

TOWN OF MORETOWN, VERMONT

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2023

TOWN OF MORETOWN, VERMONT

DECEMBER 31, 2023

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditor's Report	1 - 3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position - Modified Cash Basis.....	4
Statement of Activities - Modified Cash Basis	5
Fund Financial Statements:	
Balance Sheet - Modified Cash Basis - Governmental Funds	6
Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis - Governmental Funds	7
Statement of Fiduciary Net Position - Modified Cash Basis - Fiduciary Funds.....	8
Statement of Changes in Fiduciary Net Position - Modified Cash Basis Fiduciary Funds.....	9
Notes to Financial Statements	10 - 18
Supplementary Information:	
Combining Balance Sheet - Modified Cash Basis - Nonmajor Governmental Funds.....	19 - 20
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Modified Cash Basis - Nonmajor Governmental Funds	21 - 22
Other Information:	
Schedule of Revenues and Expenditures - Budget and Actual Budgetary Basis - General Fund.....	23 - 31
Internal Control and Compliance:	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	32 - 33

INDEPENDENT ACCOUNTANT'S REPORT

The Select Board
Town of Moretown, Vermont

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Town of Moretown, Vermont, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Moretown, Vermont, as of December 31, 2023, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Moretown, Vermont 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.

Emphasis of Matter – Basis of Accounting

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

Emphasis of Matter – Correction of Errors

As described in Note 14 of the financial statements, certain errors were corrected by management during the year. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of these 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.

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 Town of Moretown, Vermont's 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.

Auditor's 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 auditor's 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 generally accepted auditing standards 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, misrepresentation, 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 generally accepted auditing standards 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 Town of Moretown, Vermont'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 Town of Moretown, Vermont'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Moretown, Vermont's basic financial statements. The combining schedules 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In our opinion, the combining schedules of nonmajor governmental funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Select Board
Town of Moretown, Vermont

Other Matters

Other Information

Management is responsible for the other information. The other information comprises budgetary comparison information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated, February 20, 2024, on our consideration of the Town of Moretown, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Moretown, Vermont's internal control over financial reporting and compliance.

Pace & Hawley, LLC

Berlin, Vermont
February 20, 2024

TOWN OF MORETOWN, VERMONT
Statement of Net Position - Modified Cash Basis
December 31, 2023

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 1,362,650
Investments	123,579
Due from fiduciary activities	<u>61,156</u>
Total assets	<u>1,547,385</u>
Liabilities	
Accrued payroll withholding	4,647
Other liabilities	<u>266</u>
Total liabilities	<u>4,913</u>
Deferred inflows of resources	
Property taxes received in advance	<u>3,704</u>
Net position	
Restricted	246,791
Unrestricted	<u>1,291,977</u>
Total net position	<u>\$ 1,538,768</u>

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

TOWN OF MORETOWN, VERMONT
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and
		Charges for	Operating	Capital	Change in Net Position
		Services	Grants and	Grants and	Governmental
			Contributions	Contributions	Activities
Governmental activities					
General government	\$ 663,569	\$ 30,988	\$ 97,018	\$ -	\$ (535,563)
Highways and streets	1,485,747	1,780	265,713	35,948	(1,182,306)
Public safety	63,429	265	-	-	(63,164)
Culture and recreation	43,839	3	-	-	(43,836)
Cemetery	12,360	1,600	-	-	(10,760)
Debt service - principal	152,524	-	-	-	(152,524)
Debt service - interest	24,666	-	-	-	(24,666)
Total governmental activities	\$ <u>2,446,134</u>	\$ <u>34,636</u>	\$ <u>362,731</u>	\$ <u>35,948</u>	<u>(2,012,819)</u>
General revenues					
					1,287,057
					5,215
					6,284
					59,970
					<u>1,358,526</u>
Other financing sources					
					394,900
					(259,393)
					<u>1,798,161</u>
					\$ <u>1,538,768</u>

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

TOWN OF MORETOWN, VERMONT
Balance Sheet - Modified Cash Basis - Governmental Funds
December 31, 2023

	General Fund	Savings Reserve Fund	Capital Reserve Fund	FEMA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 477,739	\$ 269,808	\$ 433,880	\$ -	\$ 181,223	\$ 1,362,650
Investments	-	-	-	-	123,579	123,579
Due from fiduciary activities	61,156	-	-	-	-	61,156
Due from other funds	-	725,000	-	-	-	725,000
Total assets	<u>\$ 538,895</u>	<u>\$ 994,808</u>	<u>\$ 433,880</u>	<u>\$ -</u>	<u>\$ 304,802</u>	<u>\$ 2,272,385</u>
Liabilities, deferred inflows of resources and fund balances						
Liabilities:						
Accrued payroll withholding	\$ 4,647	\$ -	\$ -	\$ -	\$ -	\$ 4,647
Other liabilities	266	-	-	-	-	266
Due to other funds	<u>432,475</u>	<u>-</u>	<u>-</u>	<u>246,320</u>	<u>46,205</u>	<u>725,000</u>
Total liabilities	<u>437,388</u>	<u>-</u>	<u>-</u>	<u>246,320</u>	<u>46,205</u>	<u>729,913</u>
Deferred inflows of resources:						
Property taxes received in advance	<u>3,704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,704</u>
Fund balances:						
Restricted	-	-	-	-	246,791	246,791
Committed	10,000	994,808	433,880	-	58,011	1,496,699
Unassigned	<u>87,803</u>	<u>-</u>	<u>-</u>	<u>(246,320)</u>	<u>(46,205)</u>	<u>(204,722)</u>
Total fund balances	<u>97,803</u>	<u>994,808</u>	<u>433,880</u>	<u>(246,320)</u>	<u>258,597</u>	<u>1,538,768</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 538,895</u>	<u>\$ 994,808</u>	<u>\$ 433,880</u>	<u>\$ -</u>	<u>\$ 304,802</u>	<u>\$ 2,272,385</u>

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

TOWN OF MORETOWN, VERMONT
Statement of Revenues, Expenditures and Changes
in Fund Balances - Modified Cash Basis - Governmental Funds
For the Year Ended December 31, 2023

