

TOWN OF MORETOWN, VERMONT

AUDIT REPORT

DECEMBER 31, 2022

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Sullivan, Powers & Co., P.C.

Certified Public Accountants

77 Barre Street
P.O. Box 947
Montpelier, VT 05601
802/223-2352
www.sullivanpowers.com

Richard J. Brigham, CPA
Chad A. Hewitt, CPA
Jordon M. Plummer, CPA
VT Lic. #92-000180

Independent Auditor's Report

Selectboard
Town of Moretown, Vermont
79 School Street
Moretown, VT 05660

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 the aggregate remaining fund information of the Town of Moretown, Vermont as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town of Moretown, Vermont's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to previously 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, 2022, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting, as described in Note I.D.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. 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.

Correction of Errors

As described in Note III.C. to the financial statements, certain errors were corrected by management during the current year. Our opinion is not modified with respect to this matter.

Basis of Accounting

We draw attention to Note I.D. to 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 opinion is not modified with respect to that matter.

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

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, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 judgement 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 judgement, 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.

Other 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 fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by “Government Auditing Standards”

In accordance with “Government Auditing Standards”, we have also issued our report dated February 15, 2023 on our consideration of the Town of Moretown, Vermont’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Moretown, Vermont’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with “Government Auditing Standards” in considering the Town of Moretown, Vermont’s internal control over financial reporting and compliance.

Sullivan, Powers & Co.

February 15, 2023
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF MORETOWN, VERMONT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2022

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 1,635,274
Investments	55,889
Due from Fiduciary Funds	29,263
Due from Employees	<u>463</u>
Total Assets	<u>1,720,889</u>
<u>LIABILITIES</u>	
Due to State of Vermont	551
Due to Delinquent Tax Collector	<u>6,363</u>
Total Liabilities	<u>6,914</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Prepaid Property Taxes	<u>4,283</u>
Total Deferred Inflows of Resources	<u>4,283</u>
<u>NET POSITION</u>	
Restricted:	
Non-Expendable:	
Perpetual Care	42,016
Expendable:	
Cemetery	31,430
Eligible ARPA Uses	388,488
Other	21,884
Unrestricted	<u>1,225,874</u>
Total Net Position	<u>\$ 1,709,692</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF MORETOWN, VERMONT
 STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Cash Receipts				Net (Disbursements)/ Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants/Loans and Contributions	Governmental Activities
Functions/Programs:					
Governmental Activities:					
General Government	\$ 539,102	\$ 35,921	\$ 15,954	\$ 0	\$ (487,227)
Public Safety	123,188	0	0	24,948	(98,240)
Highways and Streets	827,895	13,333	112,981	107,366	(594,215)
Culture and Recreation	51,632	189	3,419	0	(48,024)
Cemetery	7,870	2,750	0	0	(5,120)
Debt Service	165,189	0	0	0	(165,189)
	<u>\$ 1,714,876</u>	<u>\$ 52,193</u>	<u>\$ 132,354</u>	<u>\$ 132,314</u>	<u>(1,398,015)</u>
Total Governmental Activities					
General Receipts:					
Property Taxes					1,126,803
Penalties and Interest on Delinquent Taxes					6,770
General State Grants					64,688
ARPA Funds					248,973
Unrestricted Investment Earnings					1,919
Insurance Proceeds					12,490
Other					1,233
					<u>1,462,876</u>
					Change in Net Position 64,861
					Net Position - January 1, 2022, As Reclassified 1,644,831
					Net Position - December 31, 2022 \$ 1,709,692

The accompanying notes are an integral part of this financial statement.

TOWN OF MORETOWN, VERMONT
STATEMENT OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General Fund	Savings Reserve Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 931,514	\$ 569,148	\$ 0	\$ 134,612	\$ 1,635,274
Investments	0	0	0	55,889	55,889
Advances to Other Funds	0	425,000	0	0	425,000
Due from Other Funds	0	0	388,488	134,545	523,033
Due from Employees	463	0	0	0	463
Total Assets	<u>\$ 931,977</u>	<u>\$ 994,148</u>	<u>\$ 388,488</u>	<u>\$ 325,046</u>	<u>\$ 2,639,659</u>
<u>LIABILITIES</u>					
Due to State of Vermont	\$ 551	\$ 0	\$ 0	\$ 0	\$ 551
Advances from Other Funds	425,000	0	0	0	425,000
Due to Other Funds	477,792	0	0	15,978	493,770
Due to Delinquent Tax Collector	6,363	0	0	0	6,363
Total Liabilities	<u>909,706</u>	<u>0</u>	<u>0</u>	<u>15,978</u>	<u>925,684</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Prepaid Property Taxes	4,283	0	0	0	4,283
Total Deferred Inflows of Resources	<u>4,283</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,283</u>
<u>FUND BALANCES</u>					
Nonspendable	0	0	0	42,016	42,016
Restricted	0	0	388,488	53,314	441,802
Committed	0	994,148	0	158,726	1,152,874
Assigned	0	0	0	70,990	70,990
Unassigned/(Deficit)	17,988	0	0	(15,978)	2,010
Total Fund Balances	<u>17,988</u>	<u>994,148</u>	<u>388,488</u>	<u>309,068</u>	<u>1,709,692</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 931,977</u>	<u>\$ 994,148</u>	<u>\$ 388,488</u>	<u>\$ 325,046</u>	<u>\$ 2,639,659</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF MORETOWN, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	Savings Reserve Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
Cash Receipts:					
Property Taxes	\$ 1,126,803	\$ 0	\$ 0	\$ 0	\$ 1,126,803
Penalties and Interest on Delinquent Taxes	6,770	0	0	0	6,770
Intergovernmental	186,259	0	248,973	86,467	521,699
Charges for Services	14,044	0	0	2,750	16,794
Permits, Licenses and Fees	28,833	0	0	5,738	34,571
Investment Income	844	439	0	636	1,919
Donations	2,958	0	0	1,672	4,630
Other	2,061	0	0	0	2,061
Total Cash Receipts	1,368,572	439	248,973	97,263	1,715,247
Cash Disbursements:					
General Government	435,346	0	72,752	31,004	539,102
Public Safety	85,245	0	0	0	85,245
Highways and Streets	685,760	0	0	0	685,760
Culture and Recreation	45,779	0	2,737	3,116	51,632
Cemetery	7,870	0	0	0	7,870
Capital Outlay:					
Public Safety	37,943	0	0	0	37,943
Highways and Streets	30,062	0	0	112,073	142,135
Debt Service:					
Principal	138,010	0	0	0	138,010
Interest	27,179	0	0	0	27,179
Total Cash Disbursements	1,493,194	0	75,489	146,193	1,714,876
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	(124,622)	439	173,484	(48,930)	371
Other Financing Sources/(Uses):					
Insurance Proceeds	12,490	0	0	0	12,490
Issuance of Long-term Debt	52,000	0	0	0	52,000
Transfers In	35,415	0	0	20,000	55,415
Transfers Out	(20,000)	0	(35,415)	0	(55,415)
Total Other Financing Sources/(Uses)	79,905	0	(35,415)	20,000	64,490
Net Change in Fund Balances	(44,717)	439	138,069	(28,930)	64,861
Fund Balances - January 1, 2022, As Restated/Reclassified	62,705	993,709	250,419	337,998	1,644,831
Fund Balances - December 31, 2022	\$ 17,988	\$ 994,148	\$ 388,488	\$ 309,068	\$ 1,709,692

The accompanying notes are an integral part of this financial statement.

