Stipend | 4,500 | 4,500 | 4,500 | - |
| Dispatching service | 16,071 | 16,071 | 15,849 | 222 |
| Building maintenance | 300 | 300 | - | 300 |
| Telephone | 1,200 | 1,200 | 1,656 | (456) |
| Supplies | 250 | 250 | 453 | (203) |
| Electricity | 800 | 800 | 749 | 51 |
| Heating fuel | 3,000 | 3,000 | 3,521 | (521) |
| Total fire department | <u>26,121</u> | <u>26,121</u> | <u>26,728</u> | <u>(607)</u> |
| Fire equipment | | | | |
| Radio repairs/maintenance | 500 | 500 | - | 500 |
| Supplies/expenses | 2,000 | 2,000 | 29,276 | (27,276) |
| Gas/diesel | 300 | 300 | 25 | 275 |
| Total fire equipment | <u>2,800</u> | <u>2,800</u> | <u>29,301</u> | <u>(26,501)</u> |
| Firemen | | | | |
| Training | 250 | 250 | 312 | (62) |
| Mileage | 200 | 200 | - | 200 |
| Total firemen | <u>450</u> | <u>450</u> | <u>312</u> | <u>138</u> |
| Fire vehicles | | | | |
| Maintenance and repairs | 2,000 | 2,000 | 2,000 | - |
| Vehicle supplies | 400 | 400 | 478 | (78) |
| Total fire vehicles | <u>2,400</u> | <u>2,400</u> | <u>2,478</u> | <u>(78)</u> |
| Fire Warden | | | | |
| FICA / MEDI - Fire Warden | 20 | 20 | 19 | 1 |
| Expenses - Fire Warden | 250 | 250 | 250 | - |
| Total Fire Warden | <u>270</u> | <u>270</u> | <u>269</u> | <u>1</u> |
| <i>continued</i> | | | | |

See independent accountant's review report.

TOWN OF MORETOWN, VERMONT
Schedule of Revenues and Expenditures - Budget and Actual
Budgetary Basis - General Fund
For the Year Ended December 31, 2018
(Page 6 of 8)

| | Original Budget | Final Budget | Actual Budgetary Basis | Variance Favorable (Unfavorable) |
|------------------------------|--------------------|-----------------|------------------------------|--|
| <i>continued</i> | | | | |
| Fire contracted services | 2,500 | 2,500 | 2,500 | - |
| Debt retirement - fire | | | | |
| 1996 Pumper - principal | 16,000 | 16,000 | 16,000 | - |
| 1996 Pumper - interest | 1,300 | 1,300 | 1,204 | 96 |
| Total debt retirement - fire | 17,300 | 17,300 | 17,204 | 96 |
| Highways | | | | |
| Highway crew pay | 164,858 | 164,858 | 169,408 | (4,550) |
| Parking lot maintenance | - | - | 180 | (180) |
| Recreation mowing | - | - | 126 | (126) |
| Health insurance | 32,965 | 32,965 | 29,161 | 3,804 |
| Disability insurance | 650 | 650 | 692 | (42) |
| Eye / Med | 625 | 625 | 326 | 299 |
| Delta Dental | 1,260 | 1,260 | 851 | 409 |
| FICA Medicare | 11,650 | 11,650 | 12,728 | (1,078) |
| Municipal retirement | 7,625 | 7,625 | 8,097 | (472) |
| Uniforms | 2,100 | 2,100 | 1,931 | 169 |
| Misc. expense/mileage | 100 | 100 | 457 | (357) |
| Total highways | 221,833 | 221,833 | 223,957 | (2,124) |
| Highway contract services | | | | |
| Blasting | 2,500 | 2,500 | - | 2,500 |
| Highway work | | | | |
| Highway work | 22,500 | 22,500 | - | 22,500 |
| Bat Hennesey | - | - | 3,015 | (3,015) |
| Cobb Hill Road | - | - | 833 | (833) |
| Fairground Road | - | - | 4,500 | (4,500) |
| Gallagher Acres | - | - | 410 | (410) |
| River Road | - | - | 2,838 | (2,838) |
| South Hill Road | - | - | 851 | (851) |
| Ward Brook Road | - | - | 2,559 | (2,559) |
| Mountain Road | - | - | 909 | (909) |
| Hathaway Road | - | - | 179 | (179) |
| Herring Brook Road | - | - | 1,390 | (1,390) |
| Hog Hollow Road | - | - | 392 | (392) |
| Jones Brook Road | - | - | 333 | (333) |
| Pony Farm Road | - | - | 1,950 | (1,950) |
| Stevens Brook Road | - | - | 136 | (136) |
| Lover's Lane | - | - | 79,647 | (79,647) |
| Lynch Hill | - | - | 7,596 | (7,596) |
| Old Route 100 | - | - | 7,407 | (7,407) |
| Municipal MRG permit | - | - | 240 | (240) |
| Total highway work | 22,500 | 22,500 | 115,185 | (92,685) |
| <i>continued</i> | | | | |

See independent accountant's review report.

