

TOWN OF WAITSFIELD, VERMONT  
AUDIT REPORTS  
TABLE OF CONTENTS

	<b>Page Number</b>
<b>Independent Auditor's Report</b>	<b>1-2</b>
<b>Management Discussion and Analysis</b>	<b>3-5</b>
<b><i>Government-Wide Financial Statements:</i></b>	
Statement of Net Assets	6
Statement of Activities	7
<b><i>Fund Financial Statements:</i></b>	
Combined Balance Sheet – Governmental Funds	8-9
Combined Statements of Revenues, Expenditures And Changes in Fund Balances – Governmental Fund Types	10-12
Notes to the Financial Statements	13-19
<b><i>Compliance Reports:</i></b>	
Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	20-21
Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with <i>OMB Circular A-133</i>	22-23
Schedule of Expenditures of Federal Awards	24
Schedule of Findings and Questioned Costs	25
<b><i>Required Supplementary Information:</i></b>	
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	26-27
Statement of Expenditures – Budget and Actual – General Fund	28-31
<b><i>Other Information:</i></b>	
Combining Balance Sheet – Other Governmental Funds	32
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Other Governmental Funds	33

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Town of Waitsfield, Vermont

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Waitsfield, Vermont as of and for the year ended December 31, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Town of Waitsfield, Vermont's management. Our responsibility is to express opinions on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Waitsfield, Vermont, as of December 31, 2012, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2013, on our consideration of the Town of Waitsfield, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 5 and 26 through 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Waitsfield, Vermont's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Jeffrey R. Bradley CPA, P.C.

Mendon, Vermont

June 27, 2013

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Town of Waitsfield, Vermont's annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year ended December 31, 2012. Please read it in conjunction with the Town's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The Town's total combined governmental net assets were \$7,642,042 at December 31, 2012, as compared to \$2,141,906 at the end of 2011. The Town's governmental expenses were \$6,686,822, less than the \$12,186,958 generated in taxes and other revenues from governmental activities. The general fund, in 2012, retired its 2011 fund balance deficit of (\$33,570), completing the year with a fund balance carry forward of \$103,144.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the Town:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the Town's overall financial status. The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the Town's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

#### Government-wide Statements

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town's net assets and how they have changed. Net assets (the difference between the Town's assets and liabilities) are one way to measure the Town's financial health or *position*. Over time, increases or decreases in the Town's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the Town include the *Governmental activities*. Most of the Town's basic services are included here, such as instruction, special education, extracurricular activities, curriculum and staff development, health services and general administration. Property taxes and grants finance most of these activities.

#### Fund Financial Statements

The fund financial statements provide more detailed information about the Town's most significant *funds*—not the Town as a whole. Funds are accounting devices that the Town uses to keep track of specific sources of funding and spending for particular purposes. The Board of Directors establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The Town has the following kinds of funds:

- *Governmental funds*—Most of the Town's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances

left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

## **FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

### **General Fund Budgetary Highlights**

Actual general fund expenditures for the fiscal year did not exceed budgeted amounts (due primarily to reduced highway related expenditures) by \$439,143. In addition, revenues collected were \$245,782 less than anticipated for the fiscal year, due to grant revenues in particular. Overall, the Town ended with a favorable budget variance of \$136,714.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

At December 31, 2012, the Town had invested \$3,393,918 in a broad range of governmental capital assets, including land, equipment, buildings, and vehicles. This amount represents a net increase (including additions and deductions) of \$151,607 or 4.5 percent increase over last year. At December 31, 2012, the Town had invested \$8,534,466 in a business type (Water and Wastewater) construction in progress assets, including land, equipment and buildings yet to be placed into service. While the investment has been made, the construction in progress costs will not become capital assets until the project is complete, and the water and wastewater system are in operation in early 2013.

### **Long Term Debt**

At year-end the Town had \$4,518,623 in bonds and notes outstanding. More detailed information about the Town's debt is presented in the notes to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- Municipal expenditures are budgeted to increase 0.70 percent from \$1,835,779 to \$1,849,068 due primarily to increased reserve fund transfers and debt service and capital expenditures as compared to fiscal year 2012. The Town has added no major new major programs or initiatives to the 2013 budget, and will be approved by the voters in March 2013. If these estimates are realized, the Town's budgetary general fund balance is not expected to change appreciably by the close of year 2013.

## **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Waitsfield Town Office at 9 Bridge Street, Waitsfield VT 05673 or email at [waitsfld@madriver.com](mailto:waitsfld@madriver.com).

**TOWN OF WAITSFIELD, VERMONT**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2012 and 2011**

	2012	2011
Current Assets	\$ 2,731,712	\$ 2,021,328
Other Assets	265,000	\$ 265,000
Construction in Progress	8,534,466	5,086,677
Capital Assets	2,150,610	2,137,560
Total Assets	\$ 13,681,788	\$ 9,510,565
Current Liabilities	\$ 1,449,664	\$ 5,978,095
Long Term Liabilities	4,590,081	1,390,564
Total Liabilities	6,039,745	7,368,659
Nonspendable General Fixed Assets	6,166,453	919,122
Committed Net Assets	474,960	336,155
Unassigned Net Assets	1,000,629	886,629
Total Net Assets	7,642,042	2,141,906
Total Liabilities and Net Assets	\$ 13,681,788	\$ 9,510,565

**STATEMENT OF ACTIVITIES**

**Fiscal Years Ending December 31, 2012 and 2011**

	2012	2011
<i>Program Revenues:</i>		
Operating Grants and Contributions	\$ 10,701,233	\$ 754,696
<i>General Revenues:</i>		
Property taxes and related charges	1,162,095	5,222,305
Fees for Service	162,688	191,673
Other	118,920	10,275.00
Interest Earnings	42,021	51,096
Total General Revenues	1,485,725	5,475,349
Total Revenues	12,186,958	6,230,045
<i>Programs:</i>		
General Government Services	2,211,209	1,166,938
Public Education	4,241,715	4,230,618
Interest Expense	95,340	9,147
Depreciation	138,557	125,945
Total Expenses	6,686,822	5,532,648
Change in Net Assets	5,500,136	697,397
Net Assets - Beginning	2,141,906	1,444,509
Net Assets - Ending	\$ 7,642,042	\$ 2,141,906

