TOWN OF MONKTON, VERMONT

FINANCIAL STATEMENTS
AND
INDEPENDENT ACCOUNTANT'S REVIEW REPORT

DECEMBER 31, 2023

TOWN OF MONKTON, VERMONT

DECEMBER 31, 2023

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Pace & Hawley, LLC
Certified Public Accountants VT License #092.0000709

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Select Board
Town of Monkton, Vermont

We have reviewed the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Monkton, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting described in Note 1. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Town of Monkton, Vermont and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements to our review.

Accountant's Conclusion

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

Basis of Accounting

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

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The Select Board
Town of Monkton, Vermont

Supplementary Information

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 financial statements. Such information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to such information in order for it to be in conformity with the modified cash basis of accounting described in Note 1. We have not audited such information and do not express an opinion on it.

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

Pace & Hawley, LLC

Montpelier, Vermont
August 21, 2026

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

		Governmental Activities
Assets		
Current assets:		
Cash and cash equivalents	$	1,042,238
Noncurrent assets:		
Capital Assets		5,672,799
(Accumulated depreciation)		(1,357,120)
Total noncurrent assets		4,315,679
Total assets		5,357,917
Liabilities		
Current liabilities:		
Payroll taxes		1,439
Notes and bonds payable, current portion		123,598
Total current liabilities		125,037
Noncurrent liabilities:		
Notes and bonds payable, less current portion		1,422,908
Total liabilities		1,547,945
Deferred inflows of resources		
Property taxes received in advance		1,382
Net position		
Net investment in capital assets		2,769,173
Restricted		540,651
Unrestricted		498,766
Total net position	$	3,808,590

See independent accountant's review report.

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Governmental Activities
Governmental activities					
General government	$ 559,016	$ 65,632	$ 66,447	$ -	$ (426,937)
Highway	942,154	1,325	381,111	380,405	(179,313)
Library	43,346	-	20,009	-	(23,337)
Recreation	13,125	2,100	4,220	-	(6,805)
Land and wildlife conservation	25,673	-	-	-	(25,673)
Appropriations	127,449	-	-	-	(127,449)
Interest on bonds and notes payable	29,500	-	-	-	(29,500)
Total governmental activities	$ 1,740,263	$ 69,057	$ 471,787	$ 380,405	(819,014)
General revenues					
Property taxes					1,221,237
Interest and penalties on delinquent taxes					24,150
Interest on cash deposits					4,869
Gain on disposal of capital assets					168,339
Miscellaneous					9,960
Total general revenues					1,428,555
Change in net position					609,541
Net position, beginning of year					3,199,049
Net position, end of year					$ 3,808,590

See independent accountant's review report.

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

	General Fund	Highway Fund	Agriculture and Natural Area Conservation Fund	Bridge & Culvert Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 3,704	$ 154,233	$ 199,852	$ -	$ 485,111	$ 199,338	$ 1,042,238
Due from other funds	4,569	136,028	-	-	-	-	140,597
Total assets	$ 8,273	$ 290,261	$ 199,852	$ -	$ 485,111	$ 199,338	$ 1,182,835
Liabilities, deferred inflows of resources and fund balances							
Liabilities:							
Payroll tax withheld	$ 1,439	$ -	$ -	$ -	$ -	$ -	$ 1,439
Due to other funds	-	-	-	140,597	-	-	140,597
Total liabilities	1,439	-	-	140,597	-	-	142,036
Deferred inflows of resources:							
Property taxes received in advance	1,382	-	-	-	-	-	1,382
Fund balances:							
Restricted	-	-	-	-	485,111	55,540	540,651
Committed	-	290,261	199,852	-	-	143,798	633,911
Unassigned	5,452	-	-	(140,597)	-	-	(135,145)
Total fund balances	5,452	290,261	199,852	(140,597)	485,111	199,338	1,039,417
Total liabilities, deferred inflows of resources and fund balances	$ 8,273	$ 290,261	$ 199,852	$ -	$ 485,111	$ 199,338	$ 1,182,835

See independent accountant's review report.

TOWN OF MONKTON, VERMONT
Reconciliation of the Balance Sheet - Modified Cash Basis - Governmental Funds to the Government-wide Statement of Net Position - Modified Cash Basis
December 31, 2023

Total fund balances - governmental funds	$ 1,039,417
Amounts reported for governmental activities in the government-wide statement of net position are different because:	
Capital assets used in governmental funds are not current financial resources and therefore are not reported in the government funds balance sheet:	
Capital assets	5,672,799
Accumulated depreciation	(1,357,120)
Long-term liabilities, including notes and bonds payable, are not due and payable in the current year and therefore are not reported in the governmental funds balance sheet	(1,546,506)
Net position - governmental activities	$ 3,808,590

See independent accountant's review report.