TOWN OF MORETOWN, VERMONT
STATEMENT OF FIDUCIARY MODIFIED CASH BASIS NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022

	Private-Purpose Trust Fund Charles O. Davis Fund	Custodial Fund Education Tax Fund
<u>ASSETS</u>		
Cash	\$ 22,040	\$ 0
Investments	66,429	0
Due from School District	0	29,263
Total Assets	88,469	29,263
<u>LIABILITIES</u>		
Due to Other Funds	0	29,263
Total Liabilities	0	29,263
<u>NET POSITION</u>		
Restricted	88,469	0
Total Net Position	\$ 88,469	\$ 0

The accompanying notes are an integral part of this financial statement.

TOWN OF MORETOWN, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY MODIFIED CASH BASIS NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Private-Purpose Trust Fund	Custodial Fund
	Charles O. Davis Fund	Education Tax Fund
<u>ADDITIONS</u>		
Education Taxes Collected for Other Governments	\$ 0	\$ 3,436,194
Investment Income	<u>2,981</u>	<u>0</u>
Total Additions	<u>2,981</u>	<u>3,436,194</u>
<u>DEDUCTIONS</u>		
Education Taxes Distributed to Other Governments	0	3,436,194
Miscellaneous	<u>1,191</u>	<u>0</u>
Total Deductions	<u>1,191</u>	<u>3,436,194</u>
Change in Net Position	1,790	0
Net Position - January 1, 2022, As Reclassified	<u>86,679</u>	<u>0</u>
Net Position - December 31, 2022	<u><u>\$ 88,469</u></u>	<u><u>\$ 0</u></u>

The accompanying notes are an integral part of this financial statement.

TOWN OF MORETOWN, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

The Town of Moretown, Vermont operates under a Selectboard form of government and provides the following services: public safety, highways and streets, culture and recreation, cemetery, community development, health and social services, public improvements, planning and zoning and general administrative services.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note I.D., these financial statements are presented on the modified cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant accounting policies employed in the preparation of these financial statements.

A. The Financial Reporting Entity

This report includes all of the funds of the Town of Moretown, Vermont. The reporting entity consists of the primary government; organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government is financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board; a governing board appointed by a higher level of government; or a jointly appointed board. Based on these criteria, there are no other entities that should be combined with the financial statements of the Town.

B. Basis of Presentation

The accounts of the Town are organized and operated on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts which comprise its assets, liabilities, deferred inflows of resources, fund equity, receipts, and disbursements. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled.

The basic financial statements of the Town include both government-wide statements and fund financial statements. The focus of the government-wide statements is on reporting the operating results and financial position of the Town as a whole. The focus of the fund financial statements is on reporting on the operating results and financial position of the most significant funds of the Town.

TOWN OF MORETOWN, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government, the Town. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of activities between funds. Governmental activities generally are financed through property taxes, intergovernmental receipts, and other nonexchange transactions.

The statement of activities presents a comparison between direct disbursements and program receipts for each function of the Town's governmental activities. Direct disbursements are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function or program. Program receipts include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants, contributions and loans that are restricted to meeting the operational or capital requirements of a particular program. Receipts that are not classified as program receipts, including all property taxes, are presented as general receipts.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds.

The Town reports on the following major governmental funds:

General Fund – This is the Town's main operating fund. It accounts for all financial resources of the Town except those accounted for in another fund.

Savings Reserve Fund – This fund accounts for reserves set aside for tax stabilization from the closure of the Moretown Landfill.

ARPA Fund – This fund accounts for the resources from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program used to support the Town's response to and recovery from the COVID-19 public health emergency.

Additionally, the Town reports the following fund types:

Private-Purpose Trust Fund – This fund is used to report trust arrangements under which resources are to be used for the benefit of individuals. All investment earnings, and in some cases, the principal of these funds may be used to support these activities.

Custodial Fund – This fund is used to report resources held by the Town in a purely custodial capacity for other governments, private organizations or individuals

TOWN OF MORETOWN, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

C. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus within the limitations of the modified cash basis of accounting. Equity (i.e., modified cash basis net position) is segregated into restricted and unrestricted net position. Operating statements present increases (i.e., receipts) and decreases (i.e., disbursements) in modified cash basis net position.

Governmental fund financial statements are reported using the current financial resources measurement focus within the limitations of the modified cash basis of accounting. Their reported fund balances (modified cash basis fund balances) are considered a measure of available spendable resources and are segregated into nonspendable; restricted; committed; assigned and unassigned amounts. Operating statements of these funds present increases (i.e., receipts and other financing sources) and decreases (i.e., disbursements and other financing uses) in modified cash basis fund balances.

D. Basis of Accounting

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

The Town's policy is to prepare its financial statements generally on the basis of cash receipts and disbursements; consequently, certain revenue and related assets are recognized when received rather than when earned and certain expenditures and related liabilities are recognized when paid rather than when the obligation is incurred. The exceptions to this are that the Town records investments at cost, amounts due from employees for prepaid payroll withholdings and reimbursements due from the School District for overpayment of education taxes as assets, amounts due to the State of Vermont for dog and marriage licenses and amounts due to the delinquent tax collector for delinquent property tax penalties collected but not remitted as liabilities and property taxes paid in advance as deferred inflows of resources.

General capital asset acquisitions are reported as expenditures. Proceeds of general long-term debt are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Equity

1. Cash

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

Excess cash of individual funds are shown as due from other funds and excess cash withdrawals are shown as due to other funds.

TOWN OF MORETOWN, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

2. Investments

The Town invests in investments as allowed by State Statute. Investments are reported at cost.

3. Fund Equity

Fund Equity is classified based upon any restrictions that have been placed on those balances or any tentative plans management may have made for those balances. Restrictions of net position in the government-wide and fiduciary fund financial statements represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a grant, contract, or other binding agreement. Fund balances in governmental fund financial statements are classified as nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors, or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Selectboard's intended use of the resources); and unassigned.

4. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements that are outstanding at the end of the fiscal year are referred to as "advances to/from other funds". All other outstanding balances between funds are reported as "due from/to other funds".

5. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, "deferred inflows of resources", represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the future periods to which the inflows are related.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The expenditures budget for the General Fund is approved at the annual Town Meeting in March. Any budget changes require voter approval. There were no budget amendments during the year. The voters are presented estimated revenue projections, however, do not approve them. The Selectboard modifies the revenue projections prior to setting the tax rate if more accurate projections are available. The budget presented herein is for the Town's "General Fund" only and does not include the interfund loan activity.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2022, expenditures in the General Fund exceeded appropriations by \$50,629. These over-expenditures were funded by available fund balance.

TOWN OF MORETOWN, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

C. Restatement/Reclassification of Fund Balances/Net Position

The net position of the governmental activities and Fiduciary Funds were reclassified as follows:

	Governmental Activities	Fiduciary Funds
Net Position - December 31, 2021, As Originally Reported	\$ 1,731,510	\$ 0
Reclassification of Fund Types	(86,679)	86,679
Net Position - December 31, 2021, As Reclassified	\$ 1,644,831	\$ 86,679

The Town reclassified the Charles O. Davis Fund from a Governmental Fund to a Fiduciary Fund resulting in a \$86,679 decrease in the Governmental Activities net position and increase in the Fiduciary Funds net position.