TOWN OF MORETOWN, VERMONT
Schedule of Revenues and Expenditures - Budget and Actual
Budgetary Basis - General Fund
For the Year Ended December 31, 2018
(Page 7 of 8)

| | Original Budget | Final Budget | Actual Budgetary Basis | Variance Favorable (Unfavorable) |
|------------------------------------|--------------------|-----------------|------------------------------|--|
| <i>continued</i> | | | | |
| Highway supplies | | | | |
| Signs | 1,000 | 1,000 | 540 | 460 |
| Chloride | 12,500 | 12,500 | 12,188 | 312 |
| Class IV road maintenance/supplies | 2,000 | 2,000 | 620 | 1,380 |
| Gravel | 50,000 | 50,000 | 29,511 | 20,489 |
| Other: hay, seed | 1,250 | 1,250 | 1,750 | (500) |
| Salt | 4,000 | 4,000 | 4,190 | (190) |
| Sand | 57,500 | 57,500 | 60,565 | (3,065) |
| Stone | 3,000 | 3,000 | 3,503 | (503) |
| Culverts | 15,000 | 15,000 | 12,209 | 2,791 |
| Total highway supplies | <u>146,250</u> | <u>146,250</u> | <u>125,076</u> | <u>21,174</u> |
| Town garage | | | | |
| Trash removal | 1,000 | 1,000 | 1,324 | (324) |
| Building maintenance | 2,000 | 2,000 | 1,706 | 294 |
| Repairs/maintenance | - | - | 717 | (717) |
| Telephone | 2,500 | 2,500 | 2,637 | (137) |
| Supplies | 3,000 | 3,000 | 4,110 | (1,110) |
| Welding | 750 | 750 | 1,585 | (835) |
| Electricity | 2,000 | 2,000 | 2,135 | (135) |
| Heating fuel | 4,000 | 4,000 | 5,318 | (1,318) |
| Total town garage | <u>15,250</u> | <u>15,250</u> | <u>19,532</u> | <u>(4,282)</u> |
| Highway vehicles & equipment | | | | |
| 2001 International | 2,500 | 2,500 | 3,123 | (623) |
| 2015 Mack | 2,000 | 2,000 | 4,065 | (2,065) |
| 2011 Chevy truck | 5,000 | 5,000 | 9,647 | (4,647) |
| All trucks | 500 | 500 | 687 | (187) |
| Grader | 2,200 | 2,200 | 2,526 | (326) |
| Loader | 2,500 | 2,500 | 3,914 | (1,414) |
| Excavator | 20,000 | 20,000 | 24,990 | (4,990) |
| John Deere - sidewalk tractor | 3,000 | 3,000 | 2,854 | 146 |
| All equipment | 1,000 | 1,000 | 2,228 | (1,228) |
| Chains | 3,000 | 3,000 | 3,160 | (160) |
| Tires | 7,000 | 7,000 | 6,948 | 52 |
| 2012 Mack truck | 3,000 | 3,000 | 3,990 | (990) |
| Wear items | 7,000 | 7,000 | 10,140 | (3,140) |
| 2018 International | - | - | 3,516 | (3,516) |
| Accident repairs and deductible | - | - | 1,000 | (1,000) |
| Miscellaneous equipment | - | - | 1,743 | (1,743) |
| Gas, diesel, oil | 38,000 | 38,000 | 48,982 | (10,982) |
| Total highway vehicles & equipment | <u>96,700</u> | <u>96,700</u> | <u>133,513</u> | <u>(36,813)</u> |
| Highway equipment & tools | | | | |
| Wrecker charge | 1,000 | 1,000 | 562 | 438 |
| Mowing roadsides | 6,000 | 6,000 | 5,860 | 140 |
| <i>continued</i> | | | | |

See independent accountant's review report.

TOWN OF MORETOWN, VERMONT
Schedule of Revenues and Expenditures - Budget and Actual
Budgetary Basis - General Fund
For the Year Ended December 31, 2018