TOWN OF MONKTON, VERMONT
Statement of Revenues, Expenditures and Changes in Fund Balances
Modified Cash Basis - Governmental Funds
For the Year Ended December 31, 2023
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	General Fund	Highway Fund	Agriculture and Natural Area Conservation Fund	Bridge & Culvert Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Property taxes	$ 468,745	$ 636,946	$ 40,000	$ -	$ -	$ 75,546	$ 1,221,237
Penalties and interest on delinquent taxes	24,150	-	-	-	-	-	24,150
Intergovernmental	57,905	381,111	-	380,405	-	35,649	855,070
Licenses, permits and fines	30,555	1,325	-	-	-	-	31,880
Charges for services	28,505	-	-	-	-	2,100	30,605
Interest on cash deposits	4,786	-	61	-	-	22	4,869
Donations	-	-	-	-	-	3,694	3,694
Miscellaneous	802	9,158	-	-	-	-	9,960
Total revenues	615,448	1,028,540	40,061	380,405	-	117,011	2,181,465
Expenditures							
Current:							
General government	366,437	-	-	-	69,056	73,517	509,010
Highways, streets and bridges	-	827,354	-	-	-	-	827,354
Library	-	-	-	-	-	43,346	43,346
Recreation	-	-	-	-	-	12,497	12,497
Land conservation	-	-	25,673	-	-	-	25,673
Appropriations	127,449	-	-	-	-	-	127,449
Capital outlay	-	7,042	-	521,002	-	155,047	683,091
Debt service - principal	85,000	38,953	-	-	-	-	123,953
Debt service - interest	26,419	3,081	-	-	-	-	29,500
Total expenditures	605,305	876,430	25,673	521,002	69,056	284,407	2,381,873
Excess of revenues or (expenditures)	10,143	152,110	14,388	(140,597)	(69,056)	(167,396)	(200,408)

Continued

See independent accountant's review report.

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

Continued	General Fund	Highway Fund	Agriculture and Natural Area Conservation Fund	Bridge & Culvert Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources (uses)							
Proceeds from sale capital assets	-	-	-	-	-	171,538	171,538
Net change in fund balances	10,143	152,110	14,388	(140,597)	(69,056)	4,142	(28,870)
Fund balances, beginning of year	(4,691)	138,151	185,464	-	554,167	195,196	1,068,287
Fund balances, end of year	$ 5,452	$ 290,261	$ 199,852	$ (140,597)	$ 485,111	$ 199,338	$ 1,039,417

See independent accountant's review report.

TOWN OF MONKTON, VERMONT
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis Governmental Funds to the Government-wide Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2023

Net change in fund balances - governmental funds	$	(28,870)
Amounts reported for governmental activities in the government-wide statement of activities are different because:		
Governmental funds report capital outlays as expenditures however, in the statement of activities, the cost of these assets is depreciated over their estimated useful lives:		
Capital outlay		683,091
Current year depreciation		(165,434)
Disposal of capital assets		(3,199)
Bond and note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position:		
Repayment of bond and notes payable		123,953
Change in net position - governmental activities	$	609,541

See independent accountant's review report.

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

		Custodial Fund
Assets		
Cash and cash equivalents	$	47,566
Liabilities		
Due to other governments		47,566
Net position	$	-

See independent accountant's review report.

TOWN OF MONKTON, VERMONT
Statement of Changes in Fiduciary Net Position
Modified Cash Basis - Fiduciary Fund
December 31, 2023

		Custodial Fund
Additions		
Statewide education taxes collected for other governments	$	4,046,317
Deductions		
Statewide education taxes paid to other governments		4,046,317
Change in net position		-
Net position, beginning of year		-
Net position, end of year	$	-

See independent accountant's review report.

1. Summary of significant accounting policies

The Town of Monkton, Vermont (herein the “Town”) operates under a Select Board form of government and provides the following services: highways and streets, health and social services, community/economic development, recreation, public improvements, planning and zoning 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 unit of 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’s governmental activities. 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.

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. Non-major governmental funds are reported aggregate as a single column in the fund financial statements.