The fund balances/net position of the Governmental Funds and Private-Purpose Trust Fund were restated/reclassified as follows:

	Governmental Funds		Private-Purpose Trust Fund
	General Fund	Non-Major Governmental Funds	Charles O. Davis Fund
Fund Balances/Net Position - December 31, 2021, As Originally Reported	\$ 84,220	\$ 403,162	\$ 0
Correction of Errors:			
(Overstatement)/Understatement of Advances to Other Funds	0	21,515	0
Overstatement/(Understatement) of Advances from Other Funds	(21,515)	0	0
Reclassification of Fund Types	0	(86,679)	86,679
Fund Balances/Net Position - December 31, 2021, As Restated/Reclassified	\$ 62,705	\$ 337,998	\$ 86,679

The Town reclassified the Charles O. Davis Fund from a Governmental Fund, previously reported as a separate Special Revenue Fund in the Non-Major Governmental Funds, to a Private-Purpose Trust Fund resulting in a \$86,679 decrease in the Non-Major Governmental Funds fund balance and an increase in the Private-Purpose Trust Fund net position.

The restatement of the General Fund was the result of an understatement of advances from other funds. The effect of this restatement on the General Fund Statement of Modified Cash Basis Assets, Liabilities and Fund Balances is to increase liabilities by \$21,515 and decrease net position by \$21,515. The effect on the 2021 Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances has not been determined.

TOWN OF MORETOWN, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

The restatement of the Non-Major Governmental Funds was the result of an understatement of advances to other funds. The effect of this restatement on the Non-Major Governmental Funds Statement of Modified Cash Basis Assets, Liabilities and Fund Balances is to increase assets and net position by \$21,515. The effect on the 2021 Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances has not been determined.

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments as of December 31, 2022 consist of the following:

Cash:	
Deposits with Financial Institutions	\$1,657,013
Cash on Hand	<u>301</u>
Total Cash	1,657,314
Investments:	
Certificates of Deposit	<u>122,318</u>
Total Cash and Investments	<u>\$1,779,632</u>

The Town has three (3) certificates of deposit with Northfield Savings Bank ranging from \$16,181 to \$66,429 with interest rates ranging from 0.15% to 0.35%. All certificates of deposit mature during 2023.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counter-party (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. The Town does not have any policy to limit the exposure to custodial credit risk. The following table reflects the custodial credit risk of the Town's cash and certificates of deposit.

	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC Insured	\$ 528,969	\$ 528,969
Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution's Agent	<u>1,250,362</u>	<u>1,276,787</u>
Total	<u>\$1,779,331</u>	<u>\$1,805,756</u>

TOWN OF MORETOWN, VERMONT
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The difference between the book and the bank balance is due to reconciling items such as deposits in transit and outstanding checks.

The book balance is comprised of the following:

Cash – Deposits with Financial Institutions	\$1,657,013
Investments – Certificates of Deposit	<u>122,318</u>
Total	<u>\$1,779,331</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have any policy to limit the exposure to interest rate risk. The Town’s certificates of deposit are not subject to interest rate risk disclosure.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. These organizations look at a number of factors in order to evaluate the risk of an obligation and rate the risk. The rating allows the investor to make informed buying and selling decisions. The Town does not have any policy to limit the exposure to credit risk. The Town’s certificates of deposit are not subject to credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk that a large percentage of the Town’s investments are held within one security. The Town does not have any limitations on the amount that can be invested in any one issuer. The Town has no investments subject to concentration of credit risk disclosure.

B. Interfund Balances and Transfers

Interfund balances as of December 31, 2022 are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 0	\$477,792
ARPA Fund	388,488	0
Non-Major Governmental Funds	134,545	15,978
Custodial Fund – Education Tax Fund	<u>0</u>	<u>29,263</u>
Total	<u>\$523,033</u>	<u>\$523,033</u>

TOWN OF MORETOWN, VERMONT
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During the year, the General Fund borrowed \$425,000 from the Savings Reserve Fund in order to finance the Town’s current expenses. This is shown as an advance to other funds in the Savings Reserve Fund and an advance from other funds in the General Fund. The Town intends to repay this loan when the funds become available.

Interfund transfers during the year ended December 31, 2022 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Maintenance Reserve Fund	\$10,000	Appropriation
General Fund	Bridge and Culvert Fund	10,000	Appropriation
ARPA Fund	General Fund	<u>35,415</u>	Revenue Replacement
Total		<u>\$55,415</u>	

C. Due from School District

During the year ended December 31, 2022, the Town paid the School District \$3,465,457 for education property taxes, as instructed by the State of Vermont. Subsequent to year end, the State will issue its final education property tax reconciliation for the State’s fiscal year ending June 30, 2022. The Town estimates that the State’s final reconciliation will show \$3,436,194 is required to be paid to the School District. The amount of education taxes owed by the School District to the Town as of December 31, 2022 is estimated to be \$29,263.

D. Deferred Inflows of Resources

Deferred inflows of resources consist of \$4,283 of prepaid property taxes.

E. Fund Balances

GASB Statement No. 34, as amended by GASB Statement No. 54, requires fund balances reported on the governmental fund balance sheet to be classified using a hierarchy based primarily on the extent to which a government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balances are to be classified as: nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Selectboard’s intended use of the resources); and unassigned.

Special revenue funds are created only to report a revenue source (or sources) that is restricted or committed to a specified purpose, and that the revenue source should constitute a substantial portion of the resources reported in that fund. Special revenue funds cannot be used to accumulate funds that are not restricted or committed. These amounts will have to be reflected in the General Fund.

TOWN OF MORETOWN, VERMONT
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Amounts constrained to stabilization (rainy-day funds) will be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. However, stabilization is regarded as a specified purpose only if the circumstances or conditions that signal the need for stabilization (a) are identified in sufficient detail and (b) are not expected to occur routinely. Governments are required to disclose in the notes key information about their stabilization arrangements, including the authority by which they were established, provisions for additions to the stabilization amount, and circumstances under which those amounts may be spent. The Town maintains a Savings Reserve Fund for purposes of tax stabilization from the closure of the Moretown Landfill.

Some governments create stabilization-like arrangements by establishing formal minimum fund balance policies. The Town does not have any minimum fund balance policies.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, it is the Town's policy to first consider restricted amounts to have been spent, followed by committed, assigned, and finally unassigned amounts.

The purpose for each major special revenue fund, including which specific revenues and other resources are authorized to be reported in each, are described in the following section.

The fund balances in the following fund is nonspendable as follows:

Non-Major Funds

Permanent Fund:

Nonspendable Cemetery Fund Principal	\$ <u>42,016</u>
Total Nonspendable Fund Balances	\$ <u>42,016</u>

The fund balances in the following funds are restricted as follows:

Major Funds

ARPA Fund:

Restricted for Eligible Uses of the Coronavirus Local Fiscal Recovery Funding by Grant Agreement (Source of Revenue is Grant Revenue)	\$ <u>388,488</u>
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Non-Major Funds

Special Revenue Funds:

Restricted for Library Expenses by Donations (Source of Revenue is Donations)	4,009
Restricted for Preservation of Records Expenses by Statute (Source of Revenue is Restoration Fees)	<u>17,875</u>
Total Special Revenue Funds	<u>21,884</u>

TOWN OF MORETOWN, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Permanent Fund:

Restricted for Cemetery Expenses by Sale of Lots (Source of Revenue is Lot Sales) – Expendable Portion	\$ <u>31,430</u>
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Total Non-Major Funds	\$ <u>53,314</u>
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Total Restricted Fund Balances	\$ <u>441,802</u>
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The fund balances in the following funds are committed as follows:

Major Funds

Savings Reserve Fund:

Committed for Tax Stabilization by the Voters (Source of Revenue is Moretown Landfill Host Fees)	\$ <u>994,148</u>
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Non-Major Funds

Capital Projects Funds:

Committed for Maintenance Reserve Expenditures by the Voters	20,000
Committed for Capital Reserve Expenditures by the Voters	114,055
Committed for Bridge and Culvert Expenditures by the Voters	<u>24,671</u>

Total Non-Major Funds	<u>158,726</u>
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Total Committed Fund Balances	<u>\$1,152,874</u>
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The fund balances in the following fund is assigned as follows:

Non-Major Funds

Special Revenue Funds:

Assigned for Reappraisal Expenses	<u>\$70,990</u>
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Total Assigned Fund Balances	<u>\$70,990</u>
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The unassigned deficit of \$15,978 in the Sidewalk Fund will be funded with grant revenues and a future transfer from the General Fund.

