

TOWN OF WAITSFIELD, VERMONT
AUDIT REPORTS
DECEMBER 31, 2011

Jeffrey R. Bradley CPA, P.C.

TOWN OF WAITSFIELD, VERMONT
 AUDIT REPORTS
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INDEPENDENT AUDITOR'S REPORT

To the Board of Selectpersons
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, 2011, 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, 2011, and the respective changes in financial position, 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 April 20, 2012, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* 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 27 through 34 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.



Jeffrey R Bradley CPA, P.C.

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Mendon, Vermont

April 20, 2012

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, 2011. 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 \$2,141,906 at December 31, 2011. The Town's governmental expenses were \$5,532,648, less than the \$6,230,045 generated in taxes and other revenues from governmental activities. The general fund reported a fund balance deficit this year of (\$33,570), which will be retired in 2012 with new tax revenues.

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 required public education expenditures) by \$215,041. In addition, tax related collections and grant receipts were \$248,611 less than anticipated for the fiscal year, contributing to the overall budget deficit of \$33,570.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2011, the Town had invested \$3,242,311 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 \$97,327 or 3.0 percent increase over last year. At December 31, 2011, the Town had invested \$5,086,677 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 \$1,146,683 in bonds 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 decrease nearly 13.0 percent from \$1,675,505 to \$1,893,694 due primarily to increased reserve fund transfers and debt service and capital expenditures as compared to fiscal year 2011. The Town has added no major new major programs or initiatives to the 2012 budget, and will be approved by the voters in March 2012. If these estimates are realized, the Town's budgetary general fund balance is not expected to change appreciably by the close of year 2012.

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.

TOWN OF WAITSFIELD, VERMONT
STATEMENT OF NET ASSETS
DECEMBER 31, 2011 and 2010

	2011	2010
Current Assets	\$ 2,021,327	\$ 2,768,738
Other Assets	265,000	\$ 265,000
Construction in Progress	5,086,677	1,676,091
Capital Assets	2,137,560	2,166,178
Total Assets	<u>\$ 9,510,565</u>	<u>\$ 6,876,007</u>
Current Liabilities	\$ 5,978,095	\$ 4,091,948
Long Term Liabilities	1,390,564	1,339,550
Total Liabilities	<u>7,368,659</u>	<u>5,431,498</u>
Invested in General Fixed Assets	919,122	1,055,445
Committed Net Assets	336,155	817,272
Unassigned Net Assets	886,628	(428,208)
Total Net Assets	<u>2,141,906</u>	<u>1,444,509</u>
Total Liabilities and Net Assets	<u>\$ 9,510,565</u>	<u>\$ 6,876,007</u>

STATEMENT OF ACTIVITIES
Fiscal Years Ending December 31, 2011 and 2010

	2011	2010
<i>Program Revenues:</i>		
Operating Grants and Contributions	\$ 754,696	\$ 260,560
<i>General Revenues:</i>		
Property taxes and related charges	5,222,305	5,402,926
Fees for Service	191,673	360,810
Other	10,275	-
Interest Earnings	51,096	22,209
Total General Revenues	<u>5,475,349</u>	<u>5,785,945</u>
Total Revenues	<u>6,230,045</u>	<u>6,046,505</u>
<i>Programs:</i>		
General Government Services	1,166,938	1,252,293
Public Education	4,230,618	4,326,181
Interest Expense	9,147	19,591
Depreciation	125,945	101,016
Total Expenses	<u>5,532,648</u>	<u>5,699,081</u>
Change in Net Assets	697,397	347,424
Net Assets - Beginning	1,444,509	1,097,085
Net Assets - Ending	<u>\$ 2,141,906</u>	<u>\$ 1,444,509</u>