**TOWN OF WAITSFIELD, VERMONT**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2012**

	<i>Governmental Activities</i>	<i>Totals</i> <i>December 31, 2012</i>	<i>Totals</i> <i>December 31, 2011</i>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 1,499,769	\$ 1,499,769	\$ 1,463,181
Accounts Receivable	1,106,307	1,106,307	440,975
Delinquent Taxes Receivable	125,635	125,635	117,173
<b>Total Current Assets</b>	<b>2,731,712</b>	<b>2,731,712</b>	<b>2,021,329</b>
<b>Noncurrent Assets:</b>			
Construction in Progress	8,534,466	8,534,466	5,086,677
CDBG Loan Receivable	265,000	265,000	265,000
Capital Assets (Net of Accumulated Depreciation)	2,150,610	2,150,610	2,137,560
<b>TOTAL ASSETS</b>	<b>\$ 13,681,788</b>	<b>\$ 13,681,788</b>	<b>\$ 9,510,566</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities:</b>			
Accrued Expenses	\$ 752,363	\$ 752,363	\$ 798,544
Notes Payable	553,292	553,292	5,077,162
Current Portion of Long Term Debt	144,009	144,009	102,390
<b>Total Current Liabilities</b>	<b>1,449,664</b>	<b>1,449,664</b>	<b>5,978,096</b>
<b>Noncurrent Liabilities:</b>			
Deferred Revenue	768,759	768,759	265,000
Notes & Bonds Payable	3,821,322	3,821,322	1,125,564
<b>Total Noncurrent Liabilities</b>	<b>4,590,081</b>	<b>4,590,081</b>	<b>1,390,564</b>
<b>Total Liabilities</b>	<b>6,039,745</b>	<b>6,039,745</b>	<b>7,368,660</b>
<b>Net Assets:</b>			
Nonspendable General Fixed Assets	6,166,453	6,166,453	919,122
Committed for Specific Purposes	474,960	474,960	336,155
Unassigned	1,000,629	1,000,629	886,629
<b>Total Net Assets</b>	<b>7,642,042</b>	<b>7,642,042</b>	<b>2,141,906</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ 13,681,788</b>	<b>\$ 13,681,788</b>	<b>\$ 9,510,566</b>

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

**TOWN OF WAITSFIELD, VERMONT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Assets</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>			
					<u>Governmental Activities</u>	<u>December 31, 2012 Total</u>	<u>December 31, 2011 Total</u>	
<b>Primary Government</b>								
General government	\$ 451,632	\$ 156,593	\$ -	\$ -	\$ (295,039)	\$ (295,039)	\$ (263,660)	
Public Education	4,241,715	-	4,241,715	-	-	-	-	
Public safety	115,268	6,095	-	-	(109,173)	(109,173)	(80,207)	
Public Works	1,449,884	-	-	6,378,280	4,928,396	4,928,396	275,525	
Cemetery Operations	37,679	-	-	-	(37,679)	(37,679)	(30,247)	
Recreation & Free Library	67,256	-	-	-	(67,256)	(67,256)	(78,797)	
Community development	89,489	-	81,237	-	(8,252)	(8,252)	(43,183)	
Depreciation	138,557	-	-	-	(138,557)	(138,557)	(125,945)	
Interest on long-term debt	95,340	-	-	-	(95,340)	(95,340)	(9,147)	
<b>Total Activities</b>	<b>6,686,822</b>	<b>162,688</b>	<b>4,322,953</b>	<b>6,378,280</b>	<b>4,177,099</b>	<b>4,177,099</b>	<b>(355,661)</b>	
					Property taxes and related charges, levied for general purposes	1,027,085	1,027,085	991,687
					Property taxes and related charges, levied for debt services	135,010	135,010	-
					Investment & other earnings	42,021	42,021	51,096
					Miscellaneous	118,920	118,920	10,275
					<b>Total general revenues</b>	<b>12,186,958</b>	<b>1,323,037</b>	<b>1,053,058</b>
					Change in net assets	5,500,136	5,500,136	697,397
					Net assets-beginning	2,141,906	2,141,906	1,444,509
					Net assets-ending	7,642,042	7,642,042	2,141,906

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

**TOWN OF WAITSFIELD, VERMONT  
COMBINED BALANCE SHEET -  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2012**

	<i>Governmental Funds</i>			December 31, 2012 Totals	December 31, 2011 Totals
	General Fund	Other Governmental Funds	Capital Projects Fund		
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 637,504	\$ 603,566	\$ 258,699	\$ 1,499,769	\$ 1,463,181
Grants Receivable	45,938	265,000	795,369	1,106,307	440,974
Delinquent Taxes Receivable	125,635	-	-	125,635	117,173
Due from Other Funds	125,624	36,263	2,982	164,868	80,521
<b>TOTAL ASSETS</b>	<b>\$ 934,701</b>	<b>\$ 904,828</b>	<b>\$ 1,057,051</b>	<b>\$ 2,896,580</b>	<b>\$ 2,101,849</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<i>Liabilities:</i>					
Accrued Expenses	\$ 345,669	-	-	\$ 345,669	\$ 400,421
Due to Education Tax Fund	406,694	-	-	406,694	398,122
Short Term Notes Payable	-	-	553,292	553,292	5,077,162
Deferred Revenue	79,193	265,000	503,759	847,952	346,601
Due to Other Funds	-	164,868	-	164,868	80,521
<b>Total Liabilities</b>	<b>831,557</b>	<b>429,868</b>	<b>1,057,051</b>	<b>2,318,476</b>	<b>6,302,827</b>
<i>Fund Balances:</i>					
Committed for Infrastructure and Other Purposes	45,938	474,960	-	520,898	(4,167,410)
Unassigned	57,206	-	-	57,206	(33,570)
<b>Total Fund Balances (Deficit)</b>	<b>103,144</b>	<b>474,960</b>	<b>-</b>	<b>578,104</b>	<b>(4,200,980)</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b>\$ 934,700</b>	<b>\$ 904,828</b>	<b>\$ 1,057,051</b>	<b>\$ 2,896,580</b>	<b>\$ 2,101,847</b>

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

**TOWN OF WAITSFIELD, VERMONT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2012**

	Governmental Activities	Totals
Amounts reported for Governmental Activities in the Statement of Net Assets are different due to the following:	\$ 578,104	\$ 578,104
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.	10,685,076	10,685,076
Delinquent taxes are recognized as revenue in the period in which they are levied in the government-wide financial statements, but are reported as deferred tax revenue (a liability) in the Governmental Funds Balance Sheet.	79,193	79,193
Long Term Debt is not recorded in the governmental fund financial statements. However, the government wide financial statements include long term debt.	(3,700,331)	(3,700,331)
Net Assets - Government-Wide Financial Statements	7,642,042	\$ 7,642,042