The Town reports the following major governmental funds:

General Fund - The General Fund is used to account for the primary activity of the Town. Revenues and other sources of revenue used to finance the fundamental operations of the Town are included in this fund. This fund is charged with all costs of operating the government for which a separate fund has not been established.

Highway Fund - The Highway Fund is used to account for activities related to the highway department.

Agriculture and Natural Area Conservation Fund - The “ANAC” fund is used to account for activities related to protecting farmland, woodland, natural and recreational areas.

Bridge & Culvert Fund - The Bridge & Culver Fund accounts for resources and capital project activity associated with the construction, repairs and maintenance of Town owned bridges and culverts.

ARPA Fund - The ARPA fund is used to account for activities associated with COVID-19 assistance received as part of the American Rescue Plan Act.

1. Summary of significant accounting policies (continued)

The Town also reports fiduciary activities in a custodial fund used to report statewide education property taxes collected on behalf of the State of Vermont and paid to other governments.

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 refers to what items are reported on the financial statements. Basis of accounting refers to when cash receipts and cash disbursements are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of measurement made, regardless of the measurement focus applied.

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 that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include amounts due to the State of Vermont or local school district for statewide education property taxes, payroll withholdings, property taxes received in advance and amounts outstanding on its lines of credit, interfund receivables and payables. Capital assets and long-term debt arising from cash and cash equivalent transactions are reported on the statement of net position.

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 and fiduciary fund financial statements would be presented on the accrual basis of accounting.

D. Governmental fund equity - In the fund financial statements, governmental fund balance is presented in five possible categories:

Nonspendable - Resources which cannot be spent because they are either a) not in spendable form; or b) legally or contractually required to be maintained intact.

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

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 exceeding amounts restricted, committed, or assigned for a specific purpose.

For the classification of governmental fund balances, 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 expenditure to be made from the most restrictive first when more than one classification is available.

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 Town uses the following procedure in establishing the General Fund and Highway Fund budgets presented in the financial statements:

Budgets are approved at the annual Town Meeting. Any budget changes require voter approval. There were no budget amendments during the year.

F. Estimates - The preparation of the financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, or expenses, during the reported period. Actual results could differ from those estimates.

G. Cash and cash equivalents- Cash and cash equivalents consists of deposit accounts held at financial institutions and short-term investments with an original maturity of three months or less. The Town pools cash of multiple funds to enhance operating efficiency and physical custody and controls. Each fund's share of its pooled cash is included in cash and cash equivalents.

H. Capital assets - Capital assets, which include land, infrastructure, buildings, furniture, and equipment, are defined by the Town as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Capital assets are reported in the government-wide financial statements and depreciated in order for their costs to be charged as expenses over their estimated useful lives. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets of the Town are depreciated using the straight-line method over the following useful lives:

1. Summary of significant accounting policies (continued)

Infrastructure	50 years
Buildings and improvements	50 years
Equipment	15 years

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. 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 statewide education property taxes. The Town does not consider the statewide education property taxes Town revenue and, accordingly, activity related to statewide education property taxes is considered a custodial fiduciary activity.

K. 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 on the statement of net position and balance sheet. Deferred outflows of resources represent a consumption of net assets that is applicable to a future reporting period. Deferred inflows of resources represent the current acquisition of net assets that is applicable to a future reporting period.

2. Cash and cash equivalents

As of December 31, 2023, the Town reported cash of $1,089,804, including $47,566 held in a fiduciary capacity.

Custodial credit risk – Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposits might 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 $1,262,743. Of this amount, $250,000 was insured by the FDIC. $1,009,039 was collateralized with securities held by the pledging bank’s trust department but not in the Town’s name and $3,704 was uninsured and uncollateralized.

3. Reserve funds

Through various taxpayer approved Articles, voters have established “reserve funds”, as defined by 24 V.S.A. § 2804, in order to set aside money for specific purposes. The Town has pooled this money into its general operating account for the purposes of coordinating cash flow needs. The Town has not established a formal borrowing agreement or terms for repayment.

4. Risk management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, and injuries to employees. The Town maintains 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 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 estimated after conclusion 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

5. Property taxes

Property taxes become an enforceable lien upon Town of Monkton property holders as of April 1st of each year. Property taxes were payable in one installment due November 15, 2023. Taxes not paid by the due date, were deemed delinquent, and were assessed penalties and interest. For the year ended December 31, 2023, the assessed property tax rates were as follows:

	Nonresidential	Residential
Education	$ 1.7220	$ 1.8558
Municipal	0.2166	0.2166
Highway	0.2375	0.2375
Total tax rate per $100 of assessed valuation	$ 2.1761	$ 2.3099

The Town serves as agent for the State of Vermont for the purpose of collecting and distributing statewide education property taxes for those taxpayers residing in the Town of Monkton. During the year ended December 31, 2023, the Town paid $4,046,317 in statewide education property taxes to the local school district for the state's fiscal year ending June 30, 2024. The Town estimates that the state's final statewide education property tax will show an additional amount due of $47,565 and accordingly has recorded this as a liability as of December 31, 2023.