TOWN OF WAITSFIELD, VERMONT
STATEMENT OF NET ASSETS
DECEMBER 31, 2011

	<i>Governmental Activities</i>	<i>Totals</i> <i>December 31, 2011</i>
ASSETS		
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 1,463,181	\$ 1,463,181
Accounts Receivable	440,974	440,974
Delinquent Taxes Receivable	117,173	117,173
Total Current Assets	2,021,327	2,021,327
<i>Noncurrent Assets:</i>		
Construction in Progress	5,086,677	5,086,677
CDBG Loan Receivable	265,000	265,000
Capital Assets (Net of Accumulated Depreciation)	2,137,560	2,137,560
TOTAL ASSETS	\$ 9,510,565	\$ 9,510,565
LIABILITIES AND NET ASSETS		
<i>Current Liabilities:</i>		
Accrued Expenses	\$ 798,544	\$ 798,544
Notes Payable	5,077,162	5,077,162
Current Portion of Long Term Debt	102,390	102,390
Total Current Liabilities	5,978,095	5,978,095
<i>Noncurrent Liabilities:</i>		
Deferred Loan Revenue	265,000	265,000
Notes & Bonds Payable	1,125,564	1,125,564
Total Noncurrent Liabilities	1,390,564	1,390,564
Total Liabilities	7,368,659	7,368,659
<i>Net Assets:</i>		
Nonspendable General Fixed Assets	919,122	919,122
Committed for Specific Purposes	336,155	336,155
Unassigned	886,628	886,628
Total Net Assets	2,141,906	2,141,906
TOTAL LIABILITIES & NET ASSETS	\$ 9,510,565	\$ 9,510,565

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

TOWN OF WAITSFIELD, VERMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Functions/Programs</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	December 31, 2011 Total
Primary Government						
General government	\$ 444,359	\$ 180,698		\$ -	(263,660)	\$ (263,660)
Public Education	4,230,618	-	-	-	(4,230,618)	(4,230,618)
Public safety	91,182	10,975	-	-	(80,207)	(80,207)
Public Works	434,732	-	-	710,257	275,526	275,526
Cemetery Operations	30,247	-	-	-	(30,247)	(30,247)
Recreation & Free Library	78,797	-	-	-	(78,797)	(78,797)
Community development	87,621	-	44,439	-	(43,182)	(43,182)
Depreciation	125,945	-	-	-	(125,945)	(125,945)
Interest on long-term debt	9,147	-	-	-	(9,147)	(9,147)
Total Activities	5,532,648	191,673	44,439	710,257	(4,586,279)	(1,586,279)
General revenues:						
Property taxes and related charges, levied for general purposes					5,222,305	5,222,305
Property taxes and related charges, levied for debt services					-	-
Investment & other earnings					51,096	51,096
Miscellaneous					10,275	10,275
Total general revenues					5,283,676	5,283,676
Change in net assets					697,397	697,397
Net assets-beginning					1,444,509	1,444,509
Net assets-ending					2,141,906	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, 2011

	<i>Governmental Funds</i>			December 31, 2011 Totals
	General Fund	Other Governmental Funds	Capital Projects Fund	
ASSETS				
Cash and Cash Equivalents	\$ 634,876	\$ 666,019	\$ 162,286	\$ 1,463,181
Accounts and Rents Receivable (net of allowance for uncollectible accounts, as applicable)	24,004	416,971	-	440,974
Delinquent Taxes Receivable	117,173	-	-	117,173
Due from Other Funds	-	18,176	62,344	80,521
TOTAL ASSETS	\$ 776,052	\$ 1,101,165	\$ 224,631	\$ 2,101,848
LIABILITIES AND FUND BALANCES				
<i>Liabilities.</i>				
Accrued Expenses	\$ 302,307	\$ -	\$ 98,114	\$ 400,421
Due to Education Tax Fund	398,122	-	-	398,122
Bond Anticipation/Notes Payable	-	447,081	4,630,081	5,077,162
Deferred Revenue	81,601	265,000	-	346,601
Due to Other Funds	27,592	52,929	-	80,521
Total Liabilities	809,621	765,010	4,728,196	6,302,827
<i>Fund Balances</i>				
Committed for Infrastructure and Other Purposes	-	336,155	(4,503,565)	(4,167,409)
Unassigned	(33,570)	-	-	(33,570)
Total Fund Balances (Deficit)	(33,570)	336,155	(4,503,565)	(4,200,979)
TOTAL LIABILITIES & FUND BALANCES	\$ 776,052	\$ 1,101,165	\$ 224,631	\$ 2,101,848