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

**TOWN OF WAITSFIELD, VERMONT**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	General Fund	Other Governmental Funds	Capital Projects Fund	TOTALS December 31, 2012	TOTALS December 31, 2011
<b>Revenues:</b>					
Property Taxes - Current Year	\$ 5,259,798	\$ -	\$ -	\$ 5,259,798	\$ 5,031,505
Property Taxes - Delinquent	135,582	-	-	135,582	109,199
Interest & Penalties on Delinquent Taxes	30,197	-	-	30,197	36,140
State Payments in Lieu of Taxes	73,875	-	-	73,875	74,612
Traffic & Other Ordinance Fines	6,095	-	-	6,095	10,975
State & Federal Grants & Reimbursements	105,712	283,826	3,020,715	3,410,253	710,257
Licenses, Permits & Fees for Services	13,501	18,411	3,125	35,038	59,854
Recording Fees	29,789	17,891	-	47,680	46,232
Miscellaneous Reimbursements & Donations	118,920	81,237	2,968,028	3,168,185	54,714
Interest Income	1,594	2,575	7,655	11,825	14,956
Total Revenues	<u>5,775,065</u>	<u>403,941</u>	<u>5,999,523</u>	<u>12,178,528</u>	<u>6,148,444</u>
<b>Expenditures:</b>					
<i>Public Schools:</i>					
Payments to/on behalf Waitsfield Town School District	4,241,715	-	-	4,241,715	4,230,618
<i>Public Safety:</i>					
Law Enforcement	32,329	-	-	32,329	26,313
Fire Protection	82,940	-	-	82,940	111,942
Total Public Safety	<u>115,268</u>	<u>-</u>	<u>-</u>	<u>115,268</u>	<u>138,255</u>
<i>Community &amp; Municipal Infrastructure:</i>					
Road, Highway, Bridge & Water System Infrastructure	438,810	366,296	1,495,958	2,301,063	3,266,129
Flood Related Expenditures	-	-	-	-	444,081
Joslin Library	32,914	-	-	32,914	43,194
Parks & Conservation	33	34,309	-	34,342	35,603
Cemetery Operations	-	37,679	-	37,679	30,247
Taxes & Assessments to Regional Organizations	66,296	-	-	66,296	64,453
Appropriated Funds to Local Community Organizations	23,193	-	-	23,193	23,168
Total Community Infrastructure	<u>561,246</u>	<u>438,284</u>	<u>1,495,958</u>	<u>2,495,488</u>	<u>3,906,875</u>
<i>Administration:</i>					
Selectboard & Administrative Assistant	70,306	-	-	70,306	68,253
Town Clerk & Treasurer's Office	119,141	-	-	119,141	111,483
Listers	697	-	-	697	11,032

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

**TOWN OF WAITSFIELD, VERMONT**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND -**  
**CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	General Fund	Other Governmental Funds	Capital Projects Fund	TOTALS December 31, 2012	TOTALS December 31, 2011
<i>Administration (continued):</i>					
Elections	692	-	-	692	242
Legal & Professional Fees	26,439	-	-	26,439	25,468
Municipal Buildings Operating Costs	49,808	18,351	-	68,159	85,254
Vault Restoration Costs	-	-	-	-	2,575
Planning & Zoning	46,593	-	-	46,593	57,802
Employee Benefits	119,604	-	-	119,604	114,611
Total Administration	433,281	18,351	-	451,632	476,720
<i>Debt Service:</i>					
Interest & Principal	95,340	-	-	95,340	199,006
Total Expenditures	5,446,851	456,635	1,495,958	7,399,444	8,951,474
Excess (Deficiency) of Revenues Over Expenditures	328,214	(52,695)	4,503,565	4,779,084	(2,803,030)
<i>Other Financing Sources (Uses):</i>					
Budget Stabilization Transfer	49,000	(49,000)	-	-	-
<i>Designated Fund Transfers:</i>					
Reappraisal Fund	(15,000)	15,000	-	-	-
Cemetery Fund	(10,000)	10,000	-	-	-
Fire Department Building & Equipment Fund	(18,000)	18,000	-	-	-
Town Office Reserve	(50,000)	50,000	-	-	-
Highway Equipment Fund	(55,000)	55,000	-	-	-
Route 100 Transportation Path	(20,000)	20,000	-	-	-
Culvert Repair Fund	(50,000)	50,000	-	-	-
Street Tree Reserve	(2,500)	2,500	-	-	-
Conservation & Recreation Fund	(10,000)	10,000	-	-	-
Covered Bridge Fund	(5,000)	5,000	-	-	-
Energy Reserve Fund	(5,000)	5,000	-	-	-
Total Designated Fund Transfers	(240,500)	240,500	-	-	-
Excess of Revenues Over Expenditures and Other Financing Uses	136,714	138,805	4,503,565	4,779,084	(2,803,030)
Fund Balance (Deficit) - Beginning	(33,570)	336,155	(4,503,565)	(4,200,980)	(1,397,950)
Fund Balance (Deficit) - Ending	\$ 103,144	\$ 474,960	-	\$ 578,104	\$ (4,200,980)

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

**TOWN OF WAITSFIELD, VERMONT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>Governmental Activities</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances & equity	\$ 4,779,084
Delinquent taxes are recognized as revenue in the period in which they are levied in the government-wide financial statements, but are reported as revenue as measurable and available in the fund financial statements.	8,430
Repayment of bond principal is not an expense in the Statement of Activities	699,572
In the Statement of Activities, the cost of fixed assets is allocated over their estimated useful lives and reported as depreciation expense annually.	13,050
Change in net assets - Statement of Activities	\$ 5,500,136

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

**TOWN OF WAITSFIELD, VERMONT  
NOTES TO FINANCIAL STATEMENTS**

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Waitsfield, Vermont (the Town) has been organized as a municipality in accordance with the laws of the State of Vermont. The following summarizes its significant accounting policies of the Town of Waitsfield, Vermont:

**REPORTING ENTITY**

The Board of Selectpersons is the basic level of government (and highest level of decision making), which has financial accountability, and control over all activities related to municipal services for the citizens of the Town of Waitsfield, Vermont. The Town is the primary unit of government under reporting criteria established by the Governmental Accounting Standards Board (GASB). Those criteria include a separately elected governing body, separate legal standing and fiscal independence from other governmental entities. Based upon these criteria, there are no other entities which are component units of the Town.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)**

The basic financial statements include both government-wide and fund financial statements. The government wide statements report information on all of the non-fiduciary activities of the Town. Inter-fund activities have been eliminated from these statements. The financial position of the Town is consolidated and incorporates capital assets as well as long term debt obligations.