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| | Original Budget | Final Budget | Actual Budgetary Basis | Variance Favorable (Unfavorable) |
|---------------------------------------|--------------------|------------------|------------------------------|--|
| <i>continued</i> | | | | |
| Maintenance | 500 | 500 | - | 500 |
| Rentals & leases | 500 | 500 | - | 500 |
| Supplies | 1,500 | 1,500 | 1,960 | (460) |
| Purchases | - | - | 1,445 | (1,445) |
| Radio equipment | 950 | 950 | - | 950 |
| Total highway equip | <u>10,450</u> | <u>10,450</u> | <u>9,827</u> | <u>623</u> |
| Debt retirement highway | | | | |
| Town Garage - principal | 45,000 | 45,000 | 45,000 | - |
| Town Garage - interest | 25,034 | 25,034 | 23,466 | 1,568 |
| 2018 International truck - principal | - | - | 49,572 | (49,572) |
| 2018 International truck - interest | 3,500 | 3,500 | 3,437 | 63 |
| Total debt retirement highway | <u>73,534</u> | <u>73,534</u> | <u>121,475</u> | <u>(47,941)</u> |
| Other articles | | | | |
| Battered Women's Services | 200 | 200 | 500 | (300) |
| Central VT Council on Aging | 1,400 | 1,400 | 1,400 | - |
| Central VT Adult Basic Ed | 1,200 | 1,200 | 1,200 | - |
| Central VT Community Action | 400 | 400 | 400 | - |
| Central VT Home Health | 3,500 | 3,500 | 3,500 | - |
| Family Ctr. of Washington County | 500 | 500 | 500 | - |
| Good Beginnings of Central VT | 300 | 300 | 300 | - |
| Mad River Valley Sr. Citizens | 1,500 | 1,500 | 1,500 | - |
| Peoples Health & Wellness | 700 | 700 | 700 | - |
| Prevent Child Abuse VT | 400 | 400 | 400 | - |
| Sexual Assault Crisis | 150 | 150 | 150 | - |
| Montpelier Senior Center | 900 | 900 | 900 | - |
| VT Assoc. for Blind & Visual Impaired | 500 | 500 | 500 | - |
| Washington Cty Diversion Programs | 350 | 350 | 350 | - |
| Washington Cty Youth Svcs | 150 | 150 | 150 | - |
| Waterbury Area Senior Center | 4,999 | 4,999 | 4,999 | - |
| Town events | 1,000 | 1,000 | 856 | 144 |
| Home Share Now Inc. | 500 | 500 | 500 | - |
| Green Up Vermont | 100 | 100 | 100 | - |
| Mad River Valley Recreation Park | - | - | 1,500 | (1,500) |
| Community Harvest | 200 | 200 | 200 | - |
| Washington Cty Mental Health | 1,200 | 1,200 | 1,200 | - |
| Fire department radios | 4,800 | 4,800 | 4,795 | 5 |
| Total other articles | <u>24,949</u> | <u>24,949</u> | <u>26,600</u> | <u>(1,651)</u> |
| Total expenditures | <u>1,135,973</u> | <u>1,135,973</u> | <u>1,362,216</u> | <u>(226,243)</u> |
| Excess of revenues or (expenditures) | <u>21,887</u> | <u>21,887</u> | <u>(20,859)</u> | <u>(42,746)</u> |
| Other financing sources (uses) | | | | |
| Transfers in (out) | - | - | 46,140 | 46,140 |
| Net change in fund balances | <u>\$ 21,887</u> | <u>\$ 21,887</u> | <u>\$ 25,281</u> | <u>\$ 3,394</u> |

See independent accountant's review report.

TOWN OF MORETOWN, VERMONT
Combining Balance Sheet - Modified Cash Basis
Nonmajor Governmental Funds
December 31, 2018

(Page 1 of 2)

| | Special Revenue Funds | | | | | |
|--------------------------------------|-----------------------|--------------------|---------------------------|------------------|---|-----------------|
| | Reappraisal Fund | Recreation Fund | Planning Grant Fund | Cemetery Fund | Preservation of Land Records Fund | Library Fund |
| Assets | | | | | | |
| Cash and cash equivalents | \$ 62,047 | \$ 1,544 | \$ - | \$ 4,220 | \$ 5,259 | \$ 5,278 |
| Investments | - | - | - | 52,887 | - | - |
| Total assets | <u>\$ 62,047</u> | <u>\$ 1,544</u> | <u>\$ -</u> | <u>\$ 57,107</u> | <u>\$ 5,259</u> | <u>\$ 5,278</u> |
| Liabilities and fund balances | | | | | | |
| Liabilities: | | | | | | |
| Due to other funds | \$ - | \$ - | \$ 4,004 | \$ - | \$ - | \$ - |
| Fund balances: | | | | | | |
| Restricted | 62,047 | 1,544 | - | 57,107 | 5,259 | 5,278 |
| Committed | - | - | - | - | - | - |
| Unassigned | - | - | (4,004) | - | - | - |
| Total fund balances | <u>62,047</u> | <u>1,544</u> | <u>(4,004)</u> | <u>57,107</u> | <u>5,259</u> | <u>5,278</u> |
| Total liabilities and fund balances | <u>\$ 62,047</u> | <u>\$ 1,544</u> | <u>\$ -</u> | <u>\$ 57,107</u> | <u>\$ 5,259</u> | <u>\$ 5,278</u> |

See independent accountant's review report.