6. Capital assets

Changes in capital assets consisted of the following:

	Balance January 1, 2023	Increase	Decrease	Balance December 31, 2023
Governmental activities				
Capital assets, not depreciated:				
Land	$ 287,312	$ -	$ -	$ 287,312
Construction in process	51,804	-	51,804	-
	339,116	-	51,804	287,312
Capital assets, depreciated:				
Infrastructure	713,849	572,804	-	1,286,653
Buildings & improvements	2,533,069	-	78,915	2,454,154
Equipment, machinery and vehicles	1,482,591	162,089	-	1,644,680
	4,729,509	734,893	78,915	5,385,487
Less accumulated depreciation for:				
Infrastructure	90,105	25,733	-	115,838
Buildings & improvements	437,256	48,083	75,718	409,621
Equipment, machinery and vehicles	740,043	91,618	-	831,661
	1,267,404	165,434	75,718	1,357,120
Total capital assets depreciated, net	3,462,105	569,459	3,197	4,028,367
Capital assets, net, governmental activities	$ 3,801,221	$ 569,459	$ 55,001	$ 4,315,679

Depreciation expense in the governmental activities totaling $165,434 was allocated to the following functions: general government $50,006, highway $114,800, and recreation $628.

7. Short-term debt

The Town bills and collects property tax revenues towards the very end (mid-November) of each calendar year and therefore pays employees and vendors from monies collected in the prior year and other financial sources. During 2023, the Town anticipated securing a tax anticipation note prior to November 15th. Through diligent fiscal management, understanding vendors, and borrowing against applicable fund reserves, no short-term tax anticipation note was required.

8. Long-term debt

The following is a summary of general obligation bonds and notes payable as of December 31, 2023:

General obligation bond payable, Town Office and library construction annual interest rate of 1.98% paid semi-annually. Principal of $85,000 due November 1st of each year until 2040.	$ 1,445,000
National Bank of Middlebury, 2021 Massey Ferguson tractor note payable interest at 1.90%. Annual principal reduction payment of $23,600, through June 29, 2026.	70,800
Community Bank, 2020 Mack dump truck note payable interest at 2.75%. Annual principal reduction payment of $15,353 through April 28, 2025.	30,706
	$ 1,546,506

Changes in general obligation bonds and notes payable for the year ended December 31, 2023, were as follows:

	Balance January 1, 2023	Additions	Retirements	Balance December 31, 2023	Due Within One Year
Governmental activities:					
General obligation bonds	$ 1,530,000	$ -	$ 85,000	$ 1,445,000	$ 85,000
Notes from direct borrowings	140,459	-	38,953	101,506	38,953
	$ 1,670,459	$ -	$ 123,953	$ 1,546,506	$ 123,953

Annual maturities of long-term debt as of December 31, 2023, were as follows:

	General Obligation Bonds		Notes from Direct Borrowings	
	Principal	Interest	Principal	Interest
Year ending December 31,				
2024	$ 85,000	$ 26,418	$ 38,953	$ 2,189
2025	85,000	26,010	38,953	1,319
2026	85,000	25,560	23,600	448
2027	85,000	24,344	-	-
2028	85,000	23,572	-	-
2029-2033	425,000	94,334	-	-
2034-2038	425,000	48,182	-	-
2039-2040	170,000	5,976	-	-
	$ 1,445,000	$ 274,396	$ 101,506	$ 3,956

9. Retirement 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 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 $16,666 to VMERS for the year ended December 31, 2023. The Town contributed $18,406 to VMERS for the year ended December 31, 2023.

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.

10. Addison County Solid Waste Management District

The Town is a participating member in the Addison County Solid Waste Management District (the District); which is a union municipal district that exists to cooperatively and comprehensively address the solid waste management interest of its 20-member towns. The District is governed by a Board of Supervisors composed of one representative from each of the participating municipalities. The District has primary liability for its future obligations, including operating costs and debt service. Municipalities have contingent liability through membership in the District. Financial information concerning the District can be found on their website at www.addisoncountyrecycles.org or by contacting the District office at 802-388-2333.