The statement of net assets and the statement of activities are presented to distinguish between governmental activities of the Town. Governmental activities are financed through taxes, intergovernmental revenues and other non-exchange revenues. These activities are reported in governmental funds.

**Program Revenues** - Program revenues included in the Statement of Activities derive directly from parties outside the school board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the school board's general revenues.

**Allocation of Indirect Expenses** - The school board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*GOVERNMENTAL FUND FINANCIAL STATEMENTS (FFS)*

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the summarized by type in the financial statements. The following fund types are utilized by the Town:

**TOWN OF WAITSFIELD, VERMONT  
NOTES TO FINANCIAL STATEMENTS**

**Governmental Fund Types**

General Fund – The General Fund is established to be the general operating fund of the Town. It is used to account for all financial resources except those to be properly accounted for in another fund.

Other Governmental Fund – This fund is established to account for the proceeds and expenditures of specific revenue sources that are legally restricted in nature (grants).

**Basis of Accounting**

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus applied. Governmental fund financial statements use the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they both become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred except as indicated below.

**Cash and Cash Equivalents** – The Town’s cash and cash equivalents are considered cash on hand, demand deposits and short term investments with original maturities of three months or less.

**Prepaid Items** – Certain payments to vendors reflect costs applicable to future accounting periods and recorded as assets in both sets of statements.

**Capital assets** - These assets are reported in the government wide statements at historical cost. Capital assets include land, improvements to land, buildings, building improvements, vehicles, machinery, equipment, infrastructure and all other tangible or intangible assets that are used in operations and have initial useful lives beyond a single reporting period.

Capital assets that are being depreciated are reported net of accumulated depreciation in the statement of net assets. Capital assets that are not being depreciated, such as land, are reported separately. Capital assets are depreciated over their estimated useful lives.

Depreciation expense is reported in the statement of activities by allocating the net cost over the estimated useful life of the asset. Assets are depreciated on an individual basis for equipment and buildings.

The school board maintains a threshold level of \$2,000 or more for capitalizing capital assets. Capital assets are recorded in the GWFS, but are not reported in the FFS. All capital assets, other than land, are depreciated using the straight line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	10-25 years
Buildings and Building Improvements	25-50 years
Furniture and Fixtures & Equipment	5-10 years

# TOWN OF WAITSFIELD, VERMONT NOTES TO FINANCIAL STATEMENTS

## **Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Estimates** – The preparation of financial statements requires management to develop estimates or assumptions that affect the reported amounts of assets and liabilities, revenues and expenditures at the date of the financial statements. Actual amounts may differ from those preliminary estimates.

**Fund Balances** – Fund balances are divided into five classifications based primarily on the extent to which the Town is bound to observe constraints imposed upon the use of the resources in the governmental funds.

The classifications are as follows:

**Nonspendable** - This fund balance category includes amounts that cannot be spent because they are not in spendable form (items that are not expected to be converted to cash).

**Restricted** - Fund balance is reported when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or is imposed by law through enabling legislation (ordinances).

**Committed** - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of the Board of Directors.

**Assigned** – Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by Charter or ordinance.

**Unassigned** - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. The Town applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available.

### **Deferred Revenue**

Deferred revenue occurs when assets are received prior to revenue recognition criteria have been satisfied. Grant revenue is recognized to the extent that allowable expenditures in accordance with the grant agreement have been incurred by the Town.

### **Property Taxes**

Property taxes are levied (and the related tax rate is set) in July of its fiscal year, based upon the grand list of the Town Assessor as of April 1<sup>st</sup> of the previous fiscal year. The property tax due date calendar for these taxes is September 1<sup>st</sup> and November 15<sup>th</sup> of the fiscal year assessed.

**TOWN OF WAITSFIELD, VERMONT  
NOTES TO FINANCIAL STATEMENTS**

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The tax rates for the fiscal year were as follows:

	Non-residential	Residential
Education	\$1.3216	\$1.2688
Municipal	0.3171	0.3171
Total Tax Rate per \$100 of Assessed Value	\$1.6387	\$1.5859

**Note 2 - CASH**

The cash deposits in the Town's accounts as of December 31, 2012 consisted of the following, and is organized by the following risk categories: Category 1: FDIC Insured deposits or collateralized deposits with securities held in the Depositor's name; Category 2: Collateralized deposits held with the financial institution's name; Category 3: Uncollateralized deposits (such as cash on hand).

The following is a schedule summarizing cash on deposit with various financial institutions:

Description	Book Balance	Bank Balance
Insured (FDIC- Category 1)	\$559,700	\$559,700
Uninsured, un-collateralized (Category 3)	0	0
Uninsured Collateralized by Bank, Secured by Eligible Securities including Federal Agencies and U.S. Treasury (Category 1)	999,043	1,005,105
<b>TOTALS</b>	<b>\$1,499,769</b>	<b>\$1,564,705</b>

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

**Note 3 – DELINQUENT TAXES RECEIVABLE**

The following summarizes tax collections during the fiscal year ended December 31, 2012:

	December 31, 2010	December 31, 2011	December 31, 2012	TOTALS
Balance – January 1, 2012	\$10,286	\$106,887	\$0	\$117,173
Tax Levy – Current Fiscal Year	0	0	5,897,436	5,897,436
Tax Collections & Credits	(5,638)	(92,088)	(5,791,248)	(5,888,974)
Balance – December 31, 2012	\$4,648	\$14,799	\$106,188	\$125,635

**TOWN OF WAITSFIELD, VERMONT  
NOTES TO FINANCIAL STATEMENTS**

**Note 3 – DELINQUENT TAXES RECEIVABLE (CONTINUED)**

Amounts reported as deferred tax revenue are taxes that were not collected as of February 29, 2013 in the amount of \$79,193. The difference between the receivable and the deferred revenue amount (\$46,442) represents taxes collected in January and February 2013, and is recognized as revenue in the governmental fund financial statements at December 31, 2012.