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, 2011

	Governmental Activities	Totals
Amounts reported for Governmental Activities in the Statement of Net Assets are different due to the following:	\$ (4,200,979)	\$ (4,200,979)
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.	7,489,239	7,489,239
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.	81,601	81,601
Long Term Debt, under GASB 34, is not recorded in the fund financial statements. However, the government wide financial statements include long term debt.	(1,227,954)	(1,227,954)
Net Assets - Government-Wide Financial Statements	2,141,906	\$ 2,141,906

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, 2011

	General Fund	Other Governmental Funds	Capital Projects Fund	TOTALS December 31, 2011
<i>Revenues:</i>				
Property Taxes - Current Year	\$ 5,031,505	\$ -	\$ -	\$ 5,031,505
Property Taxes - Delinquent	109,199	-	-	109,199
Interest & Penalties on Delinquent Taxes	36,140	-	-	36,140
State Payments in Lieu of Taxes	74,612	-	-	74,612
Traffic & Other Ordinance Fines	10,975	-	-	10,975
State & Federal Grants & Reimbursements	108,534	151,971	449,753	710,257
Licenses, Permits & Fees for Services	38,986	7,650	13,218	59,854
Recording Fees	26,481	19,752	-	46,232
Miscellaneous Reimbursements & Donations	10,275	44,439	-	54,714
Interest Income	2,091	1,031	11,835	14,956
Total Revenues	5,448,797	224,842	474,805	6,148,444
<i>Expenditures:</i>				
<i>Public Schools:</i>				
Payments to/on behalf Waitsfield Town School District	4,230,618	-	-	4,230,618
<i>Public Safety:</i>				
Law Enforcement	26,313	-	-	26,313
Fire Protection	72,542	39,400	-	111,942
Total Public Safety	98,855	39,400	-	138,255
<i>Community & Municipal Infrastructure:</i>				
Road, Highway, Bridge & Water System Infrastructure	379,035	28,268	2,858,326	3,266,129
Flood Related Expenditures	-	444,081	-	444,081
Joslin Library	32,043	11,152	-	43,194
Parks	9,237	26,366	-	35,603
Cemetery Operations	-	30,247	-	30,247
Taxes & Assessments to Regional Organizations	64,453	-	-	64,453
Appropriated Funds to Local Community Organizations	23,168	-	-	23,168
Total Community Infrastructure	508,436	540,113	2,858,326	3,906,875
<i>Administration:</i>				
Selectboard & Administrative Assistant	68,253	-	-	68,253
Town Clerk & Treasurer's Office	111,483	-	-	111,483
Listers	11,032	-	-	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, 2011

	General Fund	Other Governmental Funds	Capital Projects Fund	TOTALS December 31, 2011
<i>Administration (continued):</i>				
Elections	242	-	-	242
Legal & Professional Fees	25,468	-	-	25,468
Municipal Buildings Operating Costs	65,222	20,032	-	85,254
Vault Restoration Costs	-	2,575	-	2,575
Planning & Zoning	57,802	-	-	57,802
Employee Benefits	112,967	1,645	-	114,612
Total Administration	452,468	24,252	-	476,720
<i>Debt Service:</i>				
Interest & Principal	199,006	-	-	199,006
Total Expenditures	5,489,383	603,765	2,858,326	8,951,474
Excess (Deficiency) of Revenues Over Expenditures	(40,586)	(378,923)	(2,383,521)	(2,803,030)
<i>Other Financing Sources (Uses):</i>				
Transfers In (Out)	32,771	(32,771)	-	-
<i>Designated Fund Transfers:</i>				
Reappraisal Fund	(15,000)	15,000	-	-
Fire Department Building & Equipment Fund	(43,000)	43,000	-	-
Highway Equipment Fund	(55,000)	55,000	-	-
Route 100 Transportation Path	(20,000)	20,000	-	-
Culvert Repair Fund	(18,000)	18,000	-	-
Street Tree Reserve	(2,500)	2,500	-	-
Conservation, Energy Efficiency & Recreation Fund	(10,000)	10,000	-	-
Covered Bridge Fund	(10,000)	10,000	-	-
Energy Reserve Fund	(5,000)	5,000	-	-
Total Designated Fund Transfers	(178,500)	178,500	-	-
Excess of Revenues Over Expenditures and Other Financing Uses	(186,315)	(233,195)	(2,383,521)	(2,803,030)
Fund Balance (Deficit) - Beginning	152,745	569,350	(2,120,044)	(1,397,950)
Fund Balance (Deficit) - Ending	\$ (33,570)	\$ 336,155	\$ (4,503,565)	\$ (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, 2011

	Governmental Activities
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances & equity	\$ (2,803,030)
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.	81,601
Repayment of bond principal is not an expense in the Statement of Activities	186,396
In the Statement of Activities, the cost of fixed assets is allocated over their estimated useful lives and reported as depreciation expense annually.	3,232,229
Change in net assets - Statement of Activities	\$ 697,397

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 Board receives funding from local, state and federal government sources, and must comply with the requirements of these funding sources entities. There are no component units within are included in the Town's reporting entity.