11. Contingencies

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

12. Tax stabilization agreement

On March 4, 2017, the voters of the Town approved a $60,000 tax stabilization fund. The voters did not identify specific requirements for additions to the stabilization amount or conditions under which stabilization amounts may be spent. As of December 31, 2023, $30,000 remained in the stabilization fund and should be included in the unassigned fund balance of the General Fund. However, the General Fund unassigned fund balance was $5,542 as of December 31, 2023.

13. Interfund balances

Interfund receivable and payable balances as of December 31, 2023, were as follows:

	Interfund Receivables	Interfund Payables
Governmental activities:		
General Fund	$ 4,569	$ -
Highway Fund	136,028	-
Bridge & Culvert Fund	-	140,597
	$ 140,597	$ 140,597

The interfund payable from the Bridge & Culvert Fund to the General Fund and the Highway Fund were the result of pooled cash in a common bank account.

14. Governmental activities net position

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

Restricted	
COVID-19 assistance	$ 485,111
Reappraisal	24,528
PVR Education	678
Wildlife crossing	2,467
Record restoration	27,867
	$ 540,651

15. Governmental fund equity

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

Fund balances:	General Fund	Highway Fund	Agriculture and Natural Area Conservation Fund	Bridge & Culvert Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted							
COVID-19 assistance	$ -	$ -	$ -	$ -	$ 485,111	$ -	$ 485,111
Reappraisal	-	-	-	-	-	24,528	24,528
PVR Education	-	-	-	-	-	678	678
Wildlife crossing	-	-	-	-	-	2,467	2,467
Record restoration	-	-	-	-	-	27,867	27,867
	-	-	-	-	485,111	55,540	540,651
Committed							
Highway	-	290,261	-	-	-	2,481	292,742
Capital projects	-	-	-	-	-	53,524	53,524
Land conservation	-	-	199,852	-	-	-	199,852
Library	-	-	-	-	-	66,735	66,735
Recreation	-	-	-	-	-	21,058	21,058
	-	290,261	199,852	-	-	143,798	633,911
Unassigned	5,452	-	-	(140,597)	-	-	(135,145)
Total fund balances	$ 5,452	$ 290,261	$ 199,852	$ (140,597)	$ 485,111	$ 199,338	$ 1,039,417

TOWN OF MONKTON, VERMONT
Schedule of Revenues, Expenditures - Modified Cash Basis
Budget and Actual - General Fund
For the Year Ended December 31, 2023

	Original Budget	Amended Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Property taxes	$ 545,239	$ 545,239	$ 468,745	$ (76,494)
Penalties and interest on delinquent taxes	11,500	11,500	24,150	12,650
Intergovernmental	72,170	72,170	57,905	(14,265)
Licenses, permits and fines	20,640	20,640	30,555	9,915
Charges for services	38,600	38,600	28,505	(10,095)
Interest on cash deposits	2,000	2,000	4,786	2,786
Miscellaneous	500	500	802	302
Total revenues	690,649	690,649	615,448	(75,201)
Expenditures				
General government payroll:				
Town Clerk	40,068	40,068	41,086	(1,018)
Assistant Town Clerk	7,420	7,420	4,972	2,448
Treasurer	38,955	38,955	39,944	(989)
Assistant Treasurer	8,268	8,268	4,699	3,569
Delinquent Tax Collector	3,895	3,895	3,995	(100)
Webmaster	300	300	300	-
Town Administrator	37,100	37,100	38,042	(942)
Select Board	7,700	7,700	8,455	(755)
Select Board administrative	1,200	1,200	1,845	(645)
Auditors	4,000	4,000	2,848	1,152
BCA - Election Officials	1,000	1,000	161	839
Constable	250	250	-	250
Fire Warden	250	250	250	-
Health Officer	600	600	600	-
Animal Control Officer	3,360	3,360	3,600	(240)
Recycling Coordinator	250	250	250	-
FICA	13,785	13,785	13,500	285
VMERS contributions	2,412	2,412	2,432	(20)
Appraisal	8,000	8,000	7,468	532
Zoning Administrator	11,130	11,130	8,476	2,654
DRB - board members	1,500	1,500	-	1,500
DRB - clerical	2,750	2,750	-	2,750
DRB - recording secretary	500	500	-	500
Planning Commission - board members	1,500	1,500	2,030	(530)
Planning Commission - clerical	200	200	60	140
Total general government payroll	196,393	196,393	185,013	11,380
Town Office:				
Copier rental	2,500	2,500	2,624	(124)
Custodian	6,000	6,000	8,100	(2,100)
Office and general supplies	3,000	3,000	2,796	204
Postage	3,200	3,200	4,642	(1,442)
Equipment and furniture	700	700	49	651
Computer equipment and software	1,000	1,000	1,190	(190)

continued

See independent accountant's review report.