TOWN OF MORETOWN, VERMONT
Combining Balance Sheet - Modified Cash Basis
Nonmajor Governmental Funds
December 31, 2018

(Page 2 of 2)

| | Capital Project Funds | | Total |
|--|-------------------------------|------------------|-----------------------------------|
| | Bridge and Culvert Fund | Sidewalk Fund | Nonmajor Governmental Funds |
| Assets | | | |
| Cash and cash equivalents | \$ 25,035 | \$ - | \$ 103,383 |
| Investments | - | - | 52,887 |
| Total assets | \$ 25,035 | \$ - | \$ 156,270 |
| Liabilities and fund balances | | | |
| Liabilities: | | | |
| Due to other funds | \$ - | \$ 1,539 | \$ 5,543 |
| Fund balances: | | | |
| Restricted | - | - | 131,235 |
| Committed | 25,035 | - | 25,035 |
| Unassigned | - | (1,539) | (5,543) |
| Total fund balances | 25,035 | (1,539) | 150,727 |
| Total liabilities and fund balances | \$ 25,035 | \$ - | \$ 156,270 |

See independent accountant's review report.

TOWN OF MORETOWN, VERMONT
Combining Statement of Revenues, Expenditures and Changes
in Fund Balances - Modified Cash Basis - Nonmajor Governmental Funds
For the Year Ended December 31, 2018

(Page 1 of 2)

| | Special Revenue Funds | | | | | |
|--|-----------------------|--------------------|---------------------------|------------------|---|-----------------|
| | Reappraisal Fund | Recreation Fund | Planning Grant Fund | Cemetery Fund | Preservation of Land Records Fund | Library Fund |
| Revenues | | | | | | |
| Property taxes | \$ - | \$ 500 | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 8,749 | - | - | - | - | - |
| Permits, licenses and fees | - | - | - | 500 | 1,336 | - |
| Investment income | - | 6 | - | 627 | - | 4 |
| Miscellaneous | - | - | - | - | - | - |
| Donations | - | 5,789 | - | - | - | 401 |
| Total revenues | <u>8,749</u> | <u>6,295</u> | <u>-</u> | <u>1,127</u> | <u>1,336</u> | <u>405</u> |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | 3,724 | - |
| Cemetery | - | - | - | 1,702 | - | - |
| Culture and recreation | - | 5,536 | - | - | - | 167 |
| Capital outlay | - | - | - | - | - | - |
| Total expenditures | <u>-</u> | <u>5,536</u> | <u>-</u> | <u>1,702</u> | <u>3,724</u> | <u>167</u> |
| Excess of revenues or or (expenditures) | <u>8,749</u> | <u>759</u> | <u>-</u> | <u>(575)</u> | <u>(2,388)</u> | <u>238</u> |
| Other financing sources | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Net change in fund balances | 8,749 | 759 | - | (575) | (2,388) | 238 |
| Fund balances, beginning of year | <u>53,298</u> | <u>785</u> | <u>(4,004)</u> | <u>57,682</u> | <u>7,647</u> | <u>5,040</u> |
| Fund balances, end of year | <u>\$ 62,047</u> | <u>\$ 1,544</u> | <u>\$ (4,004)</u> | <u>\$ 57,107</u> | <u>\$ 5,259</u> | <u>\$ 5,278</u> |

See independent accountant's review report.

TOWN OF MORETOWN, VERMONT
Combining Statement of Revenues, Expenditures and Changes
in Fund Balances - Modified Cash Basis - Nonmajor Governmental Funds
For the Year Ended December 31, 2018

(Page 2 of 2)

| | Capital Project Funds | | Total |
|--|-------------------------------|------------------|-----------------------------------|
| | Bridge and Culvert Fund | Sidewalk Fund | Nonmajor Governmental Funds |
| Revenues | | | |
| Property taxes | \$ - | \$ - | \$ 500 |
| Intergovernmental | - | 21,003 | 29,752 |
| Permits, licenses and fees | - | - | 1,836 |
| Investment income | - | - | 637 |
| Miscellaneous | - | 656 | 656 |
| Donations | - | - | 6,190 |
| Total revenues | - | 21,659 | 39,571 |
| Expenditures | | | |
| Current: | | | |
| General government | - | - | 3,724 |
| Cemetery | - | - | 1,702 |
| Culture and recreation | - | - | 5,703 |
| Capital outlay | - | 21,097 | 21,097 |
| Total expenditures | - | 21,097 | 32,226 |
| Excess of revenues or or (expenditures) | - | 562 | 7,345 |
| Other financing sources | | | |
| Transfers in | - | 3,432 | 3,432 |
| Net change in fund balances | - | 3,994 | 10,777 |
| Fund balances, beginning of year | 25,035 | (5,533) | 139,950 |
| Fund balances, end of year | \$ 25,035 | \$ (1,539) | \$ 150,727 |

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