F. Restricted Net Position

The restricted net position in the Governmental Activities includes the nonspendable fund balances of \$42,016 and the restricted fund balances of \$441,802 for a total of \$483,818.

The net position held in trust for various purposes in the Town’s Private-Purpose Trust Fund as of December 31, 2022 consisted of the following:

Private-Purpose Trust Fund:

Restricted for the Aid of Worthy Couples, not less than Sixty-five (65) Years of Age by Bequest	<u>\$88,469</u>
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TOWN OF MORETOWN, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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IV. OTHER INFORMATION

A. Pension Plan

Defined Benefit Plan

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. As of June 30, 2021, the measurement date selected by the State of Vermont, the retirement system consisted of 353 participating employers.

The plan was established effective July 1, 1975, and is governed by Title 24, V.S.A. Chapter 125.

The general administration and responsibility for formulating administrative policy and procedures of the retirement system for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system, and two employer representatives-one elected by the governing bodies of participating employers of the system, and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

As of June 30, 2021, the measurement date selected by the State of Vermont, VMERS was funded at 86.29% and had a plan fiduciary net position of \$926,034,330 and a total pension liability of \$1,073,218,528 resulting in a net position liability of \$147,184,198. As of June 30, 2022, the Town's proportionate share of this was 0.0804% resulting in a net pension liability of \$118,383. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. The Town's proportion of 0.0804% was a decrease of 0.003 from its proportion measured as of the prior year.

TOWN OF MORETOWN, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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Summary of System Provisions

Membership – Full time employees of participating municipalities. Municipalities can elect coverage under Groups A, B, C or D provisions. The Town elected coverage under Group B.

Creditable Service – Service as a member plus purchased service.

Average Final Compensation (AFC) – Group A – Average annual compensation during highest five (5) consecutive years. Groups B and C – Average annual compensation during highest three (3) consecutive years. Group D – Average annual compensation during highest two (2) consecutive years.

Service Retirement Allowance:

Eligibility – Group A – The earlier of age 65 with five (5) years of service or age 55 with thirty-five (35) years of service. Group B – The earlier of age 62 with five (5) years of service or age 55 with thirty (30) years of service. Groups C and D – Age 55 with five (5) years of service.

Amount – Group A – 1.4% of AFC times service. Group B – 1.7% of AFC times service as a Group B member plus percentage earned as a Group A member times AFC. Group C – 2.5% of AFC times service as a Group C member plus percentage earned as a Group A or B member times AFC. Group D – 2.5% of AFC times service as a Group D member plus percentage earned as a Group A, B or C member times AFC.

Maximum benefit is 60% of AFC for Groups A and B and 50% of AFC for Groups C and D. The previous amounts include the portion of the allowance provided by member contributions.

Early Retirement Allowance:

Eligibility – Age 55 with five (5) years of service for Groups A and B. Age 50 with twenty (20) years of service for Group D.

Amount – Normal allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes normal retirement age for Groups A and B members, and payable without reduction to Group D members.

Vested Retirement Allowance:

Eligibility – Five (5) years of service.

Amount – Allowance beginning at normal retirement age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on “Post-Retirement Adjustments”.

TOWN OF MORETOWN, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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Disability Retirement Allowance:

Eligibility – Five (5) years of service and disability as determined by Retirement Board.

Amount – Immediate allowance based on AFC and service to date of disability; children’s benefit of 10% of AFC payable to up to three minor children (or children up to age 23 if enrolled in full-time studies) of a disabled Group D member.

Death Benefit:

Eligibility – Death after five (5) years of service.

Amount – For Groups A, B and C, reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor(s) benefit under disability annuity computed as of date of death. For Group D, 70% of the unreduced accrued benefit plus children’s benefit.

Optional Benefit and Death after Retirement – For Groups A, B and C, lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee. For Group D, lifetime allowance or 70% contingent annuitant option with no reduction.

Refund of Contribution – Upon termination, if the member so elects or if no other benefit is payable, the member’s accumulated contributions are refunded.

Post-Retirement Adjustments – Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in Consumer Price Index but not more than 2% for Group A and 3% for Groups B, C and D.

Member Contributions – Group A – 3.25%. Group B – 5.625%. Group C – 10.75%. Group D – 12.10%.

Employer Contributions – Group A – 4.75%. Group B – 6.25%. Group C – 8.00%. Group D – 10.60%.

Retirement Stipend – \$25 per month payable at the option of the Board of Trustees.

Significant Actuarial Assumptions and Methods

Investment Rate of Return: 7.00%, net of pension plan investment expenses, including inflation.

Salary increases: Varying service-based rates from 0-10 years of service, then a single rate of 4.50% (includes assumed inflation rate of 2.30%) for all subsequent years.

TOWN OF MORETOWN, VERMONT
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DECEMBER 31, 2022

Mortality:

Pre-Retirement: Groups A, B and C – 40% PubG-2010 General Employee Amount-Weighted below-median and 60% of PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2019. Group D – PubG-2010 General Employee Amount-Weighted above-median, with generational projection using scale MP-2019.

Healthy Post-retirement – Retirees: Groups A, B and C – 104% of 40% PubG-2010 General Healthy Retiree Amount-Weighted below-median and 60% of PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2019. Group D – PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2019.

Healthy Post-retirement – Beneficiaries: Groups A, B and C – 70% Pub-2010 Contingent Survivor Amount-Weighted below-median and 30% of Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2019. Group D – Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2019.

Disabled Post-retirement: All Groups – PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with generational projection using scale MP-2019.

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

Cost-of-Living Adjustments: 1.10% for Group A members and 1.20% for Groups B, C and D members. The January 1, 2021 COLA is 0.40% for all groups. The January 1, 2022 COLA is 2.00% for Group A members and 2.30% for Groups B, C and D members.

Actuarial Cost Method: Entry age actuarial cost method. Entry age is the age at date of employment or, if date is unknown, current age minus years of service. Normal cost and actuarial accrued liability are calculated on an individual basis and are allocated by salary, with normal cost determined using the plan of benefits applicable to each participant.

Assets: The valuation is based on the market value of assets as of the valuation date, as provided by the System. The System uses an “actuarial value of assets” that differs from market value to gradually reflect year-to-year changes in the market value of assets in determine the contribution requirements.

Inflation: 2.30%

TOWN OF MORETOWN, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Long-term Expected Rate of Return:

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Passive Global Equities	24%	5.05%
Active Global Equities	5%	5.05%
Large Cap US Equities	4%	4.00%
Small/Mid Cap US Equities	3%	4.50%
Non-US Developed Market Equities	7%	5.50%
Private Equity	10%	6.75%
Emerging Market Debt	4%	3.00%
Private & Alternate Credit	10%	4.75%
Non-Core Real Estate	4%	5.75%
Core Fixed Income	19%	0.00%
Core Real Estate	4%	3.75%
US TIPS	3%	(0.50)%
Infrastructure/Farmland	3%	4.25%

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates set by the Board (employers) and statute (members). The Board voted to authorize employer contribution rate increases of 0.50% each year for a period of four years beginning July 1, 2022, to be offset by any increases in the employee contribution rates as negotiated with employee groups and approved by Legislature. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plans' Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.00%) or one percent higher (8.00%):

<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$233,991	\$118,383	\$23,320

TOWN OF MORETOWN, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2022

Additional Information

Additional information regarding the State of Vermont Municipal Employees' Retirement System, including the details of the Fiduciary Net Position, is available upon request from the State of Vermont.