**Note 4 – DUE/TO FROM OTHER FUNDS**

The following schedule details items (due to) or due from between the governmental funds as of the balance sheet date:

Fund	General Fund	Capital Project Funds	Other Governmental
Water Capital	(\$2,982)	\$2,982	\$0
Reserve Funds	128,606	0	(128,606)
Totals	\$125,624	\$2,982	(\$125,624)

**Note 5 – CHANGES IN GENERAL FIXED ASSETS**

The following schedule details the changes in the Town's fixed assets:

Description	Balance January 1, 2012	Change	Current Depreciation	Balance December 31, 2012
Land, Buildings, Equipment, Municipal Infrastructure	\$3,242,311	\$151,607	\$0	\$3,393,918
Accumulated Depreciation	(1,104,751)	0	(138,557)	(1,243,308)
Net Book Value	\$2,137,560	\$151,607	(\$138,557)	\$2,150,610

**Note 6 – BONDS & NOTES PAYABLE**

As of December 31, 2012, the Town is indebted for the purchase of capital improvements, equipment and land, and the annual minimum monetary requirements to amortize the above referenced obligations are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2013	\$101,893	\$2,185	\$104,078
2014	101,510	1,283	102,793
2015	84,327	383	84,710
2016	83,944	0	83,944
2017	83,545	0	83,545
Thereafter	396,112	0	396,112
TOTALS	\$851,331	\$3,851	\$855,182

**TOWN OF WAITSFIELD, VERMONT  
NOTES TO FINANCIAL STATEMENTS**

**Note 6 – BONDS & NOTES PAYABLE (continued)**

The following is a summary of monetary requirements to retire the Water System obligation, which requires semi-annual payments of \$62,360 for 40 years. It accrues interest at 2.75%, and is to be paid in full September 17, 2052:

Fiscal Year Ending December 31,	Principal	Interest	Total
2013	\$42,116	\$82,604	\$124,720
2014	42,382	81,338	124,720
2015	44,480	80,240	124,720
2016	45,712	79,008	124,720
2017	46,977	77,743	124,720
Thereafter	2,792,333	1,573,767	4,366,100
<b>TOTALS</b>	<b>\$3,014,000</b>	<b>\$1,974,800</b>	<b>\$4,988,800</b>

**Note 7 – LINES OF CREDIT**

The Town currently has two lines of credit: one due on March 12, 2013, accruing 1% interest on the \$100,000 principal to assist with Flood Assistance costs; the second is a \$700,000 line of credit (of which \$553,292 has been drawn down to date) which accrues interest at 1.65%, maturing February 15, 2013.

**Note 8 - PENSIONS**

*Vermont Municipal Employees' Retirement System*

The State of Vermont makes retirement contributions for all eligible covered salaries on the behalf of the Town. The 's total payroll was \$346,142 while its eligible covered payroll was \$323,820 resulting in an estimated \$14,572 of withheld payments from the 9 members who are required to contribute 4.5% of compensation as Group B members. The amounts paid for employer contributions (5% of gross salary, or \$16,191) are included as expenditures in the financial statements. Therefore, a total of \$30,673 was deposited to these accounts for the employees' benefit for this plan. All employees become members of the retirement system upon employment. Vesting occurs upon reaching 5 years of creditable service for defined benefit plans, and 1 year for defined contribution plans.

**Note 9 - RISK MANAGEMENT/COMMITMENTS AND CONTINGENCIES**

The Town is exposed to various risks of loss related to torts; theft, damage and destruction of its assets; injuries to employees and others; and natural disasters. These risks are provided for in various insurance contracts with the Vermont League of Cities and Towns' Property and Casualty Fund and Unemployment Insurance Trust.

**TOWN OF WAITSFIELD, VERMONT  
NOTES TO FINANCIAL STATEMENTS**

**Note 9 - RISK MANAGEMENT/COMMITMENTS AND CONTINGENCIES (continued)**

Any claims under these policies have not exceeded coverage in any of the immediately preceding three fiscal years. If the insurance funds noted above should ever become insolvent, the Town could be liable for a proportionate share of the Fund's liabilities.

The Town receives grant support from various State, Local and Federal sources. These programs are subject to financial and compliance audits by these grantors. Management believes that any possible disallowed costs, if any, would be immaterial to these financial statements.

**Note 10 – SUBSEQUENT EVENTS**

The line of credit obligation for \$700,000, as noted above, matured on February 28, 2013. The note has been extended for 90 days. The reason for the borrowing is a delay in receiving Federal and State grant assistance concerning the Water Project, which is nearly complete as of the date of these financial statements.

# Jeffrey R. Bradley CPA, P.C.

~ Member ~

American Institute of Certified Public Accountants

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Rutland, Vermont 05701

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Fax (866) 507-3932

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## 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

To the Board of Directors  
Town of Waitsfield, Vermont

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Waitsfield, Vermont, as of and for the year ended December 31, 2012, which collectively comprise the Town of Waitsfield, Vermont's basic financial statements and have issued our report thereon dated June 27, 2013. 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.

### Internal Control Over Financial Reporting

Management of Town of Waitsfield, Vermont is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Town of Waitsfield, Vermont's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Waitsfield, Vermont's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Waitsfield, Vermont's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Waitsfield, Vermont's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*. This report is intended solely for the information and use of management, Board of Directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in red ink that reads "Jeffrey R. Bradley CPA, P.C.".

Jeffrey R. Bradley CPA, P.C.

Mendon, Vermont

June 27, 2013

**Jeffrey R. Bradley CPA, P.C.**

~ Member ~

American Institute of Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors  
Town of Waitsfield, Vermont

*Compliance*

We have audited Town of Waitsfield, Vermont's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Town of Waitsfield, Vermont's major federal programs for the year ended December 31, 2012. Town of Waitsfield, Vermont's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Town of Waitsfield, Vermont's management. Our responsibility is to express an opinion on Town of Waitsfield, Vermont's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Town of Waitsfield, Vermont's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Town of Waitsfield, Vermont's compliance with those requirements.

In our opinion, Town of Waitsfield, Vermont, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

*Internal Control over Compliance*

Management of Town of Waitsfield, Vermont, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Town of Waitsfield, Vermont's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Town of Waitsfield, Vermont's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, Board of Directors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in red ink that reads "Jeffrey R. Bradley CPA, P.C." The signature is written in a cursive style.