	General Fund	Savings Reserve Fund	Capital Reserve Fund	FEMA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 1,287,057	\$ -	\$ -	\$ -	\$ -	\$ 1,287,057
Interest on delinquent taxes	5,215	-	-	-	-	5,215
Intergovernmental	349,103	-	-	-	44,159	393,262
Permits, licenses and fees	33,032	-	-	-	6,017	39,049
Investment income	1,455	660	1,142	-	3,028	6,285
Donations	-	-	-	-	1,003	1,003
Miscellaneous	53,146	-	-	-	6,824	59,970
Total revenues	<u>1,729,008</u>	<u>660</u>	<u>1,142</u>	<u>-</u>	<u>61,031</u>	<u>1,791,841</u>
Expenditures						
Current:						
General government	551,971	-	-	-	111,598	663,569
Highways and streets	803,239	-	-	246,320	6,660	1,056,219
Public safety	54,018	-	9,411	-	-	63,429
Culture and recreation	42,558	-	-	-	1,281	43,839
Cemetery	8,017	-	-	-	4,343	12,360
Capital outlay	-	-	394,900	-	34,628	429,528
Debt service - principal	152,524	-	-	-	-	152,524
Debt service - interest	24,666	-	-	-	-	24,666
Total expenditures	<u>1,636,993</u>	<u>-</u>	<u>404,311</u>	<u>246,320</u>	<u>158,510</u>	<u>2,446,134</u>
Excess of revenues or (expenditures)	<u>92,015</u>	<u>660</u>	<u>(403,169)</u>	<u>(246,320)</u>	<u>(97,479)</u>	<u>(654,293)</u>
Other financing sources (uses)						
Proceeds from long-term debt	-	-	394,900	-	-	394,900
Transfers in (out)	(12,200)	-	328,094	-	(315,894)	-
Total other financing sources (uses)	<u>(12,200)</u>	<u>-</u>	<u>722,994</u>	<u>-</u>	<u>(315,894)</u>	<u>394,900</u>
Net change in fund balances	79,815	660	319,825	(246,320)	(413,373)	(259,393)
Fund balances, beginning of year (as restated)	<u>17,988</u>	<u>994,148</u>	<u>114,055</u>	<u>-</u>	<u>671,970</u>	<u>1,798,161</u>
Fund balances, end of year	\$ <u>97,803</u>	\$ <u>994,808</u>	\$ <u>433,880</u>	\$ <u>(246,320)</u>	\$ <u>258,597</u>	\$ <u>1,538,768</u>

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

TOWN OF MORETOWN, VERMONT
Statement of Fiduciary Net Position - Modified Cash Basis
Fiduciary Funds
December 31, 2023

	Custodial Fund
	<u> </u>
Assets	
Due from school district	\$ <u> 61,156 </u>
Liabilities	
Due to General Fund	<u> 61,156 </u>
Net position	\$ <u><u> - </u></u>

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

TOWN OF MORETOWN, VERMONT
Statement of Changes in Fiduciary Net Position - Modified Cash Basis
Fiduciary Funds
For the Year Ended December 31, 2023

	Custodial Fund
Additions	
Education property taxes collected for other governments	\$ <u>3,843,749</u>
Deductions	
Education proeprty taxes paid to other governments	<u>3,843,749</u>
Change in net position	-
Net position, beginning of year	<u>-</u>
Net position, end of year	\$ <u>-</u>

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

TOWN OF MORETOWN, VERMONT
Notes to Financial Statements
December 31, 2023

1. Summary of significant accounting policies

The Town of Moretown, Vermont (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 is used to account for assets that are committed by taxpayers for capital improvement.

FEMA Fund- This special revenue is used to account for emergency highway repairs associated with natural disasters and, as applicable, FEMA reimbursement.

The Town also reports fiduciary activities for a custodial fund used to report statewide education property taxes collected for and paid to other governments.

TOWN OF MORETOWN, VERMONT
Notes to Financial Statements
December 31, 2023

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 - 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 resulting from cash overpayment or cash held for third parties. Such reported balances include overpayment of education taxes to the local school district, amounts due to the State of Vermont, payroll withholdings, property taxes received in advance, amounts outstanding on its lines of credit, and interfund receivables and payables. General capital asset acquisitions are reported as expenses or expenditures. Proceeds of long-term notes payable 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.

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.

TOWN OF MORETOWN, VERMONT
Notes to Financial Statements
December 31, 2023

1. Summary of significant accounting policies (continued)

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. However, the Town has generally considered an expenditure to be made from the most restrictive first when more than one classification is available unless specifically determined.

For the classification of net position, the Town does not have a formal policy regarding which classification should be reduced first when more than one classification is available. However, the Town has generally considered an expense to be made from the most restrictive first when more than one classification is available.

- 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. Legally adopted budgets are not required for any fund other than the General Fund.
- 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 consists of deposit accounts held at financial institutions. The Town pools cash of multiple funds to enhance operating efficiency and physical custody and controls. Each fund's share of pooled cash is included in cash and cash equivalents.
- H. Investments – Investments consist of certificates of deposits with original terms greater than three months. Investments are recorded on the basis of cost, in accordance with the modified cash basis of accounting. Unrealized gains and losses and the changes in value of investments are not included in revenue.
- I. 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.
- J. Deferred outflows/inflows of resources - In addition to assets and liabilities, deferred outflows of resources and deferred inflows of resources, if applicable, are reported as separate sections in the statement of net position and balance sheet. Deferred outflows of resources represent a consumption of net assets that applies to a future period. Deferred inflows of resources represent the current acquisition of net assets that is applicable to a future reporting period.

TOWN OF MORETOWN, VERMONT
Notes to Financial Statements
December 31, 2023

1. Summary of significant accounting policies (continued)

- K. Property tax calendar – Property taxes attach as an enforceable lien on the property as of April 1st. Property taxes for calendar year 2023 were payable in one installment due November 1, 2023. Taxes not paid by the installment due date were declared delinquent and turned over to the Delinquent Tax Collector.
- L. Statewide 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 custodial funds and reported as fiduciary activities

2. Cash and investments

The Town's reported cash and investments as of December 31, 2023, consisted of the following:

Cash	
Deposits with financial institutions	\$ 1,362,350
Cash on hand	300
	<u>1,362,650</u>
Investments	
Nonnegotiable certificates of deposit	<u>123,579</u>
Total cash and investments	\$ <u>1,486,229</u>

Custodial credit risk – Custodial credit risk, for deposits and related nonnegotiable certificates of deposits, is the risk that, in the event of failure of a depository financial institution, the Town's deposits may not be recovered.

The Town does not have a deposit policy for custodial credit risk. As of December 31, 2023, the Town's bank balance was \$1,943,535. Of this amount \$623,579 was insured by the FDIC, \$1,057,890 was collateralized by securities in the name of the pledging financial institution and \$262,066 was uninsured and uncollateralized.