TOWN OF MONKTON, VERMONT
Schedule of Revenues, Expenditures - Modified Cash Basis
Budget and Actual - General Fund
For the Year Ended December 31, 2023

continued	Original Budget	Amended Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Computer contract service	14,000	14,000	19,004	(5,004)
Conferences and training	700	700	10	690
Mileage reimbursement	300	300	309	(9)
Water system	-	-	3,370	(3,370)
Telephone	3,500	3,500	4,018	(518)
Electricity	6,500	6,500	7,577	(1,077)
Trash	-	-	646	(646)
Total Town Office	41,400	41,400	54,335	(12,935)
General expenditures:				
Sheriff department	27,000	27,000	32,722	(5,722)
Insurance - worker's compensation	600	600	546	54
Insurance - property and liability	19,500	19,500	11,534	7,966
Insurance - unemployment	350	350	-	350
Appraisal	20,000	20,000	9,001	10,999
Reappraisal	800	800	-	800
Printing and advertising	7,000	7,000	7,501	(501)
Property maintenance and upgrade	21,800	21,800	9,844	11,956
Consultant fees	4,200	4,200	3,567	633
Association dues and fees	5,225	5,225	125	5,100
Legal fees	8,000	8,000	5,307	2,693
BCA - election	1,400	1,400	1,442	(42)
Recycling	14,000	14,000	9,402	4,598
Animal expense	2,500	2,500	1,710	790
State fees - marriage licenses	700	700	425	275
Park-n-ride	330	330	322	8
Cemetery maintenance	5,500	5,500	5,600	(100)
County taxes	16,129	16,129	16,066	63
Tax maps	5,000	5,000	4,750	250
Debt payments - interest	26,413	26,413	26,419	(6)
Debt payments - principal	85,000	85,000	85,000	-
Miscellaneous	1,000	1,000	60	940
Total general expenditures	272,447	272,447	231,343	41,104
Development Review Board:				
Supplies and postage	200	200	-	200
Advertising	600	600	302	298
Computer equipment & software	-	-	130	(130)
Conferences and training	100	100	-	100
Legal fees	500	500	-	500
Total Development Review Board	1,400	1,400	432	968
Planning Commission:				
Supplies and postage	500	500	-	500
Printing	200	200	534	(334)
Advertising	500	500	609	(109)
Mileage reimbursement	50	50	-	50
Consultants	1,150	1,150	120	1,030

continued

See independent accountant's review report.

TOWN OF MONKTON, VERMONT
Schedule of Revenues, Expenditures - Modified Cash Basis
Budget and Actual - General Fund
For the Year Ended December 31, 2023

continued	Original Budget	Amended Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Addison County Regional Planning Comm.	2,900	2,900	2,869	31
Total Planning Commission	5,300	5,300	4,132	1,168
Conservation Commission				
Fees	50	50	-	50
Conferences and conventions	100	100	-	100
Conservation activities	150	150	2,601	(2,451)
Training	500	500	-	500
Total Conservation Commission	800	800	2,601	(1,801)
Energy Committee				
Miscellaneous	300	300	-	300
Appropriations:				
Addison Cty Community Action	1,250	1,250	1,250	-
Addison Cty Counseling Services, Inc.	1,600	1,600	1,600	-
Addison Cty Home Health & Hospice	1,946	1,946	1,946	-
Addison Cty Parent / Child	1,600	1,600	1,600	-
Bristol Recreation Department	2,000	2,000	2,000	-
Bristol Rescue Squad	7,500	7,500	7,500	-
Agewell	1,500	1,500	1,500	-
Elderly Services	800	800	800	-
Lewis Creek Association	550	550	550	-
Open Door Clinic	500	500	500	-
Otter Creek Natural Resources	198	198	198	-
Retired & Senior Volunteer Program	460	460	460	-
Vergennes Rescue Squad	600	600	600	-
Vermont Adult Learning	700	700	700	-
Women Safe	1,250	1,250	1,250	-
Vermont Center for Independent Living	195	195	195	-
Addison Cty Transit Resources	850	850	850	-
Bristol Family Center	250	250	250	-
Green Up Vermont	150	150	150	-
John W Graham Emergency Shelter	1,000	1,000	1,000	-
Homeward Bound	250	250	250	-
Addison Cty Court Diversion	550	550	550	-
Addison Cty Readers, Inc.	450	450	450	-
Rural Fire Protection Program	100	100	100	-
Monkton Mentors	500	500	500	-
Hinesburg Community Resource Center	500	500	500	-
Turning Point Center	500	500	500	-
Monkton Volunteer Fire Department, Inc.	98,200	98,200	98,200	-
Monkton Museum Historical Society	1,500	1,500	1,500	-
Total appropriations	127,449	127,449	127,449	-
Total expenditures	645,489	645,489	605,305	40,184
Net change in fund balances	$ 45,160	$ 45,160	$ 10,143	$ (35,017)