B. 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; injuries to employees; and natural disasters. The Town maintains insurance coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this 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 ratesetting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund 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. The Town has only elected unemployment coverage with the Trust.

C. Property Taxes

The Town is responsible for assessing and collecting its own property taxes as well as education taxes for the State of Vermont. The tax rate is set by the Selectboard based on the voter approved budget, the estimated grand list and the State education property tax liability. Property taxes are due in one installment on November 1. The penalty rate is four percent (4%) for the first 30 days, increasing to eight percent (8%) thereafter. Interest is charged at one and one-half percent (1-1/2%) per month. The tax rates for 2022 are as follows:

	<u>Homestead</u>	<u>Non-Homestead</u>
Town	.5100	.5100
Education	<u>1.7737</u>	<u>1.7066</u>
Total	<u>2.2837</u>	<u>2.2166</u>

TOWN OF MORETOWN, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

D. Long-term Debt

The Town issues general obligation bonds to provide resources for the acquisition and construction of major capital assets and to refund prior issues. General obligation bonds are direct and pledge the full faith and credit of the Town. New bonds generally are issued as 10 to 30 year bonds.

The Town has notes payable to finance capital projects and purchases through local banks.

Long-term debt outstanding as of December 31, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Town Garage, Principal Payments of \$45,000 Payable on December 1 Annually, Interest Ranging from 1.391% to 4.981% Payable on June 1 and December 1, Due December, 2029	\$360,000	\$ 0	\$ 45,000	\$315,000
Note Payable, Community National Bank, Fire Department Equipment, Principal and Interest Payments of \$7,567 Payable on May 5 Annually, Interest at 1.59%, Due May, 2024	21,999	0	7,218	14,781
Note Payable, Community Bank, N.A., Excavator, Principal Payments of \$29,100 Plus Interest Payable on August 12 Annually, Interest at 2.05%, Due August, 2025	116,400	0	29,100	87,300
Note Payable, Community Bank, N.A., Sidewalk Improvements, Principal Payments of \$26,885 Plus Interest Payable on May 3 Annually, Interest at 2.08%, Due May, 2031	268,844	0	26,885	241,959
Note Payable, Northfield Savings Bank, International Truck, Principal Payments of \$29,807 Plus Interest Payable on February 19 Annually, Interest at 2.15%, Due February, 2026	149,033	0	29,807	119,226

TOWN OF MORETOWN, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Note Payable, Community Bank, N.A., Highway Equipment, Principal Payments of \$10,000 Plus Interest Payable on May 5 Annually, Interest at 2.69%, Due May, 2025	\$ 0	\$30,000	\$ 0	\$ 30,000
Note Payable, Community Bank, N.A., Fire Department Equipment, Principal Payments of \$4,400 Plus Interest Payable on August 3 Annually, Interest at 3.34%, Due August, 2027	<u>0</u>	<u>22,000</u>	<u>0</u>	<u>22,000</u>
Total	<u>\$916,276</u>	<u>\$52,000</u>	<u>\$138,010</u>	<u>\$830,266</u>

Maturities are estimated to be as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2023	\$152,524	\$24,252
2024	152,641	19,962
2025	145,191	15,830
2026	106,090	11,596
2027	76,284	8,013
2028-2031	<u>197,536</u>	<u>10,756</u>
Total	<u>\$830,266</u>	<u>\$90,409</u>

E. Contingent Liability

The Town is a participating member in the Mad River Resource Management Alliance. The Town, as a member, could be required to share in any special assessments.

TOWN OF MORETOWN, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Receipts:			
Property Taxes	\$ 1,176,828	\$ 1,126,803	\$ (50,025)
Interest on Delinquent Taxes	0	2,221	2,221
Hold Harmless/Current Use	60,151	64,287	4,136
State Highway Aid	92,641	92,641	0
Payment in Lieu of Taxes	0	401	401
Town Clerk Fees	20,000	24,115	4,115
Town Hall Rent	450	483	33
Zoning Fees	3,800	5,104	1,304
Duxbury Fire Contract	7,000	0	(7,000)
Library Income	0	1,938	1,938
Fire Department Income	0	2,948	2,948
Highway Income	0	1,206	1,206
Miscellaneous Income	31,246	42,967	11,721
Insurance Proceeds	0	11,399	11,399
Proceeds from Long-term Debt	52,000	52,000	0
Transfer from ARPA Fund	35,415	35,415	0
	<u>1,479,531</u>	<u>1,463,928</u>	<u>(15,603)</u>
Total Cash Receipts			
Cash Disbursements:			
Town Office:			
Custodial Services	4,800	5,186	(386)
Building Maintenance	4,000	2,394	1,606
Equipment Maintenance	8,100	7,852	248
Equipment Lease - Copier	2,900	2,544	356
Telephone/Computer	5,000	5,257	(257)
Postage	3,400	2,946	454
Supplies	3,000	3,696	(696)
Electricity	3,400	3,820	(420)
Equipment Purchase	1,500	1,200	300
	<u>36,100</u>	<u>34,895</u>	<u>1,205</u>
Total Town Office			
Town Hall:			
Custodial Wages	500	427	73
FICA/MEDI	0	33	(33)
Building Maintenance	7,500	2,877	4,623
Supplies	0	30	(30)
Electricity	1,200	1,277	(77)
Heating Fuel	0	2,405	(2,405)
Historic Preservation Grant Expenses	1,000	1,000	0
VT Arts Council Grant Expenses	0	2,950	(2,950)
	<u>10,200</u>	<u>10,999</u>	<u>(799)</u>
Total Town Hall			

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TOWN OF MORETOWN, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Library:			
Librarian Pay	\$ 16,640	\$ 18,943	\$ (2,303)
Assistant Librarian Pay	7,020	7,877	(857)
FICA/MEDI	1,800	2,148	(348)
Building Maintenance	1,198	1,229	(31)
Equipment Maintenance	220	300	(80)
Telephone	1,176	1,075	101
Printing/Advertising	75	0	75
Training/Mileage	150	681	(531)
Memberships	1,253	1,318	(65)
Supplies	550	791	(241)
Postage	610	85	525
Electricity	320	334	(14)
Heating Fuel	1,500	756	744
Books, Periodicals, Etc.	3,200	3,398	(198)
Programming Expenses	700	981	(281)
Courier Grant Expenses	0	1,000	(1,000)
Library Grant Expenses	0	237	(237)
VT Children's Trust Foundation Grant Expenses	0	824	(824)
Summer Programming Grant Expenses	0	300	(300)
Total Library	<u>36,412</u>	<u>42,277</u>	<u>(5,865)</u>
Town Meetings & Elections:			
Election Officials Pay	3,000	1,282	1,718
FICA/MEDI	650	204	446
Printing/Publications	6,200	6,878	(678)
Meals	150	204	(54)
Total Town Meetings & Elections	<u>10,000</u>	<u>8,568</u>	<u>1,432</u>
Town Reports:			
Town Report Pay	800	747	53
FICA/MEDI	50	57	(7)
Postage/Labeling	850	734	116
Printing	1,700	1,575	125
Total Town Reports	<u>3,400</u>	<u>3,113</u>	<u>287</u>