3. Statewide education property taxes – due from school

During the year ended December 31, 2023, the Town paid \$3,904,905 in cash payments to the local school for state-wide education taxes, as instructed by the State of Vermont. Subsequent to the Town's year end the state will issue its final education property tax reconciliation for the state's fiscal year ending June 30, 2024. The Town estimates that the state's final reconciliation will show \$3,843,749 will be required to be paid to the school and accordingly has recorded the overpayment of \$61,156 as a receivable as of December 31, 2023.

4. General obligation bonds and notes payable

Consistent with the Town's modified cash basis of accounting, liabilities arising from general obligation bonds and notes payable from direct borrowings are not recorded in the Town's financial statements and are presented here for additional information. General obligation bonds and notes payable from direct borrowings consisted of the following as of December 31, 2023:

TOWN OF MORETOWN, VERMONT
Notes to Financial Statements
December 31, 2023

4. General obligation bonds and notes payable (continued)

Governmental activities

Bond payable, Vermont Municipal Bond Bank, Town Garage, principal payments of \$45,000 payable on December annually, interest from 1.391% to 4.981% payable on May and December, through December 2029	\$ 270,000
Note payable, Community National Bank, fire department equipment, principal and interest payments of \$7,567 payable annually, interest rate of 1.59%, through May 2024	7,448
Note payable, Community Bank, highway equipment, principal payments of \$29,100 payable annually, interest rate of 2.05%, through August 2025	58,200
Note payable, Community Bank, sidewalk construction, principal payments of \$26,884 payable annually, interest rate of 2.08%, through May 2031	215,075
Note payable, Northfield Savings Bank, highway equipment, principal payments of \$29,807 payable annually, interest rate of 2.15%, through February 2026	89,419
Note payable, Community Bank, highway equipment principal payments of \$10,000 payable annually, interest rate of 2.69%, through May 2025	20,000
Note payable, Community Bank, fire department equipment principal payments of \$4,400 payable annually, interest rate of 3.34%, through August 2027	17,600
Note payable, Community Bank, highway equipment principal payments of \$26,327 payable annually, interest rate of 4.93%, through October 2038	394,900
	<u>\$ 1,072,642</u>

The following is a summary of changes in general obligation bonds and notes from direct borrowings:

	Balance January 1, <u>2023</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2023</u>	Due Within <u>One Year</u>
Governmental activities					
General obligation bonds	\$ 315,000	\$ -	\$ 45,000	\$ 270,000	\$ 45,000
Notes from direct borrowings	<u>515,266</u>	<u>394,900</u>	<u>107,524</u>	<u>802,642</u>	<u>133,966</u>
	<u>\$ 830,266</u>	<u>\$ 394,900</u>	<u>\$ 152,524</u>	<u>\$ 1,072,642</u>	<u>\$ 178,966</u>

TOWN OF MORETOWN, VERMONT
Notes to Financial Statements
December 31, 2023

4. General obligation bonds and notes payable (continued)

Annual maturities of general obligation bonds and notes from direct borrowings are as follows:

Year ending December 31,	Governmental Activities:		Notes from	
	General Obligation Bonds		Direct Borrowings	
	Principal	Interest	Principal	Interest
2024	\$ 45,000	\$ 12,894	\$ 133,966	\$ 28,378
2025	45,000	10,838	126,518	24,654
2026	45,000	8,736	87,416	21,163
2027	45,000	6,602	57,611	19,518
2028	45,000	4,442	53,211	16,526
2029 - 2033	45,000	2,242	212,290	55,261
2034 - 2038	-	-	131,630	1,812
	<u>\$ 270,000</u>	<u>\$ 45,754</u>	<u>\$ 802,642</u>	<u>\$ 167,312</u>

On October 24, 2023, the Town entered into a loan agreement, in the amount of \$91,785, with the Vermont Municipal Bond Bank through the State of Vermont's Revolving Loan Fund for preliminary engineering related to the Town's village wastewater project. The agreement allows the loan proceeds to be paid to the Town as project costs are incurred over the course of the project. As of December 31, 2023, no amounts were received by the Town from this loan agreement.

5. Pension plan – Vermont Municipal Employees' Retirement System

Plan description – The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the Vermont State Treasurer and its Board of Trustees. The plan was established effective July 1, 1975. The State statutory provisions, found in Title 24, V.S.A. Chapter 125, govern eligibility for benefits, service requirements, contribution requirements and benefit provisions. The general administration and responsibility for formulating administrative policy and procedures of the retirement system for its members and their beneficiaries is vested in the Board of Trustees. All assets are held in a single trust and are available to pay retirement benefits to all members. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Annual Comprehensive Financial Report (ACFR). The ACFR can be viewed on the State of Vermont's Department of Finance and Management's website.

Benefits – Full-time employees of participating municipalities are covered under VMERS. Municipalities elect coverage under Groups A, B, C or D provisions. VMERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are based on average final compensation, years of creditable service, age upon retirement, and on the benefit structure of the Group. Vesting occurs upon the attainment of five years of creditable service.

Contributions – Municipal employees participating in the plan were required to contribute 3.500%, 5.875%, 11.000%, and 12.350% of gross wages for Groups A, B, C and D, respectively, for the period January 1, 2023 to June 30, 2023 and 3.750%, 6.125%, 11.250%, and 12.600% of gross wages for Groups A, B, C and D, respectively, for the period July 1, 2023 to December 31, 2023.. Municipal employers were required to contribute 5.000%, 6.500%, 8.250%, and 10.850% of gross wages for Groups A, B, C and D, respectively, for the period January 1, 2023 to June 30, 2023 and 5.250%, 6.750%, 8.500%, and 11.100% of gross wages for Groups A, B, C and D, respectively, for the period July 1, 2023 to December 31, 2023.

Employees of the Town are covered under Group B. Town employees contributed \$22,390 to VMERS for the year ended December 31, 2023. The Town contributed \$24,723 to VMERS for the year ended December 31, 2023.

TOWN OF MORETOWN, VERMONT
Notes to Financial Statements
December 31, 2023

5. Pension plan – Vermont Municipal Employees’ Retirement System (continued)

Because of the use of the 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.

The State of Vermont has provided the following information to all employers participating in VMERS; net pension liability, each Town’s proportionate share of the net pension liability, expected rate of return on investments and discount rates. The information specific to the Town is based on its proportionate share of VMERS relative to all participating employers. Actuarial reports and schedules of employer allocations can be obtained by visiting the office of the Vermont State Treasurer at the following internet address: www.vermonttreasurer.gov.