Jeffrey R. Bradley CPA, P.C.  
Mendon, Vermont  
June 27, 2013

TOWN OF WAITSFIELD, VERMONT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

<i>Name of Agency or Department</i>	<i>CFDA Number</i>	<i>Name of Grant</i>	<i>Grant I.D. Number</i>	<i>Award Amount</i>	<i>Total Expended</i>
Environmental Protection Agency	66.202	Congressionally Mandated Projects State and Tribal Assistance Grant	EM-96127701-0	\$ 4,858,100	\$ 1,970,990
US Department of Agriculture Federal Emergency Management Agency	10.854 97.036	Rural Development Grant Program Public Assistance Grant Program	Grant 02 & Grant 03 FEMA 4022 - DR - VT	2,951,137 145,296	2,684,154 145,296
				<u>\$ 7,954,533</u>	<u>\$ 4,800,440</u>

**TOWN OF WAITSFIELD, VERMONT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2012**

**SUMMARY OF PRIOR AUDIT FINDINGS**

No findings or reportable conditions were noted for the fiscal year ended December 31, 2011.

**SUMMARY OF AUDIT RESULTS**

*Financial Statements*

Audit Report Opinion: Unqualified.

*Federal Awards*

*Internal Control Over Financial Reporting:*

Material Weaknesses: None noted.

Reportable Conditions: None noted.

Noncompliance material to financial statements: None noted.

*Compliance with Requirements for Each Major Program:*

Material Weaknesses: None noted.

Reportable Conditions: None noted.

Noncompliance material to financial statements: None noted.

Type of opinion issued: Unqualified.

*Major Program:*

<u>Program</u>	<u>CFDA #</u>
Rural Development Grant Program	10.854

Dollar threshold to determine between Type A and Type B programs was \$300,000.

**TOWN OF WAITSFIELD, VERMONT**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND -**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<i>Original/Final</i>		<i>Variance</i>
	<i>Budget</i>	<i>Actual</i>	<i>Favorable</i>
			<i>(Unfavorable)</i>
<i>Revenues:</i>			
Property Taxes - Current Year	\$ 5,399,165	\$ 5,259,798	\$ (139,367)
Property Taxes - Delinquent	-	135,582	135,582
Interest & Penalties on Delinquent Taxes	34,000	30,197	(3,803)
State Payments in Lieu of Taxes	90,500	73,875	(16,625)
Traffic & Other Ordinance Fines	10,000	6,095	(3,905)
State and Federal Grants	394,964	105,712	(289,252)
Licenses, Permits & Fees for Services	8,300	13,501	5,201
Recording Fees	32,000	29,789	(2,211)
Miscellaneous Reimbursements	49,917	118,920	69,003
Interest Income	2,000	1,594	(406)
<b>Total Revenues</b>	<b>6,020,846</b>	<b>5,775,064</b>	<b>(245,782)</b>
<i>Expenditures:</i>			
<i>Public Schools:</i>			
Payments to/on behalf Waitsfield School District	4,241,715	4,241,715	-
<i>Public Safety:</i>			
Law Enforcement	35,107	32,329	2,778
Fire Protection	75,354	82,940	(7,586)
<b>Total Public Safety</b>	<b>110,461</b>	<b>115,268</b>	<b>(4,807)</b>
<i>Community &amp; Municipal Infrastructure:</i>			
Road, Highway & Bridge Infrastructure	855,231	438,810	416,421
Joslin Library	32,847	32,914	(67)
Parks	950	33	917
Taxes & Assessments to Regional Organizations	66,278	66,296	(18)
Appropriated Funds to Local Nonprofit Organizations	23,168	23,193	(25)
<b>Total Community &amp; Municipal Infrastructure</b>	<b>978,474</b>	<b>561,246</b>	<b>417,228</b>
<i>Administration:</i>			
Selectboard & Town Administrator	70,539	70,306	233
Town Clerk & Treasurer's Office	122,414	119,141	3,273
Listers	1,200	697	503

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

**TOWN OF WAITSFIELD, VERMONT**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND -**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<i>Original/Final</i>		<i>Variance</i>
	<i>Budget</i>	<i>Actual</i>	<i>Favorable</i>
			<i>(Unfavorable)</i>
<i>Administration (continued):</i>			
Elections	900	692	208
Legal & Professional Fees	13,450	26,439	(12,989)
Municipal Buildings Operating Costs	37,417	49,808	(12,391)
Planning & Zoning	50,926	46,593	4,333
Employee Benefits	123,487	119,604	3,883
Total Administration	<u>420,333</u>	<u>433,281</u>	<u>(12,948)</u>
<i>Debt Service:</i>			
Interest & Principal	135,010	95,340	39,670
Total Expenditures	<u>5,885,994</u>	<u>5,446,851</u>	<u>439,143</u>
Excess (Deficiency) of Revenues Over Expenditures	134,852	328,213	193,361
<i>Other Financing Sources (Uses):</i>			
Operating Transfers			
Budget Stabilization Transfer	49,000	49,000	-
<i>Fund Transfers to Reserve (Other Governmental) Funds:</i>			
Fire Department Building & Equipment Fund	(18,000)	(18,000)	-
Town Office Reserve	(50,000)	(50,000)	-
Highway Equipment Fund	(55,000)	(55,000)	-
Covered Bridge Fund	(5,000)	(5,000)	-
Culvert Repair Fund	(50,000)	(50,000)	-
Street Tree Reserve	(2,500)	(2,500)	-
Route 100 Transportation Path	(20,000)	(20,000)	-
Conservation & Recreation Fund	(10,000)	(10,000)	-
Energy Reserve Fund	(5,000)	(5,000)	-
Cemetery Fund	(10,000)	(10,000)	-
Reappraisal Fund	(15,000)	(15,000)	-
Total Designated Fund Transfers	<u>(240,500)</u>	<u>(240,500)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Uses	<u>\$ (56,648)</u>	<u>\$ 136,713</u>	<u>\$ 193,361</u>