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TOWN OF MORETOWN, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
General Town Expenses:			
Miscellaneous Expenses	\$ 2,000	\$ 651	\$ 1,349
Unemployment	770	710	60
Workers Compensation Audit	1,500	0	1,500
Legal - Selectboard	2,500	48	2,452
Legal - Tax Sales	100	0	100
General Legal	2,500	9,438	(6,938)
2022 Speed Trailer	0	12,995	(12,995)
Law Enforcement/Sheriff	20,000	3,221	16,779
Recreation Expenses	0	1,252	(1,252)
Surveys	5,500	0	5,500
War Memorial	2,700	3,171	(471)
Washington County Tax	19,529	19,529	0
Liability/Multi-Peril/Workers Compensation Insurance	53,000	57,384	(4,384)
Website Design	5,000	5,000	0
Website Expense	0	5,802	(5,802)
FICA/MEDI	0	419	(419)
HRA	15,118	16,780	(1,662)
Annual Medical Tests	308	0	308
HRA Administration	250	46	204
Street Flags	500	500	0
Disaster Recovery - NEMRC	295	0	295
Street Lights	3,400	4,038	(638)
Mad River Park Maintenance	1,500	0	1,500
Madison Life Insurance	0	13	(13)
Total General Town Expenses	136,470	140,997	(4,527)
Memberships:			
Montpelier Ambulance	14,700	14,700	0
Waterbury Ambulance	6,128	6,128	0
Mad River Valley Ambulance	15,000	15,000	0
CVEDC Dues	800	800	0
Central Vermont Regional Planning Commission	2,331	2,331	0
VLCT Dues	3,296	3,296	0
MRRM Alliance	11,606	12,271	(665)
Front Porch Forum	500	500	0
Total Memberships	54,361	55,026	(665)
Tax Collector:			
FICA/MEDI	400	467	(67)
Total Tax Collector	400	467	(67)

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TOWN OF MORETOWN, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Constables:			
Constable Pay	\$ 250	\$ 0	\$ 250
FICA/MEDI	20	0	20
Total Constables	270	0	270
Health Officer:			
Health Officer Pay	300	300	0
FICA/MEDI	50	23	27
Supplies	25	0	25
Total Health Officer	375	323	52
Animal Control Officer:			
Animal Control Officer Pay	2,000	2,000	0
FICA/MEDI	153	153	0
Miscellaneous Expenses	200	344	(144)
Mileage	500	86	414
Total Animal Control Officer	2,853	2,583	270
Auditors:			
CPA/Bookkeeping Services	4,200	4,981	(781)
Total Auditors	4,200	4,981	(781)
Listers:			
Consultant Pay	13,000	11,100	1,900
Listers Pay	200	0	200
FICA/MEDI	40	0	40
Computer Support	0	200	(200)
Update Tax Maps	2,200	0	2,200
Online Access	915	2,032	(1,117)
Postage	200	127	73
Supplies	200	381	(181)
Mapping Software	2,500	2,400	100
Total Listers	19,255	16,240	3,015
BCA (Tax Appeals):			
Supplies	50	0	50
Total BCA (Tax Appeals)	50	0	50

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TOWN OF MORETOWN, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Zoning Administrator:			
Zoning Administrator Pay	\$ 19,000	\$ 18,057	\$ 943
911 Coordinator Pay	2,760	575	2,185
FICA/MEDI	500	832	(332)
Supplies	2,000	1,802	198
911 Coordinator Expenses	0	351	(351)
E911 Supplies	1,500	1,920	(420)
Miscellaneous	0	160	(160)
Total Zoning Administrator	25,760	23,697	2,063
Planning Commission:			
Supplies	400	75	325
Zoning Ordinance Updates	0	4,170	(4,170)
Total Planning Commission	400	4,245	(3,845)
Development Review Board:			
Postage	50	48	2
Printing/Advertising	500	184	316
Total Development Review Board	550	232	318
Cemeteries:			
Contracted Mowing	7,750	7,750	0
Supplies	120	120	0
Total Cemeteries	7,870	7,870	0
Town Clerk:			
Town Clerk Pay	47,707	47,707	0
Health Insurance	14,078	11,970	2,108
EyeMed	109	118	(9)
Delta Dental	432	468	(36)
FICA/MEDI - Town Clerk	3,650	3,600	50
Retirement	3,900	4,131	(231)
Miscellaneous Expenses - Town Clerk	50	60	(10)
Assistant Town Clerk	18,605	17,461	1,144
FICA/MEDI - Assistant Town Clerk	1,423	1,354	69
Miscellaneous Expenses - Assistant Town Clerk	100	11	89
Total Town Clerk	90,054	86,880	3,174

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TOWN OF MORETOWN, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Town Treasurer:			
Town Treasurer Pay	\$ 11,927	\$ 11,927	\$ 0
FICA/MEDI - Town Treasurer	912	900	12
Miscellaneous Expenses - Town Treasurer	600	539	61
Training/Memberships	100	0	100
Assistant Town Treasurer	7,702	7,702	0
FICA/MEDI - Assistant Town Treasurer	589	582	7
Total Town Treasurer	21,830	21,650	180
Selectboard:			
Selectboard Pay	2,500	2,500	0
Grant Manager	4,000	4,750	(750)
FICA/MEDI - Selectboard	500	474	26
Printing/Publishing	300	337	(37)
Supplies	1,800	200	1,600
Selectboard Assistant	20,451	20,255	196
Health Insurance	9,096	9,096	0
Disability Insurance	171	168	3
EyeMed	109	118	(9)
Delta Dental	432	468	(36)
FICA/MEDI - Consulting	2,062	1,826	236
Retirement	2,975	2,971	4
Employee Compensation	6,500	4,540	1,960
Total Selectboard	50,896	47,703	3,193
Fire Station:			
Stipend	3,000	3,000	0
Dispatching Service	20,000	19,949	51
Building Maintenance	500	434	66
Telephone & Internet	2,000	2,229	(229)
Supplies	1,000	1,333	(333)
Electricity	800	1,010	(210)
Computer Updates	900	711	189
Heating Fuel	3,000	3,122	(122)
Total Fire Station	31,200	31,788	(588)
Fire Equipment:			
Radio Repairs/Maintenance	2,000	2,197	(197)
Supplies	500	265	235
Gas/Diesel	300	108	192
Total Fire Equipment	2,800	2,570	230

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TOWN OF MORETOWN, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Firemen:			
Training	\$ 250	\$ 844	\$ (594)
Miscellaneous Expenses	250	0	250
Mileage	200	71	129
Total Firemen	<u>700</u>	<u>915</u>	<u>(215)</u>
Fire Vehicles:			
Maintenance and Repairs	7,000	4,361	2,639
Vehicle Supplies	1,000	941	59
Total Fire Vehicles	<u>8,000</u>	<u>5,302</u>	<u>2,698</u>
Fire Warden:			
Fire Warden Pay	500	500	0
FICA/MEDI	23	38	(15)
Total Fire Warden	<u>523</u>	<u>538</u>	<u>(15)</u>
Contracted Services - Fire:			
Town of Waterbury	2,500	2,500	0
Total Contracted Services - Fire	<u>2,500</u>	<u>2,500</u>	<u>0</u>
Debt Retirement - Fire:			
SCBA 2021	7,567	7,218	349
SCBA 2021 - Interest	350	349	1
Total Debt Retirement - Fire	<u>7,917</u>	<u>7,567</u>	<u>350</u>
Highway Crew:			
Highway Crew Pay	215,738	224,094	(8,356)
Health Insurance	41,366	41,366	0
Disability Insurance	706	696	10
EyeMed	435	471	(36)
Delta Dental	1,295	1,403	(108)
FICA/MEDI	14,562	16,863	(2,301)
Retirement	14,023	14,475	(452)
Uniforms	3,000	3,270	(270)
Miscellaneous Expenses/Mileage	0	483	(483)
Training/Licenses	0	221	(221)
Total Highway Crew	<u>291,125</u>	<u>303,342</u>	<u>(12,217)</u>