BASIS OF PRESENTATION - GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange are recognized in accordance with GASB requirements. The statement of net assets and the statement of activities display information about the Town as a whole. The statements include all funds of the primary government. 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 Town 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.

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. Roads are depreciated as a class with each class containing items based on their date of construction or reconstruction.

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Land Improvements	10-25 years
Buildings and Building Improvements	25-50 years
Furniture and Fixtures/Equipment	5-10 years

The Town uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Governmental:

General Fund - The General Fund is the general operating fund of the Town, and used to account for all financial resources except those required to be accounted for in another fund.

Other Governmental Funds - These funds are used to account for the proceeds of specific revenue sources that are committed to expenditures for specified purposes.

Water Capital Project Funds - Utilized to account for the construction activities of the Town's Water system.

BASIS OF ACCOUNTING - GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. All governmental and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available.

Revenues are generally considered available when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected soon enough after year end to pay liabilities of the current period. Significant revenues susceptible to accrual include reimbursement grants, state shared revenues and charges for services.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred provided the liability normally would be liquidated with expendable available financial resources. The major exception to this general rule is principal and interest on general long-term debt which is recognized when due. All governmental funds are accounted for on a spending or "current financial resources" measurement focus. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

TOWN OF WAITSFIELD, VERMONT
NOTES TO FINANCIAL STATEMENTS

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary fund financial statements are reported using the economic resources measurement focus. All proprietary funds are accounted for utilizing the accrual basis of accounting, as revenue is recognized when billed or earned, and expenditures are recorded when invoiced, not when paid.

FIXED ASSETS

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads and bridges, are capitalized along with fixed assets. Supply items that could become inventory items are immediately considered expenditures upon purchase.

INTERFUND RECEIVABLES/PAYABLES

Transactions occur between individual funds for goods provided or services rendered. These receivables and payables are included in the "Due from Other Funds" or "Due to Other Funds" accounts on the balance sheet.

FUND BALANCES

Fund balance is 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 - The nonspendable 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 as restricted 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 constitutional provisions or 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 Selectboard.

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.

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FUND BALANCES (continued)

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

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 1st of the previous fiscal year. The property tax due date calendar for these taxes is September 1st and November 15th of the fiscal year assessed.

The tax rates for the fiscal year were as follows:

	Non-residential	Residential
Education	\$1.3399	\$1.2684
Municipal	0.294	0.294
Total Tax Rate per \$100 of Assessed Value	\$1.6339	\$1.5624

Note 2 - CASH

The cash deposits in the Town's accounts as of December 31, 2011 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).

Description	Book Balance	Bank Balance
Insured (FDIC- Category 1)	\$652,534	\$652,534
Uninsured, un-collateralized (Category 3)	0	0
Uninsured Collateralized by Bank, Secured by Eligible Securities including Federal Agencies and U.S. Treasury (Category 1)	810,647	1,293,676
TOTALS	\$1,463,181	\$1,946,210

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

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

Note 3 – DELINQUENT TAXES RECEIVABLE

The following summarizes tax collections during the fiscal year ended December 31, 2011:

	December 31, 2009	December 31, 2010	December 31, 2011	TOTALS
Balance – January 1, 2011	\$6,199	\$114,670	\$0	\$120,869
Tax Levy – Current Fiscal Year	0	0	\$5,130,902	\$5,130,902
Tax Collections	(6,199)	(104,384)	(5,024,015)	(5,134,598)
Balance – December 31, 2011	\$0	\$10,286	\$106,887	\$117,173

Amounts reported as deferred tax revenue are taxes that were not collected as of February 29, 2012 in the amount of \$82,430. The difference between the receivable and the deferred revenue amount (\$34,743) represents taxes collected in January and February 2012, and is recognized as revenue in the governmental fund financial statements at December 31, 2011.