6. 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 coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. covering each of those risk of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded its coverage in any of the past three years. The Town must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving sixty days notice. Fund underwriting and rate setting policies have been estimable after conclusion with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Funder were to be exhausted, members would be responsible for the Fund’s liabilities.

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

7. 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.

8. 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 landfill located in Moretown is closed and did not accept solid waste during 2023, and accordingly, the Town did not receive any landfill host fees for the year ended December 31, 2023. There are no specific requirements for additions to the Savings Reserve Fund. Distributions from the Savings Reserve Fund shall be approved by the Town voters and shall be required to coincide with the Town budget and the capital improvement plan.

9. Governmental activities net position

As of December 31, 2023, governmental activities restricted net position consisted of the following:

Restricted for:	
Reappraisal	\$ 30,307
Library	3,735
Preservation	18,043
Cemetery	78,062
Charitable benefits	88,958
COVID-19 relief	<u>27,686</u>
	\$ <u>246,791</u>

TOWN OF MORETOWN, VERMONT
Notes to Financial Statements
December 31, 2023

10. Governmental fund equity

As of December 31, 2023, governmental fund balances consisted of the following:

	General Fund	Savings Reserve Fund	Capital Reserve Fund	FEMA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted for:						
Reappraisal	\$ -	\$ -	\$ -	\$ -	\$ 30,307	\$ 30,307
Library	-	-	-	-	3,735	3,735
Preservation	-	-	-	-	18,043	18,043
Cemetery	-	-	-	-	78,062	78,062
Charitable benefits	-	-	-	-	88,958	88,958
COVID-19 relief	-	-	-	-	27,686	27,686
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>246,791</u>	<u>246,791</u>
Committed to:						
Tax stabilization	-	994,808	-	-	-	994,808
Capital projects	-	-	433,880	-	-	433,880
Maintenance	-	-	-	-	23,340	23,340
Bridge and culvert	-	-	-	-	34,671	34,671
Surveys	10,000	-	-	-	-	10,000
	<u>10,000</u>	<u>994,808</u>	<u>433,880</u>	<u>-</u>	<u>58,011</u>	<u>1,496,699</u>
Unassigned	87,803	-	-	(246,320)	(46,205)	(204,722)
Total fund balances	\$ <u>97,803</u>	\$ <u>994,808</u>	\$ <u>433,880</u>	\$ <u>(246,320)</u>	\$ <u>258,597</u>	\$ <u>1,538,768</u>

11. Interfund balances

Interfund receivable and payables balances on December 31, 2023, were as follows:

	Interfund Receivable	Interfund Payable
Governmental activities		
General Fund	\$ 61,156	\$ 432,475
Savings Reserve Fund	725,000	-
FEMA Fund	-	246,320
Nonmajor Governmental Funds	-	46,205
	<u>786,156</u>	<u>725,000</u>
Fiduciary activities		
Custodial Fund	-	61,156
Totals	\$ <u>786,156</u>	\$ <u>786,156</u>

The interfund payable from the Custodial Fund to the General Fund represents the amount of education property taxes overpaid as of December 31, 2023, and will be repaid to the General Fund upon collection from the local school district. The interfund payable from the General Fund, FEMA Fund and Nonmajor Governmental Funds to the Savings Reserve Fund represents amounts borrowed from the Savings Reserve to assist with cash flow and finance operations of the Town. The Town intends to repay this interfund loan when funds are available.

TOWN OF MORETOWN, VERMONT
Notes to Financial Statements
December 31, 2023

12. Interfund transfers

Interfund transfers for the year ended December 31, 2023, consisted of the following:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
Nonmajor Governmental Funds	General Fund	\$ 335,894	Revenue replacement
General Fund	Capital Reserve Fund	\$ 335,894	Capital Projects
General Fund	Nonmajor Governmental Funds	\$ 20,000	Appropriation
Capital Reserve Fund	General Fund	\$ 7,800	Town Hall repairs

13. Excess expenditures over budget

For the year ended December 31, 2023, General Fund expenditures exceeded appropriations by \$132,666. This is primarily due to grant expenditures for a paving project that were mostly offset by unbudgeted grant revenue.

14. Restatement of prior period balances

The Town reclassified the Charles O'Davis Fund from a fiduciary activity private purpose trust fund to a governmental fund resulting in an increase of \$88,469 in the governmental activities of net position from \$1,709,692 to \$1,798,161. This change also resulted in an increase of \$88,469 in the non-major governmental funds and decrease in the net position of the private purpose trust fund.

15. Deficit fund balances – nonmajor governmental funds

The deficit fund balances in the Sidewalk Fund and Wastewater Capital Project Fund are expected be eliminated with intergovernmental revenue received in future years.

TOWN OF MORETOWN, VERMONT
Combining Balance Sheet - Modified Cash Basis
Nonmajor Governmental Funds
December 31, 2023
(Page 1 of 2)

Special Revenue Funds							
	Recreation Fund	Preservation of Land Records Fund	Library Fund	Reappraisal Fund	Cemetery Fund	ARPA Fund	Charles O'Davis Fund
Assets							
Cash and cash equivalents	\$ -	\$ 18,043	\$ 3,735	\$ 30,307	\$ 21,644	\$ 27,686	\$ 21,797
Investments	-	-	-	-	56,418	-	67,161
Total assets	\$ -	\$ 18,043	\$ 3,735	\$ 30,307	\$ 78,062	\$ 27,686	\$ 88,958
Liabilities and fund balances							
Liabilities							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances:							
Restricted	-	18,043	3,735	30,307	78,062	27,686	88,958
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	-	18,043	3,735	30,307	78,062	27,686	88,958
Total liabilities and fund balances	\$ -	\$ 18,043	\$ 3,735	\$ 30,307	\$ 78,062	\$ 27,686	\$ 88,958

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

December 31, 2023

(Page 2 of 2)