See independent accountant's review report.

TOWN OF MONKTON, VERMONT
Schedule of Revenues, Expenditures - Modified Cash Basis
Budget and Actual - Highway Fund
For the Year Ended December 31, 2023
(Page 1 of 2)

	Original Budget	Amended Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Property taxes	$ 636,946	$ 636,946	$ 636,946	$ -
Intergovernmental	234,689	234,689	381,111	146,422
Licenses, permits and fines	1,300	1,300	1,325	25
Miscellaneous	200	200	9,158	8,958
Total revenues	873,135	873,135	1,028,540	155,405
Expenditures				
Highway payroll:				
Regular employees	238,713	238,713	240,274	(1,561)
Part-time employees	4,000	4,000	60	3,940
FICA	18,950	18,950	17,820	1,130
VMERS retirement contribution	12,000	12,000	15,974	(3,974)
Health insurance	49,000	49,000	29,076	19,924
Dental insurance	1,200	1,200	878	322
Short-term disability insurance	250	250	247	3
Unemployment insurance	500	500	414	86
Unemployment claims	320	320	-	320
Life insurance	60	60	68	(8)
HRA reimbursements	7,500	7,500	2,961	4,539
HRA fees	600	600	336	264
Total highway payroll	333,093	333,093	308,108	24,985
Highway garage:				
Equipment, tools and supplies	16,000	16,000	12,130	3,870
Telephone	2,200	2,200	994	1,206
Heat	5,730	5,730	3,263	2,467
Electricity	3,100	3,100	3,140	(40)
Trash removal	2,700	2,700	2,898	(198)
Capital equipment	17,000	17,000	7,041	9,959
Property maintenance and upgrade	8,500	8,500	1,860	6,640
Total highway garage	55,230	55,230	31,326	23,904
Highway general:				
Insurance - workmen's comp	13,000	13,000	12,145	855
Insurance - property and liability	11,500	11,500	12,761	(1,261)
Grease and oil	6,500	6,500	9,866	(3,366)
Permit fees	-	-	1,765	(1,765)
Equipment fuel	50,000	50,000	54,065	(4,065)
Parts	30,000	30,000	34,000	(4,000)
Tires	10,500	10,500	13,232	(2,732)
Equipment repairs	22,000	22,000	17,387	4,613
Blades	9,500	9,500	5,533	3,967
Oxygen and acetylene	1,500	1,500	656	844
Debt service - interest	3,085	3,085	3,081	4
Debt service - principal	38,953	38,953	38,953	-
Miscellaneous	2,000	2,000	-	2,000
Total highway general	198,538	198,538	203,444	(4,906)

continued

See independent accountant's review report.

TOWN OF MONKTON, VERMONT
Schedule of Revenues, Expenditures - Modified Cash Basis
Budget and Actual - Highway Fund
For the Year Ended December 31, 2023
(Page 2 of 2)

	Original Budget	Amended Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
continued				
Highway road maintenance:				
Rental equipment	2,500	2,500	1,000	1,500
Gravel	15,000	15,000	9,470	5,530
Salt	65,000	65,000	38,375	26,625
Winter sand	40,000	40,000	18,103	21,897
Chloride - summer	25,000	25,000	20,700	4,300
Hot mix	150,000	150,000	174,951	(24,951)
Cold patch	1,000	1,000	1,386	(386)
Culverts	10,000	10,000	16,995	(6,995)
Signs, painting	4,750	4,750	9,942	(5,192)
911 signs	200	200	135	65
Chloride - winter	2,500	2,500	-	2,500
Erosion stone	8,500	8,500	5,840	2,660
Gravel - roads upgrade	82,000	82,000	25,970	56,030
Highway upgrade and paving	10,000	10,000	1,600	8,400
Contract services	8,000	8,000	9,085	(1,085)
Total highway road maintenance	424,450	424,450	333,552	90,898
Total expenditures	1,011,311	1,011,311	876,430	134,881
Net change in fund balances	$ (138,176)	$ (138,176)	$ 152,110	$ 290,286

See independent accountant's review report.