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	Water Capital Funds	Other Governmental
Water Capital	(\$62,344)	\$62,344	\$0
Flood Related Expenditures	(3,000)	0	\$3,000
Other	37,752	0	(37,752)
Totals	(\$27,592)	\$62,344	(\$34,752)

Note 5 – CHANGES IN GENERAL FIXED ASSETS

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

Description	Balance January 1, 2011	Change	Current Depreciation	Balance December 31, 2011
Land, Buildings, Equipment, Municipal Infrastructure	\$3,144,984	\$97,327	\$0	\$3,242,311
Accumulated Depreciation	(978,806)	0	(125,945)	(1,104,751)
Net Book Value	\$2,166,178	\$97,327	(\$125,945)	\$2,137,560

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

Note 6 – BONDS & NOTES PAYABLE

As of December 31, 2011, 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
2012	\$102,390	\$4,143	\$127,604
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
Thereafter	449,928	0	449,928
TOTALS	\$923,992	\$7,994	\$931,986

The following is a summary of monetary requirements to retire the Wastewater System obligation:

Fiscal Year Ending December 31,	Principal	Interest	Total
2012	\$0	\$0	\$0
2013	60,792	0	60,792
2014	60,792	0	60,792
2015	60,792	0	60,792
2016	60,792	0	60,792
Thereafter	60,793	0	60,793
TOTALS	\$303,962	\$0	\$303,962

Note 7 – LINES OF CREDIT

The Town currently has 3 lines of credit: 2 to service the water capital project and 1 for the damage sustained by 2 major floods during 2011.

The water project related obligations are as follows: \$3,500,000 bond anticipation note due August 17, 2012 accruing interest at 1.85% on the fully utilized portion.

Additionally, \$2,600,000 is due May 9, 2012 accruing interest at 1.91% on the utilized portion which at December 31, 2011 was \$1,130,081.

The flood related obligation is a \$500,000 note due June 27, 2012, which accrues interest at 1.74% on the utilized portion which is \$447,081 at December 31, 2011.

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

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 \$331,059 while its eligible covered payroll was \$308,247 resulting in an estimated \$13,871 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) are included as expenditures in the financial statements. Therefore, a total of \$29,283 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.

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.

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- Member -

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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 Selectpersons

Town of Waitsfield, Vermont

We have audited the financial statements of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of Town of Waitsfield, Vermont, as of and for the year ended December 31, 2011, which collectively comprise the Town of Waitsfield, Vermont's basic financial statements and have issued our report thereon dated April 20, 2012. 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

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 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.



Jeffrey R. Bradley CPA, P.C.,

Mendon, Vermont

April 20, 2012

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 Selectpersons
Town of Waitsfield, Vermont

Compliance

We have audited the compliance of Town of Waitsfield, Vermont, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2011. 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 requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2011.

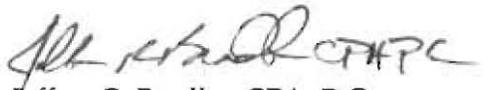
Internal Control Over Compliance

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 in order to determine our 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.



Jeffrey R. Bradley CPA, P.C.

Mendon, Vermont

VT License 92-0000515

April 20, 2012

TOWN OF WAITSFIELD, VERMONT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

<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	\$ 1,876,000	\$ 1,249,597
US Department of Energy	81.128	Energy Efficiency & Conservation Block Grant (ARRA)	02240-AEECBG-MUN-09	50,000	24,003
Federal Emergency Management Agency	97.036	Public Assistance Grant Program	FEMA 4043 - DR - VT FEMA 4022 - DR - VT	111,498 15,145	111,498 15,145
				<u>\$ 2,052,643</u>	<u>\$ 1,400,243</u>

TOWN OF WAITSFIELD, VERMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2011

SUMMARY OF PRIOR AUDIT FINDINGS

No findings or reportable conditions were noted for the fiscal year ended December 31, 2010.

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>
Congressionally Mandated Projects – State and Tribal Assistance Grants	66.202

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

**TOWN OF WAITSFIELD, VERMONT
REQUIRED SUPPLEMENTAL INFORMATION**

BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted on the modified accrual basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General Fund. Annual budgets lapse at year-end.