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

**TOWN OF WAITSFIELD, VERMONT**  
**STATEMENT OF EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

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	<i>Original/Final Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
<i>Public Schools:</i>			
Payments to/on behalf Waitsfield School District	\$ 4,241,715	\$ 4,241,715	-
<i>Public Safety:</i>			
<i>Law Enforcement</i>			
Contracted Service	34,007	31,236	2,771
Animal Control	1,100	1,093	7
<i>Total Law Enforcement</i>	<u>35,107</u>	<u>32,329</u>	<u>2,778</u>
<i>Fire Protection</i>			
Salaries & Wages	15,000	19,404	(4,404)
Social Security	1,300	1,484	(184)
Dues & Subscriptions	400	357	43
Gas & Oil	3,200	3,277	(77)
Vehicle Repairs	6,650	2,585	4,065
Communications	17,000	22,601	(5,601)
Physical Examinations	2,000	-	2,000
Building Repairs	2,250	4,886	(2,636)
Equipment Repairs	9,700	11,990	(2,290)
Training	3,250	3,189	61
Fire Prevention	100	-	100
Insurance	6,504	6,524	(20)
Heat	5,000	4,274	726
Electricity & Water	2,500	1,562	938
Miscellaneous	500	806	(306)
<i>Total Fire Protection</i>	<u>75,354</u>	<u>82,940</u>	<u>(7,586)</u>
<i>Road, Highway &amp; Bridge Infrastructure</i>			
Salaries & Wages	131,960	128,480	3,480
Contracted Services	12,875	11,320	1,555
Sand, Salt & Other Road Materials	126,250	124,982	1,268
Operating Supplies	4,500	5,646	(1,146)
Gas, Oil & Diesel	35,000	32,760	2,240
Insurance	6,548	6,939	(391)
Vehicle Repairs	28,153	18,356	9,797
Garage Repairs	16,900	10,320	6,580
Highway Improvements	472,895	81,494	391,401
Tools, Equipment	1,550	1,963	(413)
Plow Blades & Shoes	7,000	6,757	243
Trash Removal	2,000	1,672	328
Uniforms	3,000	2,914	86
Heat	4,000	2,522	1,478
Electricity	1,500	1,582	(82)
Telephone	1,100	1,103	(3)
<i>Total Road, Highway &amp; Bridge Infrastructure</i>	<u>855,231</u>	<u>438,810</u>	<u>416,421</u>
<i>Joslin Library</i>	<u>32,847</u>	<u>32,914</u>	<u>(67)</u>
<i>Parks</i>			
Park Maintenance & Conservation	950	33	917
<i>Total Parks</i>	<u>950</u>	<u>33</u>	<u>917</u>

**TOWN OF WAITSFIELD, VERMONT  
STATEMENT OF EXPENDITURES -  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<i>Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
<i>Taxes &amp; Assessments to Regional Organizations</i>			
Vermont League of Cities & Towns	2,474	2,474	-
Regional Planning Commission	1,805	1,805	(0)
Mad River Valley Planning District	21,010	21,010	-
Mad River Valley Resource Management	3,420	3,438	(18)
Mad River Valley Recreation District	12,500	12,500	-
Washington County Tax	25,069	25,069	-
	66,278	66,296	(18)
<i>Appropriated Funds to Local Community Organizations</i>			
Circle	350	350	-
Central Vermont Adult Education	600	600	-
Central Vermont Community Action	300	300	-
Central Vermont Community Land Trust	1,000	1,000	-
Central Vermont Council On Aging	1,200	1,200	-
Central Vermont Economic Development	800	800	-
Central Vermont Home Health & Hospice	2,600	2,600	-
Family Center of Washington County	500	500	-
Good Beginnings of Central Vermont	300	300	-
Green Up Vermont	100	100	-
Green Mountain Transit Agency	923	923	-
Mad River Valley Health Center	5,000	5,000	-
Mad River Valley Seniors	7,000	7,000	-
Northern VT Regional Conservation Council	75	100	(25)
Peoples Health & Wellness	500	500	-
Retired Senior Volunteer Program	300	300	-
Sexual Assault Crisis Team	250	250	-
CTR Independent Living	620	620	-
Washington County Youth Services	750	750	-
	23,168	23,193	(25)
<i>Selectboard &amp; Town Administrator</i>			
Salaries - Selectboard	\$ 3,250	\$ 3,250	-
Salaries - Town Administrator	60,299	60,296	3
Minute Taker	2,800	2,728	72
Training	440	265	175
Website	750	767	(17)
Mad River Television Coverage	3,000	3,000	-
<i>Selectboard &amp; Town Administrator</i>	70,539	70,306	233
<i>Town Clerk &amp; Treasurer's Office</i>			
Salaries	76,639	77,086	(447)
Public Notices	3,500	3,428	72
Cleaning	2,300	2,196	104
Office Supplies	8,000	8,631	(631)
Postage & Envelopes	3,850	3,942	(92)
Telephone	2,500	2,545	(45)
Training	1,000	488	512
Town Report	2,750	2,547	203

**TOWN OF WAITSFIELD, VERMONT  
STATEMENT OF EXPENDITURES -  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<i>Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
<i>Town Clerk &amp; Treasurer's Office (continued)</i>			
Computer & Equipment Service	11,775	9,233	2,542
Dues & Publications	-	-	-
Town Office Task Force	10,000	9,017	983
Miscellaneous	100	30	70
<i>Town Clerk &amp; Treasurer's Office</i>	<u>122,414</u>	<u>119,141</u>	<u>3,273</u>
<i>Listers</i>			
Contracted Services	1,000	622	378
Computer Service	200	75	125
<i>Listers</i>	<u>1,200</u>	<u>697</u>	<u>503</u>
<i>Elections</i>	<u>900</u>	<u>692</u>	<u>208</u>
<i>Legal &amp; Professional Fees</i>			
Tax Collector Fees	19,000	17,549	1,451
Audit	5,950	6,950	(1,000)
Legal	7,500	1,940	5,560
<i>Legal &amp; Professional Fees</i>	<u>13,450</u>	<u>26,439</u>	<u>6,011</u>
<i>Municipal Buildings Operating Cost</i>			
Rent	22,460	22,393	67
Generator	-	9,934	(9,934)
Insurance	12,607	13,748	(1,141)
Conservation Commission	1,350	3,733	(2,383)
Building Maintenance	1,000	-	1,000
<i>Municipal Building Operating Cost</i>	<u>37,417</u>	<u>49,808</u>	<u>(12,391)</u>
<i>Planning &amp; Zoning</i>			
Zoning Administrator	700	308	392
Training & Travel	960	-	960
Computer Service	250	412	(162)
Town Plan & Associated Projects	47,016	43,991	3,025
Conservation Commission	1,000	1,000	-
Minute Taker	1,000	882	118
<i>Planning &amp; Zoning</i>	<u>50,926</u>	<u>46,593</u>	<u>4,333</u>
<i>Debt Service:</i>			
Interest & Principal	135,010	95,340	39,670
<i>Employee Benefits:</i>			
Health Related Insurance & Benefits	75,724	70,985	4,739
Payroll Taxes	26,647	26,734	(87)
Municipal Retirement	15,421	16,191	(770)
Workmans' Compensation Insurance	5,695	5,694	1
<i>Total Employee Benefits</i>	<u>123,487</u>	<u>119,604</u>	<u>3,883</u>