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

	Special Revenue Funds					
	Recreation Fund	PVR Education Fund	Wildlife Crossing Fund	Russell Memorial Library Fund	Record Restoration Fund	Reappraisal Fund
Assets						
Cash	$ 21,058	$ 678	$ 2,467	$ 51,573	$ 27,867	$ 24,528
Liabilities and fund balances						
Fund balances:						
Restricted	-	678	2,467	-	27,867	24,528
Committed	21,058	-	-	51,573	-	-
Total fund balances	21,058	678	2,467	51,573	27,867	24,528
Total liabilities and fund balances	$ 21,058	$ 678	$ 2,467	$ 51,573	$ 27,867	$ 24,528

See independent accountant's review report.

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

	Capital Project Funds			
	Municipal Building Fund	Highway Capital Project Fund	Russell Memorial Library Capital Fund	Total Nonmajor Governmental Funds
Assets				
Cash	$ 53,524	$ 2,481	$ 15,162	$ 199,338
Liabilities and fund balances				
Fund balances:				
Restricted	-	-	-	55,540
Committed	53,524	2,481	15,162	143,798
Total fund balances	53,524	2,481	15,162	199,338
Total liabilities and fund balances	$ 53,524	$ 2,481	$ 15,162	$ 199,338

See independent accountant's review report.

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

	Special Revenue Funds					
	Recreation Fund	PVR Education Fund	Wildlife Crossing Fund	Russell Memorial Library Fund	Record Restoration Fund	Reappraisal Fund
Revenues						
Property taxes	$ 8,500	$ -	$ -	$ 37,046	$ -	$ -
Intergovernmental	4,220	-	-	16,315	6,572	8,542
Charges for services	2,100	-	-	-	-	-
Interest on cash deposits	5	-	-	10	-	-
Donations	-	-	-	3,694	-	-
Total revenues	14,825	-	-	57,065	6,572	8,542
Expenditures						
Current:						
General	-	-	-	-	529	48,288
Library	-	-	-	43,346	-	-
Recreation	12,497	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	12,497	-	-	43,346	529	48,288
Excess (deficiency) of revenues over expenditures	2,328	-	-	13,719	6,043	(39,746)
Other financing sources (uses)						
Sale of capital assets	-	-	-	-	-	-
Transfers in (out)	-	-	-	5,000	-	-
Total other financing sources (uses)	-	-	-	5,000	-	-
Net change in fund balances	2,328	-	-	18,719	6,043	(39,746)
Fund balances, beginning of year	18,730	678	2,467	32,854	21,824	64,274
Fund balances, end of year	$ 21,058	$ 678	$ 2,467	$ 51,573	$ 27,867	$ 24,528

See independent accountant's review report.

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

	Capital Project Funds			
	Municipal Building Fund	Highway Capital Project Fund	Russell Memorial Library Capital Fund	Total Nonmajor Governmental Funds
Revenues				
Property taxes	$ -	$ 30,000	$ -	$ 75,546
Intergovernmental	-	-	-	35,649
Charges for services	-	-	-	2,100
Interest on cash deposits	-	-	7	22
Donations	-	-	-	3,694
Total revenues	-	30,000	7	117,011
Expenditures				
Current:				
General	24,700	-	-	73,517
Library	-	-	-	43,346
Recreation	-	-	-	12,497
Capital outlay	-	155,047	-	155,047
Total expenditures	24,700	155,047	-	284,407
Excess (deficiency) of revenues over expenditures	(24,700)	(125,047)	7	(167,396)
Other financing sources (uses)				
Sale of capital assets	171,538	-	-	171,538
Transfers in (out)	-	-	(5,000)	-
Total other financing sources (uses)	171,538	-	(5,000)	171,538
Net change in fund balances	146,838	(125,047)	(4,993)	4,142
Fund balances, beginning of year	(93,314)	127,528	20,155	195,196
Fund balances, end of year	$ 53,524	$ 2,481	$ 15,162	$ 199,338

See independent accountant's review report.