The Town is required to adopt an annual budget for its General Fund. Each budget is presented on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

The Town is required to submit annually to the voters a proposed operating budget containing proposed expenditures and means of financing them. The budget is prepared and adopted by the Board of Directors, and is subject to approval by the legal voters of the Town. The budget of the Town is adopted on a basis consistent with generally accepted accounting principles (GAAP) is used in the reporting of Budget and Actual information contained in the Statement of Revenues, Expenditures and Changes in Fund Balance.

The following procedures are followed in establishing the budgetary data reflected in these financial statements:

- A. Thirty days prior to the March Town meeting, the Board of Selectpersons, prepare and adopt an operating budget for the preceding fiscal year beginning January 1 for approval by the legal voters of the Town.

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, 2011

	<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	\$ 5,226,904	\$ 5,031,505	\$ (195,399)
Property Taxes - Delinquent	-	109,199	109,199
Interest & Penalties on Delinquent Taxes	34,000	36,140	2,140
State Payments in Lieu of Taxes	80,500	74,612	(5,888)
Traffic & Other Ordinance Fines	18,000	10,975	(7,025)
State and Federal Grants	245,345	108,534	(136,811)
Licenses, Permits & Fees for Services	38,183	38,986	803
Recording Fees	38,000	26,481	(11,519)
Miscellaneous Reimbursements	15,276	10,275	(5,001)
Interest Income	1,200	2,091	891
Total Revenues	5,697,408	5,448,797	(248,611)
<i>Expenditures:</i>			
<i>Public Schools:</i>			
Payments to/on behalf Waitsfield School District	4,230,618	4,230,618	-
<i>Public Safety:</i>			
Law Enforcement	30,916	26,313	4,603
Fire Protection	72,769	72,542	227
Total Public Safety	103,685	98,855	4,830
<i>Community & Municipal Infrastructure:</i>			
Road, Highway & Bridge Infrastructure	584,297	379,535	204,762
Joslin Library	33,115	32,043	1,073
Parks	9,850	9,237	613
Taxes & Assessments to Regional Organizations	64,507	64,453	54
Appropriated Funds to Local Nonprofit Organizations	23,168	23,168	-
Total Community & Municipal Infrastructure	714,937	508,436	206,501

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, 2011

	<i>Original/Final Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
<i>Administration:</i>			
Selectboard & Town Administrator	69,435	68,253	1,182
Town Clerk & Treasurer's Office	122,865	111,483	11,382
Listers	12,000	11,032	968
Elections	300	242	58
Legal & Professional Fees	24,275	25,468	(1,193)
Municipal Buildings Operating Costs	55,765	65,222	(9,457)
Planning & Zoning	55,826	57,802	(1,976)
Employee Benefits	113,955	112,967	988
Total Administration	<u>454,421</u>	<u>452,468</u>	<u>1,953</u>
<i>Debt Service:</i>			
Interest & Principal	200,198	199,006	1,192
Total Expenditures	<u>5,703,859</u>	<u>5,489,383</u>	<u>214,476</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,451)	(40,586)	(34,135)
<i>Other Financing Sources (Uses):</i>			
Transfers In (Out)	32,242	32,771	529
<i>Fund Transfers to Reserve (Other Governmental) Funds:</i>			
Fire Department Building & Equipment Fund	(43,000)	(43,000)	
Highway Equipment Fund	(55,000)	(55,000)	
Covered Bridge Fund	(10,000)	(10,000)	
Culvert Repair Fund	(18,000)	(18,000)	
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)	-
Reappraisal Fund	(15,000)	(15,000)	-
Total Designated Fund Transfers	<u>(178,500)</u>	<u>(178,500)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Uses	<u>\$ (152,709)</u>	<u>\$ (186,315)</u>	<u>\$ (33,606)</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, 2011