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TOWN OF MORETOWN, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Contracted Services - Highway:			
Road Crew - Mileage	\$ 0	\$ 38	\$ (38)
Total Contracted Services - Highway	<u>0</u>	<u>38</u>	<u>(38)</u>
Highway Work:			
Highway Work	22,500	38,203	(15,703)
MRGP Expenses	0	7,902	(7,902)
MRGP Permit	<u>1,350</u>	<u>0</u>	<u>1,350</u>
Total Highway Work	<u>23,850</u>	<u>46,105</u>	<u>(22,255)</u>
Highway Supplies:			
Signs	1,000	3,434	(2,434)
Safety Materials	1,000	2,067	(1,067)
Chloride	17,500	16,676	824
Class IV Road Maintenance Supplies	2,000	2,296	(296)
Gravel	50,000	47,192	2,808
Miscellaneous Materials	1,750	1,080	670
Salt	5,000	5,107	(107)
Sand	63,000	68,070	(5,070)
Stone	3,000	2,659	341
Culverts	<u>12,500</u>	<u>14,223</u>	<u>(1,723)</u>
Total Highway Supplies	<u>156,750</u>	<u>162,804</u>	<u>(6,054)</u>
Town Garage:			
Trash Removal	1,250	1,357	(107)
Building Maintenance	3,000	3,664	(664)
Office/Equipment Maintenance	1,000	0	1,000
Telephone	2,500	2,193	307
Supplies	3,000	3,480	(480)
Welding Expenses	750	1,129	(379)
Software	800	125	675
Electricity	2,000	1,626	374
Propane	<u>4,500</u>	<u>5,053</u>	<u>(553)</u>
Total Town Garage	<u>18,800</u>	<u>18,627</u>	<u>173</u>

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TOWN OF MORETOWN, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Highway Vehicles/Equipment:			
2015 Mack Truck	\$ 5,000	\$ 4,291	\$ 709
All Trucks	500	785	(285)
Grader	50,000	41,196	8,804
Loader	3,500	1,934	1,566
Excavator	500	1,206	(706)
2022 Kubota Tractor	1,500	250	1,250
All Equipment	1,000	1,254	(254)
Chains	3,500	3,977	(477)
Tires	9,000	8,754	246
Wear Items	8,500	8,077	423
2018 International	5,000	8,367	(3,367)
2018 Dodge Ram	1,500	2,243	(743)
2021 International	500	1,674	(1,174)
Gas/Diesel/Oil	43,000	63,517	(20,517)
Total Highway Vehicles/Equipment	133,000	147,525	(14,525)
Highway Equipment & Tools:			
Wrecker Charge	1,000	0	1,000
Mowing Roadsides	6,500	6,487	13
Maintenance	500	0	500
Rentals & Leases	500	0	500
Supplies	1,500	832	668
Purchases	950	0	950
Total Highway Equipment & Tools	10,950	7,319	3,631
Debt Retirement - Highway:			
Excavator	29,100	29,100	0
East Sidewalk 2021	26,884	26,885	(1)
Town Garage	45,000	45,000	0
Excavator - Interest	2,400	2,358	42
East Sidewalk 2021 - Interest	5,600	5,576	24
Town Garage - Interest	15,029	15,029	0
2018 Dodge Ram	21,515	21,515	0
2018 Dodge Ram - Interest	351	351	0
2021 International	29,807	29,807	0
2021 International - Interest	3,300	3,516	(216)
Total Debt Retirement - Highway	178,986	179,137	(151)

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TOWN OF MORETOWN, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Other Articles & Expenses:			
Battered Women's Services and Shelter	\$ 500	\$ 500	\$ 0
Central Vermont Council on Aging Inc.	1,400	1,400	0
Central Vermont Adult Basic Education	1,200	1,200	0
Capstone Community Action Inc.	400	400	0
Central Vermont Home Health and Hospice	3,750	3,750	0
Family Center on Washington County	500	500	0
Good Beginnings of Central Vermont	300	300	0
Green Mountain Transit	775	775	0
Montpelier Senior Activity Center	1,100	0	1,100
Mad River Valley Senior Center	1,500	1,500	0
People's Health & Wellness Clinic	700	700	0
Prevent Child Abuse Vermont	400	400	0
Sexual Assault Crisis Team of Washington County	300	300	0
Vermont Association for the Blind & Visually Impaired	500	500	0
Mad River Valley TV	750	750	0
Washington County Diversion Program	350	350	0
Washington County Youth Service Bureau	150	150	0
Waterbury Area Senior Center	4,999	4,999	0
Town Events	5,000	5,153	(153)
Green Up Vermont	100	100	0
Mad River Valley Recreation Park	1,500	2,250	(750)
Washington County Mental Health	1,200	0	1,200
Community Harvest of Central Vermont	350	350	0
SCBA Equipment	22,000	24,948	(2,948)
Kubota Tractor	30,000	30,062	(62)
Parking Lot Expenses	1,000	0	1,000
Transfer to Maintenance Reserve Fund	10,000	10,000	0
Transfer to Bridge and Culvert Fund	10,000	10,000	0
	100,724	101,337	(613)
Total Other Articles & Expenses			
	1,479,531	1,530,160	(50,629)
Total Cash Disbursements			
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	\$ <u>0</u>	(66,232)	\$ <u>(66,232)</u>
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Cash Basis of Accounting:			
Principal Payment on Interfund Loan		21,515	
Net Change in Fund Balance		(44,717)	
Fund Balance - January 1, 2022, As Restated		62,705	
Fund Balance - December 31, 2022		\$ 17,988	

The reconciling item is due to the interfund loan activities.

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TOWN OF MORETOWN, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS
 ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2022

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery Fund	Total
<u>ASSETS</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash	\$ 3,000	\$ 114,055	\$ 17,557	\$ 134,612
Investments	0	0	55,889	55,889
Due from Other Funds	<u>89,874</u>	<u>44,671</u>	<u>0</u>	<u>134,545</u>
Total Assets	<u>\$ 92,874</u>	<u>\$ 158,726</u>	<u>\$ 73,446</u>	<u>\$ 325,046</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Due to Other Funds	\$ <u>0</u>	\$ <u>15,978</u>	\$ <u>0</u>	\$ <u>15,978</u>
Total Liabilities	<u>0</u>	<u>15,978</u>	<u>0</u>	<u>15,978</u>
Fund Balances:				
Nonspendable	0	0	42,016	42,016
Restricted	21,884	0	31,430	53,314
Committed	0	158,726	0	158,726
Assigned	70,990	0	0	70,990
Unassigned/(Deficit)	<u>0</u>	<u>(15,978)</u>	<u>0</u>	<u>(15,978)</u>
Total Fund Balances	<u>92,874</u>	<u>142,748</u>	<u>73,446</u>	<u>309,068</u>
Total Liabilities and Fund Balances	<u>\$ 92,874</u>	<u>\$ 158,726</u>	<u>\$ 73,446</u>	<u>\$ 325,046</u>