**TOWN OF WAITSFIELD, VERMONT  
STATEMENT OF EXPENDITURES -  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<i>Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
<i>Fund Transfers to Reserve (Other Governmental) Funds:</i>			
Fire Department Building & Equipment Fund	18,000	18,000	-
Highway Equipment Fund	55,000	55,000	-
Town Office Reserve	50,000	50,000	-
Covered Bridge Fund	5,000	5,000	-
Culvert Repair Fund	50,000	50,000	-
Street Tree Reserve	2,500	2,500	-
Route 100 Transportation Path	20,000	20,000	-
Conservation & Recreation Fund	10,000	10,000	-
Energy Reserve Fund	5,000	5,000	-
Cemetery Fund	10,000	10,000	-
Reappraisal Fund	15,000	15,000	-
Total Designated Fund Transfers	<u>240,500</u>	<u>240,500</u>	-
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<u><u>\$ 6,126,494</u></u>	<u><u>\$ 5,687,351</u></u>	<u><u>\$ 458,143</u></u>

TOWN OF WAITSFIELD, VERMONT  
 COMBINING BALANCE SHEET -  
 OTHER GOVERNMENTAL FUNDS  
 DECEMBER 31, 2012

	Reappraisal Reserve	Fire Dept Reserves	Cemetery Reserves	Highway & Transportation Reserves	Capital Improvement Funds	Town Park, Forest Conservation & Energy Efficiency Reserves	Covered Bridge, Clock & Town Office Reserves	Wait House & Ancient Roads Reserves	Vault Preservation Reserves	December 31, 2012 Totals	December 31, 2011 Totals
<b>ASSETS</b>											
Cash and Investments	\$ 36,698	\$ 151,482	\$ 34,452	\$ 234,941	\$ 1,057	\$ 66,863	\$ 76,498	\$ 1,576	\$ -	\$ 603,566	\$ 666,019
Grants Receivable	-	-	-	-	265,000	-	-	-	-	265,000	416,970
Due From Other Funds	-	-	-	-	-	-	16,028	726	19,508	36,263	18,176
<b>TOTAL ASSETS</b>	<b>\$ 36,698</b>	<b>\$ 151,482</b>	<b>\$ 34,452</b>	<b>\$ 234,941</b>	<b>\$ 266,057</b>	<b>\$ 66,863</b>	<b>\$ 92,527</b>	<b>\$ 2,302</b>	<b>\$ 19,508</b>	<b>\$ 904,828</b>	<b>\$ 1,101,165</b>
<b>LIABILITIES AND FUND BALANCES</b>											
<i>Liabilities:</i>											
Due To Other Funds	\$ 6,493	\$ -	\$ -	\$ 63,748	\$ 70,810	\$ 23,818	\$ -	\$ -	\$ -	\$ 164,868	\$ 52,929
Deferred Revenue	-	-	-	-	265,000	-	-	-	-	265,000	265,000
Notes Payable	-	-	-	-	-	-	-	-	-	-	447,081
<b>Total Liabilities</b>	<b>6,493</b>	<b>-</b>	<b>-</b>	<b>63,748</b>	<b>335,810</b>	<b>23,818</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>429,868</b>	<b>765,010</b>
<i>Fund Balances:</i>											
Committed for Specific Purposes	30,205	151,482	34,452	171,193	(69,753)	43,045	92,527	2,302	19,508	474,960	336,155
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b>\$ 36,698</b>	<b>\$ 151,482</b>	<b>\$ 34,452</b>	<b>\$ 234,941</b>	<b>\$ 266,057</b>	<b>\$ 66,863</b>	<b>\$ 92,527</b>	<b>\$ 2,302</b>	<b>\$ 19,508</b>	<b>\$ 904,828</b>	<b>\$ 1,101,165</b>

TOWN OF WAITSFIELD, VERMONT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND -  
 CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Reappraisal Reserve	Fire Dept Reserves	Library & Cemetery Reserves	Highway & Transportation Reserves	Capital Improvement Funds	Town Park, Forest Conservation & Energy Efficiency Reserves	Covered Bridge, Clock & Town Office Reserves	Tree, Wait House, and FSA Reserves	Vault Preservation Reserves	December 31, 2012 Totals	December 31, 2011 Totals
Revenue:											
Investment Income	\$ 11	\$ 62	\$ 1,777	\$ 649	\$ 23	\$ 33	\$ 21	\$ -	\$ -	\$ 2,575	\$ 1,031
Donations	-	15,760	26,725	-	-	-	38,752	-	-	81,237	44,439
Federal & State Reimbursements	-	-	-	-	283,826	-	-	-	-	283,826	151,971
Fees for Goods & Services	-	-	13,349	-	-	-	-	17,891	5,062	36,302	27,402
<b>Total Revenue</b>	<b>11</b>	<b>15,822</b>	<b>41,851</b>	<b>649</b>	<b>283,849</b>	<b>33</b>	<b>38,773</b>	<b>17,891</b>	<b>5,062</b>	<b>403,941</b>	<b>224,843</b>
Expenditures:											
Salaries & Related Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,646
Capital Improvements	-	-	-	280,327	57,750	-	-	-	-	338,076	50,552
Operations & Maintenance	-	-	37,679	-	-	34,309	28,219	18,351	-	118,559	107,488
Flood Expenditures	-	-	-	-	-	-	-	-	-	-	444,081
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>37,679</b>	<b>280,327</b>	<b>57,750</b>	<b>34,309</b>	<b>28,219</b>	<b>18,351</b>	<b>-</b>	<b>456,635</b>	<b>603,767</b>
Excess (Deficiency) of Revenues Over Expenditures	11	15,822	4,172	(279,678)	226,099	(34,277)	10,554	(460)	5,062	(52,695)	(378,924)
Other Financing Sources (Uses):											
Operating Transfers In (Out)	15,000	18,000	10,000	127,500	(49,000)	15,000	55,000	-	-	191,500	145,729
Excess (Deficiency) of Revenues Over Expenditures	15,011	33,822	14,172	(152,178)	177,099	(19,277)	65,554	(460)	5,062	138,805	(233,195)
Fund Balances - Beginning	15,194	117,660	20,280	323,371	(246,852)	62,322	26,973	2,762	14,446	336,155	569,350
Fund Balances - Ending	\$ 30,205	\$ 151,482	\$ 34,452	\$ 171,193	\$ (69,753)	\$ 43,045	\$ 92,527	\$ 2,302	\$ 19,508	\$ 474,960	\$ 336,155