	Original/Final Budget	Actual	Variance Favorable (Unfavorable)
<i>Public Schools:</i>			
Payments to/on behalf Waitsfield School District	\$ 4,230,618	\$ 4,230,618	\$ -
<i>Public Safety:</i>			
<i>Law Enforcement</i>			
Contracted Service	29,516	25,518	3,998
Animal Control	1,400	795	605
<i>Total Law Enforcement</i>	<u>30,916</u>	<u>26,313</u>	<u>4,603</u>
<i>Fire Protection</i>			
Salaries & Wages	14,000	16,198	(2,198)
Social Security	1,071	1,239	(168)
Dues & Subscriptions	600	391	209
Gas & Oil	3,000	3,356	(356)
Vehicle Repairs	6,650	6,739	(89)
Communications	17,000	16,079	921
Physical Examinations	2,000	1,760	240
Building Repairs	2,750	978	1,772
Equipment Repairs	9,120	8,991	129
Training	3,250	3,002	248
Fire Prevention	400	414	(14)
Insurance	4,928	4,928	-
Heat	5,000	6,135	(1,135)
Electricity & Water	2,500	1,841	659
Miscellaneous	500	492	8
<i>Total Fire Protection</i>	<u>72,769</u>	<u>72,542</u>	<u>227</u>
<i>Road, Highway & Bridge Infrastructure</i>			
Salaries & Wages	121,375	115,908	5,467
Contracted Services	30,700	22,977	7,723
Sand, Salt & Other Road Materials	121,300	116,697	4,603
Operating Supplies	4,500	4,663	(163)
Gas, Oil & Diesel	31,300	41,093	(9,793)
Insurance	5,048	5,146	(98)
Vehicle Repairs	18,000	28,271	(10,271)
Garage Repairs	25,000	25,566	(566)
Highway Improvements	209,524	-	209,524
Tools, Equipment	1,550	1,255	295
Plow Blades & Shoes	7,000	6,767	233
Trash Removal	2,000	1,689	311
Uniforms	2,500	2,693	(193)
Heat	2,000	4,140	(2,140)
Electricity	1,500	1,547	(47)
Telephone	1,000	1,124	(124)
<i>Total Road, Highway & Bridge Infrastructure</i>	<u>584,297</u>	<u>379,535</u>	<u>204,762</u>
<i>Joslin Library</i>	<u>33,115</u>	<u>32,043</u>	<u>1,073</u>
<i>Parks</i>			
Park Maintenance & Conservation	9,850	9,237	613
<i>Skating Rink & Parks</i>	<u>9,850</u>	<u>9,237</u>	<u>613</u>

TOWN OF WAITSFIELD, VERMONT
STATEMENT OF EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<i>Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
<i>Taxes & Assessments to Regional Organizations</i>			
Vermont League of Cities & Towns	2,358	2,358	-
Regional Planning Commission	1,866	1,866	-
Mad River Valley Planning District	21,010	21,010	-
Mad River Valley Resource Management	3,420	3,366	54
Mad River Valley Recreation District	12,500	12,500	-
Washington County Tax	23,353	23,353	-
	<u>64,507</u>	<u>64,453</u>	<u>54</u>
<i>Appropriated Funds to Local Community Organizations</i>			
Battered Womens Service	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	75	-
Peoples Health & Wellness	500	500	-
Retired Senior Volunteer Program	300	300	-
Sexual Assult Crisis Team	250	250	-
CTR Independent Living	620	620	-
Washington County Youth Services	750	750	-
	<u>23,168</u>	<u>23,168</u>	<u>-</u>
<i>Selectboard & Town Administrator</i>			
Salaries - Selectboard	\$ 3,250	\$ 3,250	-
Salaries - Town Administrator	58,460	58,450	10
Minute Taker	3,700	2,219	1,481
Training	275	584	(309)
Website	750	749	1
Mad River Television Coverage	3,000	3,000	-
<i>Selectboard & Town Administrator</i>	<u>69,435</u>	<u>68,253</u>	<u>1,182</u>
<i>Town Clerk & Treasurer's Office</i>			
Salaries	74,292	74,363	(71)
Public Notices	3,500	2,666	834
Cleaning	2,300	1,967	333
Office Supplies	8,000	7,211	789
Postage & Envelopes	3,600	3,847	(247)
Telephone	2,300	2,490	(190)
Training	1,000	512	488
Town Report	2,200	2,581	(381)