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TOWN OF MORETOWN, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND
 CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery Fund	Total
Cash Receipts:				
Intergovernmental	\$ 9,101	\$ 77,366	\$ 0	\$ 86,467
Charges for Services	0	0	2,750	2,750
Permits, Licenses and Fees	5,738	0	0	5,738
Investment Income	3	521	112	636
Donations	<u>1,672</u>	<u>0</u>	<u>0</u>	<u>1,672</u>
Total Cash Receipts	<u>16,514</u>	<u>77,887</u>	<u>2,862</u>	<u>97,263</u>
Cash Disbursements:				
General Government	31,004	0	0	31,004
Culture and Recreation	3,116	0	0	3,116
Capital Outlay:				
Highways and Streets	<u>0</u>	<u>112,073</u>	<u>0</u>	<u>112,073</u>
Total Cash Disbursements	<u>34,120</u>	<u>112,073</u>	<u>0</u>	<u>146,193</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>(17,606)</u>	<u>(34,186)</u>	<u>2,862</u>	<u>(48,930)</u>
Other Financing Sources:				
Transfers In	<u>0</u>	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Total Other Financing Sources	<u>0</u>	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Net Change in Fund Balances	(17,606)	(14,186)	2,862	(28,930)
Fund Balances - January 1, 2022, As Restated/Reclassified	<u>110,480</u>	<u>156,934</u>	<u>70,584</u>	<u>337,998</u>
Fund Balances - December 31, 2022	<u>\$ 92,874</u>	<u>\$ 142,748</u>	<u>\$ 73,446</u>	<u>\$ 309,068</u>

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TOWN OF MORETOWN, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS
 ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2022

	<u>Library Fund</u>	<u>Reappraisal Fund</u>	<u>Recreation Fund</u>	<u>Preservation of Records Fund</u>	<u>Total</u>
<u>ASSETS</u>					
Cash	\$ 3,000	\$ 0	\$ 0	\$ 0	\$ 3,000
Due from Other Funds	<u>1,009</u>	<u>70,990</u>	<u>0</u>	<u>17,875</u>	<u>89,874</u>
Total Assets	<u>\$ 4,009</u>	<u>\$ 70,990</u>	<u>\$ 0</u>	<u>\$ 17,875</u>	<u>\$ 92,874</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Fund Balances:					
Restricted	4,009	0	0	17,875	21,884
Assigned	<u>0</u>	<u>70,990</u>	<u>0</u>	<u>0</u>	<u>70,990</u>
Total Fund Balances	<u>4,009</u>	<u>70,990</u>	<u>0</u>	<u>17,875</u>	<u>92,874</u>
Total Liabilities and Fund Balances	<u>\$ 4,009</u>	<u>\$ 70,990</u>	<u>\$ 0</u>	<u>\$ 17,875</u>	<u>\$ 92,874</u>

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TOWN OF MORETOWN, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND
 CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Library Fund	Reappraisal Fund	Recreation Fund	Preservation of Records Fund	Total
Cash Receipts:					
Intergovernmental	\$ 0	\$ 9,101	\$ 0	\$ 0	\$ 9,101
Permits, Licenses and Fees	0	0	0	5,738	5,738
Investment Income	3	0	0	0	3
Donations	0	0	1,670	2	1,672
Total Cash Receipts	<u>3</u>	<u>9,101</u>	<u>1,670</u>	<u>5,740</u>	<u>16,514</u>
Cash Disbursements:					
General Government	0	24,060	0	6,944	31,004
Culture and Recreation	1,446	0	1,670	0	3,116
Total Cash Disbursements	<u>1,446</u>	<u>24,060</u>	<u>1,670</u>	<u>6,944</u>	<u>34,120</u>
Net Change in Fund Balances	(1,443)	(14,959)	0	(1,204)	(17,606)
Fund Balances - January 1, 2022, As Reclassified	<u>5,452</u>	<u>85,949</u>	<u>0</u>	<u>19,079</u>	<u>110,480</u>
Fund Balances - December 31, 2022	<u>\$ 4,009</u>	<u>\$ 70,990</u>	<u>\$ 0</u>	<u>\$ 17,875</u>	<u>\$ 92,874</u>

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TOWN OF MORETOWN, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS
 ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2022

	<u>Sidewalk Fund</u>	<u>Maintenance Reserve Fund</u>	<u>Capital Reserve Fund</u>	<u>Bridge and Culvert Fund</u>	<u>Total</u>
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 114,055	\$ 0	\$ 114,055
Due from Other Funds	<u>0</u>	<u>20,000</u>	<u>0</u>	<u>24,671</u>	<u>44,671</u>
Total Assets	<u>\$ 0</u>	<u>\$ 20,000</u>	<u>\$ 114,055</u>	<u>\$ 24,671</u>	<u>\$ 158,726</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Due to Other Funds	\$ <u>15,978</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>15,978</u>
Total Liabilities	<u>15,978</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,978</u>
Fund Balances/(Deficit):					
Committed	0	20,000	114,055	24,671	158,726
Unassigned/(Deficit)	<u>(15,978)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(15,978)</u>
Total Fund Balances/(Deficit)	<u>(15,978)</u>	<u>20,000</u>	<u>114,055</u>	<u>24,671</u>	<u>142,748</u>
Total Liabilities and Fund Balances	<u>\$ 0</u>	<u>\$ 20,000</u>	<u>\$ 114,055</u>	<u>\$ 24,671</u>	<u>\$ 158,726</u>

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TOWN OF MORETOWN, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND
 CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 NON-MAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Sidewalk Fund	Maintenance Reserve Fund	Capital Reserve Fund	Bridge and Culvert Fund	Total
Cash Receipts:					
Intergovernmental	\$ 2,666	\$ 0	\$ 0	\$ 74,700	\$ 77,366
Investment Income	<u>0</u>	<u>0</u>	<u>521</u>	<u>0</u>	<u>521</u>
Total Cash Receipts	<u>2,666</u>	<u>0</u>	<u>521</u>	<u>74,700</u>	<u>77,887</u>
Cash Disbursements:					
Capital Outlay:					
Highways and Streets	<u>20,073</u>	<u>0</u>	<u>0</u>	<u>92,000</u>	<u>112,073</u>
Total Cash Disbursements	<u>20,073</u>	<u>0</u>	<u>0</u>	<u>92,000</u>	<u>112,073</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>(17,407)</u>	<u>0</u>	<u>521</u>	<u>(17,300)</u>	<u>(34,186)</u>
Other Financing Sources:					
Transfers In	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>	<u>20,000</u>
Total Other Financing Sources	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>	<u>20,000</u>
Net Change in Fund Balances	(17,407)	10,000	521	(7,300)	(14,186)
Fund Balances - January 1, 2022, As Restated	<u>1,429</u>	<u>10,000</u>	<u>113,534</u>	<u>31,971</u>	<u>156,934</u>
Fund Balances/(Deficit) - December 31, 2022	<u>\$ (15,978)</u>	<u>\$ 20,000</u>	<u>\$ 114,055</u>	<u>\$ 24,671</u>	<u>\$ 142,748</u>

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Sullivan, Powers & Co., P.C.

Certified Public Accountants

77 Barre Street
P.O. Box 947
Montpelier, VT 05601
802/223-2352
www.sullivanpowers.com

Richard J. Brigham, CPA
Chad A. Hewitt, CPA
Jordan M. Plummer, CPA
VT Lic. #92-000180

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"

Selectboard
Town of Moretown, Vermont
79 School Street
Moretown, VT 05660

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, 2022, 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 15, 2023.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Moretown, Vermont's financial statements are free from 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 Town of Moretown, Vermont'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 Town of Moretown, Vermont's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sullivan, Powers & Co.

February 15, 2023
Montpelier, Vermont
VT Lic. #92-000180