	Capital Project Funds				Total Nonmajor Governmental Funds
	Sidewalk Fund	Maintenance Reserve Fund	Bridge and Culvert Fund	Wastewater Project Fund	
Assets					
Cash and cash equivalents	\$ -	\$ 23,340	\$ 34,671	\$ -	\$ 181,223
Investments	-	-	-	-	123,579
Total assets	\$ -	\$ 23,340	\$ 34,671	\$ -	\$ 304,802
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ 14,658	\$ -	\$ -	\$ 31,547	\$ 46,205
Fund balances:					
Restricted	-	-	-	-	246,791
Committed	-	23,340	34,671	-	58,011
Unassigned	(14,658)	-	-	(31,547)	(46,205)
Total fund balances	(14,658)	23,340	34,671	(31,547)	258,597
Total liabilities and fund balances	\$ -	\$ 23,340	\$ 34,671	\$ -	\$ 304,802

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, 2023
(Page 1 of 2)

Special Revenue Funds

	Recreation Fund	Preservation of Land Records Fund	Library Fund	Reappraisal Fund	Cemetery Fund	ARPA Fund	Charles O'Davis Fund
Revenues							
Intergovernmental	\$ -	\$ -	\$ -	\$ 8,211	\$ -	\$ -	\$ -
Permits, licenses and fees	-	4,417	-	-	1,600	-	-
Investment income	-	-	4	-	535	-	2,489
Miscellaneous	-	-	-	-	6,824	-	-
Donations	1,000	-	3	-	-	-	-
Total revenues	<u>1,000</u>	<u>4,417</u>	<u>7</u>	<u>8,211</u>	<u>8,959</u>	<u>-</u>	<u>2,489</u>
Expenditures							
Current:							
General government	-	4,249	-	48,894	-	24,908	2,000
Highways	-	-	-	-	-	-	-
Cemetery	-	-	-	-	4,343	-	-
Culture and recreation	1,000	-	281	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>1,000</u>	<u>4,249</u>	<u>281</u>	<u>48,894</u>	<u>4,343</u>	<u>24,908</u>	<u>2,000</u>
Excess of revenues or (expenditures)	<u>-</u>	<u>168</u>	<u>(274)</u>	<u>(40,683)</u>	<u>4,616</u>	<u>(24,908)</u>	<u>489</u>
Other financing sources							
Transfers in (out)	-	-	-	-	-	(335,894)	-
Net change in fund balances	-	168	(274)	(40,683)	4,616	(360,802)	489
Fund balances, beginning of year (As restated)	<u>-</u>	<u>17,875</u>	<u>4,009</u>	<u>70,990</u>	<u>73,446</u>	<u>388,488</u>	<u>88,469</u>
Fund balances, end of year	\$ <u>-</u>	\$ <u>18,043</u>	\$ <u>3,735</u>	\$ <u>30,307</u>	\$ <u>78,062</u>	\$ <u>27,686</u>	\$ <u>88,958</u>

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, 2023

(Page 2 of 2)

	Capital Project Funds				Total Nonmajor Governmental Funds
	Sidewalk Fund	Maintenance Reserve Fund	Bridge and Culvert Fund	Wastewater Project Fund	
Revenues					
Intergovernmental	\$ 35,948	\$ -	\$ -	\$ -	\$ 44,159
Permits, licenses and fees	-	-	-	-	6,017
Investment income	-	-	-	-	3,028
Miscellaneous	-	-	-	-	6,824
Donations	-	-	-	-	1,003
Total revenues	<u>35,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,031</u>
Expenditures					
Current:					
General government	-	-	-	31,547	111,598
Highways	-	6,660	-	-	6,660
Cemetery	-	-	-	-	4,343
Culture and recreation	-	-	-	-	1,281
Capital outlay	<u>34,628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,628</u>
Total expenditures	<u>34,628</u>	<u>6,660</u>	<u>-</u>	<u>31,547</u>	<u>158,510</u>
Excess of revenues or (expenditures)	<u>1,320</u>	<u>(6,660)</u>	<u>-</u>	<u>(31,547)</u>	<u>(97,479)</u>
Other financing sources					
Transfers in (out)	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(315,894)</u>
Net change in fund balances	1,320	3,340	10,000	(31,547)	(413,373)
Fund balances, beginning of year (As restated)	<u>(15,978)</u>	<u>20,000</u>	<u>24,671</u>	<u>-</u>	<u>671,970</u>
Fund balances, end of year	\$ <u>(14,658)</u>	\$ <u>23,340</u>	\$ <u>34,671</u>	\$ <u>(31,547)</u>	\$ <u>258,597</u>

TOWN OF MORETOWN, VERMONT
Schedule of Revenues and Expenditures - Budget and Actual
Budgetary Basis - General Fund
For the Year Ended December 31, 2023
(Page 1 of 9)

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 1,279,027	\$ 1,279,027	\$ 1,287,057	\$ 8,030
Interest on delinquent taxes	-	-	5,215	5,215
Intergovernmental	164,792	164,792	349,103	184,311
Permits, licenses and fees	26,950	26,950	33,032	6,082
Investment income	-	-	1,455	1,455
Miscellaneous	45,570	45,570	53,146	7,576
Total revenues	<u>1,516,339</u>	<u>1,516,339</u>	<u>1,729,008</u>	<u>212,669</u>
Expenditures				
Town Office				
Custodial services	5,600	5,600	5,444	156
Building maintenance	3,000	3,000	2,333	667
Equipment maintenance	8,100	8,100	8,003	97
Equipment lease-copier	2,900	2,900	2,737	163
Telephone	5,000	5,000	6,471	(1,471)
Postage	3,400	3,400	2,745	655
Supplies	4,000	4,000	4,058	(58)
Electricity	3,700	3,700	2,858	842
Equipment purchase	6,000	6,000	10,810	(4,810)
Total Town Office	<u>41,700</u>	<u>41,700</u>	<u>45,459</u>	<u>(3,759)</u>
Town Hall				
Custodial wages	500	500	116	384
FICA/Medicare	40	40	9	31
Building maintenance	2,000	2,000	1,926	74
Supplies	50	50	-	50
Electricity	1,300	1,300	3,203	(1,903)
Heating fuel	2,900	2,900	2,774	126
Historic preservation grant	4,350	4,350	6,042	(1,692)
Total Town Hall	<u>11,140</u>	<u>11,140</u>	<u>14,070</u>	<u>(2,930)</u>
Library				
Librarian pay	18,564	18,564	20,822	(2,258)
Assistant Librarian pay	7,371	7,371	8,293	(922)
FICA/Medicare	-	-	2,258	(2,258)
Building maintenance	1,198	1,198	1,516	(318)
Equipment/maintenance	350	350	165	185
Telephone	1,176	1,176	1,290	(114)
Printing / advertising	75	75	-	75
Training/mileage	150	150	-	150
Memberships	1,253	1,253	32	1,221
Supplies	900	900	1,057	(157)
Postage	640	640	163	477
Electricity	320	320	357	(37)
Heating fuel	1,000	1,000	671	329
Books, periodicals, etc.	3,200	3,200	3,855	(655)
<i>continued</i>				

TOWN OF MORETOWN, VERMONT
Schedule of Revenues and Expenditures - Budget and Actual
Budgetary Basis - General Fund
For the Year Ended December 31, 2023
(Page 2 of 9)

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
<i>continued</i>				
Winnie Belle grant	-	-	448	(448)
Programming	700	700	583	117
Courier grant	360	360	1,047	(687)
Total Library	<u>37,257</u>	<u>37,257</u>	<u>42,557</u>	<u>(5,300)</u>
Town Meeting				
Election officials pay	600	600	668	(68)
FICA/Medicare	160	160	261	(101)
Printing and publications	2,000	2,000	1,787	213
Mileage	-	-	29	(29)
Meals	100	100	84	16
Total Town Meeting	<u>2,860</u>	<u>2,860</u>	<u>2,829</u>	<u>31</u>
Town Reports				
Wages	900	900	907	(7)
FICA/MEDI	75	75	69	6
Postage/labeling	850	850	869	(19)
Printing	1,475	1,475	1,485	(10)
Total Town Reports	<u>3,300</u>	<u>3,300</u>	<u>3,330</u>	<u>(30)</u>
General town expenses				
Miscellaneous	1,000	1,000	4	996
Unemployment	522	522	532	(10)
Legal - Select Board	2,500	2,500	1,670	830
General legal	2,500	2,500	6,318	(3,818)
Speed trailer	-	-	44	(44)
Law enforcement / Sheriff	27,000	27,000	12,179	14,821
Recreation mowing	3,608	3,608	3,144	464
Washington County tax	21,966	21,966	20,947	1,019
Liability - workers compensation	53,000	53,000	54,474	(1,474)
Website design	4,000	4,000	440	3,560
Website	5,600	5,600	4,943	657
FICA/MEDI	500	500	350	150
Health Reimbursement Account	22,000	22,000	17,312	4,688
Annual Medical Dis. Test	308	308	-	308
HRA administration	250	250	162	88
Street flags	500	500	495	5
Stormwater	-	-	6,890	(6,890)
Street lights	4,000	4,000	3,363	637
MERP Grant	-	-	2,580	(2,580)
Mad River Park Main.	1,600	1,600	-	1,600
Total general town expenses	<u>150,854</u>	<u>150,854</u>	<u>135,847</u>	<u>15,007</u>
Memberships				
Montpelier ambulance	15,470	15,470	15,470	-
Waterbury ambulance	7,410	7,410	7,410	-
MRV ambulance	-	-	-	-
<i>continued</i>				

TOWN OF MORETOWN, VERMONT
Schedule of Revenues and Expenditures - Budget and Actual
Budgetary Basis - General Fund
For the Year Ended December 31, 2023
(Page 3 of 9)

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
<i>continued</i>				
CVEDC dues	800	800	780	20
Central VT regional plan	2,331	2,331	2,331	-
VLCT dues	3,409	3,409	3,409	-
MRRM Alliance	12,271	12,271	12,271	-
Front Porch Forum	500	500	-	500
BRS Dues	250	250	-	250
Total memberships	<u>42,441</u>	<u>42,441</u>	<u>41,671</u>	<u>770</u>
Tax Collector				
FICA/Medicare	<u>500</u>	<u>500</u>	<u>1,183</u>	<u>(683)</u>
Constables				
Constable pay	250	250	-	250
FICA/Medicare	<u>20</u>	<u>20</u>	<u>-</u>	<u>20</u>
Total Constables	<u>270</u>	<u>270</u>	<u>-</u>	<u>270</u>
Health Officer				
Health Officer pay	300	300	-	300
FICA/Medicare	30	30	-	30
Supplies	<u>25</u>	<u>25</u>	<u>-</u>	<u>25</u>
Total Health Officer	<u>355</u>	<u>355</u>	<u>-</u>	<u>355</u>
Animal control				
Animal Control Officer pay	2,500	2,500	2,500	-
FICA/Medicare	150	150	190	(40)
Expenses	200	200	-	200
Mileage	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total animal control	<u>3,350</u>	<u>3,350</u>	<u>2,690</u>	<u>660</u>
Auditors				
CPA/bookkeeping services	<u>21,000</u>	<u>21,000</u>	<u>21,225</u>	<u>(225)</u>
Listers				
Consultant pay	13,500	13,500	18,899	(5,399)
Computer support	200	200	-	200
Update tax maps	2,200	2,200	4,700	(2,500)
Internet	1,700	1,700	1,986	(286)
Postage	200	200	-	200
Supplies	200	200	506	(306)
Mapping software	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Total Listers	<u>21,000</u>	<u>21,000</u>	<u>29,091</u>	<u>(8,091)</u>
BCA				
Supplies	<u>50</u>	<u>50</u>	<u>-</u>	<u>50</u>

TOWN OF MORETOWN, VERMONT
Schedule of Revenues and Expenditures - Budget and Actual
Budgetary Basis - General Fund
For the Year Ended December 31, 2023
(Page 4 of 9)

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
<i>continued</i>				
Zoning Administrator				
Zoning Administrator pay	19,000	19,000	20,147	(1,147)
911 Coordinator pay	2,000	2,000	-	2,000
FICA/Medicare	700	700	1,554	(854)
Supplies/printing	300	300	178	122
Expenses - 911 Coordinator	300	300	-	300
E911 Supplies	1,500	1,500	77	1,423
Total Zoning Administrator	<u>23,800</u>	<u>23,800</u>	<u>21,956</u>	<u>1,844</u>
Planning Commission				
Supplies	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Development Review Board				
Postage	50	50	41	9
Printing/advertisement	<u>300</u>	<u>300</u>	<u>572</u>	<u>(272)</u>
Total Development Review Board	<u>350</u>	<u>350</u>	<u>613</u>	<u>(263)</u>
Cemeteries				
Contracted mowing	7,750	7,750	7,750	-
Supplies	<u>120</u>	<u>120</u>	<u>267</u>	<u>(147)</u>
Total cemeteries	<u>7,870</u>	<u>7,870</u>	<u>8,017</u>	<u>(147)</u>
Town Clerk				
Town Clerk pay	50,103	50,103	51,143	(1,040)
Health insurance	14,060	14,060	12,674	1,386
Eye / Med	109	109	109	-
Delta Dental	429	429	432	(3)
FICA/Medicare - Town Clerk	3,600	3,600	3,886	(286)
Municipal retirement	4,300	4,300	4,687	(387)
Expenses - Town Clerk	60	60	45	15
Assistant Town Clerk	18,487	18,487	18,705	(218)
FICA/Medicare - Asst. Town Clerk	1,200	1,200	1,340	(140)
Expenses - Asst. Town Clerk	<u>100</u>	<u>100</u>	<u>151</u>	<u>(51)</u>
Total Town Clerk	<u>92,448</u>	<u>92,448</u>	<u>93,172</u>	<u>(724)</u>
Town Treasurer				
Town Treasurer pay	12,526	12,526	12,762	(236)
FICA/Medicare - Town Treasurer	1,000	1,000	970	30
Expenses - Treasurer	600	600	436	164
Training/membership	100	100	-	100
Assistant Town Treasurer	8,088	8,088	8,245	(157)
FICA/Medicare - Asst. Town Treasurer	600	600	627	(27)
Expenses - Asst. Town Treasurer	<u>-</u>	<u>-</u>	<u>12</u>	<u>(12)</u>
Total Town Treasurer	<u>22,914</u>	<u>22,914</u>	<u>23,052</u>	<u>(138)</u>
<i>continued</i>				

TOWN OF MORETOWN, VERMONT
Schedule of Revenues and Expenditures - Budget and Actual
Budgetary Basis - General Fund
For the Year Ended December 31, 2023
(Page 5 of 9)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<i>continued</i>				
Select Board				
Select Board pay	5,000	5,000	5,000	-
Grant manager	5,400	5,400	6,300	(900)
FICA/Medicare - Select Board	800	800	707	93
Printing / publishing	300	300	104	196
Supplies	200	200	9,259	(9,059)
Select Board assistant	21,000	21,000	21,687	(687)
Health insurance/HSA's	10,055	10,055	10,055	-
Disability insurance - SBA's	171	171	300	(129)
Eye / Med	109	109	109	-
Delta Dental	430	430	432	(2)
FICA/Medicare - Select Board Clerk	2,000	2,000	1,799	201
Municipal retirement	3,100	3,100	3,318	(218)
Employee compensation	15,000	15,000	1,929	13,071
Total Select Board	<u>63,565</u>	<u>63,565</u>	<u>60,999</u>	<u>2,566</u>
Fire department				
Stipend	3,000	3,000	3,000	-
Dispatching service	25,000	25,000	22,454	2,546
Building maintenance	1,500	1,500	13	1,487
Telephone	2,000	2,000	2,697	(697)
Supplies	1,000	1,000	182	818
Electricity	900	900	1,081	(181)
Computer Updates	900	900	745	155
Heating fuel	4,000	4,000	3,726	274
Total fire department	<u>38,300</u>	<u>38,300</u>	<u>33,898</u>	<u>4,402</u>
Fire equipment				
Radio repairs/maintenance	2,500	2,500	2,325	175
Supplies/expenses	6,000	6,000	6,303	(303)
Gas/diesel	300	300	175	125
Total fire equipment	<u>8,800</u>	<u>8,800</u>	<u>8,803</u>	<u>(3)</u>
Firemen				
Training	500	500	255	245
Expenses	250	250	707	(457)
Mileage	200	200	77	123
Wildland fire	500	500	-	500
Total firemen	<u>1,450</u>	<u>1,450</u>	<u>1,039</u>	<u>411</u>
Fire vehicles				
Maintenance and repairs	8,000	8,000	6,509	1,491
Vehicle supplies	1,000	1,000	-	1,000
Total fire vehicles	<u>9,000</u>	<u>9,000</u>	<u>6,509</u>	<u>2,491</u>
<i>continued</i>				

TOWN OF MORETOWN, VERMONT
Schedule of Revenues and Expenditures - Budget and Actual
Budgetary Basis - General Fund
For the Year Ended December 31, 2023
(Page 6 of 9)

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
<i>continued</i>				
Fire Warden				
FICA / MEDI - Fire Warden	-	-	76	(76)
Fire Warden pay	1,000	1,000	1,000	-
Total Fire Warden	1,000	1,000	1,076	(76)
Fire contracted services	3,525	3,525	-	3,525
Debt retirement - fire				
SCBA 2021 - principal	7,567	7,567	7,333	234
SCBA 2022 - principal	4,400	4,400	4,400	-
SCBA 2021 - interest	230	230	234	(4)
SCBA 2022 - interest	735	735	735	-
Total debt retirement - fire	12,932	12,932	12,702	230
Highways				
Highway crew pay	226,533	226,533	219,086	7,447
Parking lot maintenance	-	-	-	-
Health insurance	44,225	44,225	44,226	(1)
Disability insurance	706	706	1,245	(539)
Eye / Med	435	435	435	-
Delta Dental	1,288	1,288	1,295	(7)
FICA Medicare	17,000	17,000	18,995	(1,995)
Municipal retirement	15,008	15,008	16,718	(1,710)
Uniforms	3,000	3,000	4,271	(1,271)
Misc. expense/mileage	-	-	5	(5)
Total highways	308,195	308,195	306,276	1,919
Highway work				
Highway work	22,500	22,500	-	22,500
Cobb Hill Road	-	-	1,644	(1,644)
Fairgrounds Road	-	-	2,624	(2,624)
Gallagher Acres	-	-	915	(915)
River Road	-	-	132,565	(132,565)
South Hill Road	-	-	1,399	(1,399)
Ward Brook Road	-	-	2,363	(2,363)
Mountain Road	-	-	3,626	(3,626)
Brownsville Road	-	-	238	(238)
Moretown Common Road	-	-	689	(689)
Hathaway Road	-	-	476	(476)
Herring Brook Road	-	-	1,029	(1,029)
Hog Hollow	-	-	238	(238)
Howes Road	-	-	717	(717)
Jones Brook Road	-	-	1,893	(1,893)
Bradley Road	-	-	197	(197)
Pony Farm Road	-	-	745	(745)
School Parking Lot	-	-	220	(220)
Stevens Brook Road	-	-	1,009	(1,009)
<i>continued</i>				

TOWN OF MORETOWN, VERMONT
Schedule of Revenues and Expenditures - Budget and Actual
Budgetary Basis - General Fund
For the Year Ended December 31, 2023
(Page 7 of 9)

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
<i>continued</i>				
Lover's Lane	-	-	942	(942)
Dickerson Road	-	-	941	(941)
Henning Road	-	-	234	(234)
Turner Road	-	-	230	(230)
MRGP	-	-	5,693	(5,693)
Municipal MRG permit	1,590	1,590	1,765	(175)
Arther Buck Park	-	-	224	(224)
Total highway work	<u>24,090</u>	<u>24,090</u>	<u>162,616</u>	<u>(138,526)</u>
Highway supplies				
Signs	4,000	4,000	2,723	1,277
Safety materials	1,000	1,000	702	298
Chloride	17,500	17,500	25,849	(8,349)
Class IV road maintenance/supplies	2,000	2,000	-	2,000
Gravel	55,000	55,000	49,211	5,789
Other: hay, seed	1,750	1,750	357	1,393
Salt	6,000	6,000	4,066	1,934
Sand	70,000	70,000	76,779	(6,779)
Stone	3,000	3,000	-	3,000
Culverts	16,000	16,000	22,660	(6,660)
Guardrails	10,000	10,000	-	10,000
Total highway supplies	<u>186,250</u>	<u>186,250</u>	<u>182,347</u>	<u>3,903</u>
Town garage				
Trash removal	1,500	1,500	1,658	(158)
Building maintenance	3,000	3,000	2,728	272
Office equipment/maintenance	1,000	1,000	-	1,000
Telephone	2,500	2,500	2,154	346
Supplies	4,000	4,000	3,591	409
Welding	1,250	1,250	528	722
Robert Turner software	800	800	-	800
Electricity	2,500	2,500	1,577	923
Propane	5,500	5,500	4,954	546
Total town garage	<u>22,050</u>	<u>22,050</u>	<u>17,190</u>	<u>4,860</u>
Highway vehicles & equipment				
2015 Mack	7,500	7,500	9,439	(1,939)
All trucks	500	500	824	(324)
Grader	10,000	10,000	609	9,391
Loader	3,500	3,500	3,345	155
Excavator	1,000	1,000	1,545	(545)
2022 Kubota tractor	500	500	-	500
All equipment	1,500	1,500	1,191	309
Chains	4,000	4,000	3,673	327
Tires	9,000	9,000	15,846	(6,846)
Wear items	9,000	9,000	11,761	(2,761)
<i>continued</i>				

TOWN OF MORETOWN, VERMONT
Schedule of Revenues and Expenditures - Budget and Actual
Budgetary Basis - General Fund
For the Year Ended December 31, 2023
(Page 8 of 9)

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
<i>continued</i>				
2018 International	7,500	7,500	11,489	(3,989)
2018 Dodge Ram	2,500	2,500	4,421	(1,921)
2021 International	2,500	2,500	998	1,502
Gas, diesel, oil	50,000	50,000	59,286	(9,286)
Total highway vehicles & equipment	109,000	109,000	124,427	(15,427)
Highway equipment & tools				
Wrecker charge	1,000	1,000	-	1,000
Mowing roadsides	7,000	7,000	6,950	50
Maintenance	500	500	-	500
Rentals & leases	500	500	450	50
Supplies	1,500	1,500	2,427	(927)
Purchases	950	950	559	391
Plate compactor	-	-	-	-
Total highway equip	11,450	11,450	10,386	1,064
Debt retirement highway				
Excavator - principal	29,100	29,100	29,100	-
Excavator - interest	1,800	1,800	1,760	40
East sidewalk - principal	26,884	26,884	26,884	-
East sidewalk - interest	5,030	5,030	5,031	(1)
Town Garage - principal	45,000	45,000	45,000	-
Town Garage - interest	14,906	14,906	13,093	1,813
2021 International - principal	29,807	29,807	29,807	-
2021 International - interest	2,600	2,600	3,018	(418)
2022 Kubota tractor - principal	10,000	10,000	10,000	-
2022 Kubota tractor - interest	810	810	796	14
Total debt retirement highway	165,937	165,937	164,489	1,448
Other articles				
Battered Women's Services	500	500	500	-
Neck of the Woods	25,000	25,000	25,000	-
Central VT Council on Aging	1,400	1,400	1,400	-
Central VT Adult Basic Ed	1,200	1,200	1,200	-
Capstone Community Action	400	400	400	-
Central VT Home Health	3,750	3,750	3,750	-
Family Ctr. of Washington County	500	500	500	-
Good Beginnings of Central VT	300	300	300	-
Green Mountain Transit Authority	775	775	775	-
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	300	300	300	-
Montpelier Senior Center	1,100	1,100	1,100	-
VT Assoc. for Blind & Visual Impaired	500	500	500	-
Mad River Valley TV	750	750	750	-
Washington Cty Diversion Programs	350	350	350	-
<i>continued</i>				

TOWN OF MORETOWN, VERMONT
Schedule of Revenues and Expenditures - Budget and Actual
Budgetary Basis - General Fund
For the Year Ended December 31, 2023
(Page 9 of 9)

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
<i>continued</i>				
Elevate Youth Service	150	150	150	-
Waterbury Area Senior Center	4,999	4,999	4,999	-
Town events	6,000	6,000	6,000	-
Green Up Vermont	100	100	100	-
Mad River Valley Recreation Park	-	-	2,250	(2,250)
Community Harvest	350	350	350	-
Washington Cty Mental Health	1,200	1,200	1,200	-
Spring Hill	3,000	3,000	3,000	-
Total other articles	<u>55,224</u>	<u>55,224</u>	<u>57,474</u>	<u>(2,250)</u>
Total expenditures	<u>1,504,327</u>	<u>1,504,327</u>	<u>1,636,993</u>	<u>(132,666)</u>
Excess of revenues or (expenditures)	<u>12,012</u>	<u>12,012</u>	<u>92,015</u>	<u>80,003</u>
Other financing sources (uses)				
Transfers in (out)	<u>(30,000)</u>	<u>(30,000)</u>	<u>(12,200)</u>	<u>17,800</u>
Net change in fund balances	\$ <u>(17,988)</u>	\$ <u>(17,988)</u>	\$ <u>79,815</u>	\$ <u>97,803</u>

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

The Select Board
Town of Moretown, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Moretown, Vermont, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Moretown, Vermont's basic financial statements and have issued our report thereon dated February 20, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Moretown, Vermont'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 Town of Moretown, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Moretown, Vermont's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Moretown, Vermont's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pace & Hawley, LLC

Berlin, Vermont
February 20, 2024