TOWN OF WAITSFIELD, VERMONT
STATEMENT OF EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<i>Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
<i>Town Clerk & Treasurer's Office (continued)</i>			
Computer & Equipment Service	12,015	7,281	4,734
Dues & Publications	255	125	130
Town Office Task Force	10,000	8,383	1,617
Miscellaneous	3,403	58	3,345
<i>Town Clerk & Treasurer's Office</i>	<u>122,865</u>	<u>111,483</u>	<u>11,382</u>
<i>Listers</i>			
Contracted Services	10,800	10,800	-
Computer Service	1,200	232	968
<i>Listers</i>	<u>12,000</u>	<u>11,032</u>	<u>968</u>
<i>Elections</i>	<u>300</u>	<u>242</u>	<u>58</u>
<i>Legal & Professional Fees</i>			
Tax Collector Fees	19,000	17,114	1,886
Audit	4,275	4,700	(425)
Legal	20,000	3,654	16,346
<i>Legal & Professional Fees</i>	<u>24,275</u>	<u>25,468</u>	<u>17,807</u>
<i>Municipal Buildings Operating Cost</i>			
Rent	22,246	23,326	(1,080)
Energy Efficiency	21,000	32,361	(11,361)
Generator	1,350	756	594
Insurance	9,214	8,654	560
Conservation Commission	700	-	700
Building Maintenance	1,000	-	1,000
Dues & Memberships	255	125	130
<i>Municipal Building Operating Cost</i>	<u>55,765</u>	<u>65,222</u>	<u>(9,457)</u>
<i>Planning & Zoning</i>			
Zoning Administrator	38,966	33,451	5,515
Training & Travel	1,000	506	494
Computer Service	960	-	960
Town Plan & Associated Projects	14,000	22,814	(8,814)
Minute Taker	900	1,031	(131)
<i>Planning & Zoning</i>	<u>55,826</u>	<u>57,802</u>	<u>(1,976)</u>
<i>Debt Service:</i>			
Interest & Principal	200,198	199,006	1,192
<i>Employee Benefits:</i>			
Health Related Insurance & Benefits	68,837	66,984	1,853
Payroll Taxes	24,927	25,572	(645)
Municipal Retirement	14,655	14,876	(221)
Workmans' Compensation Insurance	5,536	5,536	-
<i>Total Employee Benefits</i>	<u>113,955</u>	<u>112,967</u>	<u>988</u>

TOWN OF WAITSFIELD, VERMONT
STATEMENT OF EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<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	43,000	43,000	-
Highway Equipment Fund	55,000	55,000	-
Covered Bridge Fund	10,000	10,000	-
Culvert Repair Fund	18,000	18,000	-
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	-
Reappraisal Fund	15,000	15,000	-
Total Designated Fund Transfers	<u>178,500</u>	<u>178,500</u>	-
 TOTAL GENERAL FUND EXPENDITURES	 <u>\$ 5,882,359</u>	 <u>\$ 5,667,883</u>	 <u>\$ 233,476</u>

TOWN OF WAITSFIELD, VERMONT
 COMBINING BALANCE SHEET -
 OTHER GOVERNMENTAL FUNDS
 DECEMBER 31, 2011

	Reappraisal Reserve	Fire Dept Reserves	Library & Cemetery Reserves	Highway & Transportation Reserves	Capital Improvement Funds	Town Park, Forest Conservation & Energy Efficiency Reserves	Covered Bridge, Clock & Ancient Road Reserves	Storm Related & Sewer Reserves	Budget Stabilization Reserves	Planning Grant & TIF Fund Reserves	Vault Preservation Reserves	December 31, 2011 Totals
ASSETS												
Cash and Cash Equivalents	\$ 21,687	\$ 117,660	\$ 20,280	\$ 348,895	\$ -	\$ 73,624	\$ 31,803	\$ -	\$ 50,034	\$ 2,036	\$ -	\$ 666,019
Grants Receivable	-	-	-	-	265,000	-	-	151,971	-	-	-	416,971
Due From Other Funds	-	-	-	-	-	4	726	3,000	-	-	14,446	18,176
TOTAL ASSETS	\$ 21,687	\$ 117,660	\$ 20,280	\$ 348,895	\$ 265,000	\$ 73,628	\$ 32,529	\$ 154,971	\$ 50,034	\$ 2,036	\$ 14,446	\$ 1,101,165
LIABILITIES AND FUND BALANCES												
<i>Liabilities:</i>												
Due To Other Funds	\$ 6,493	\$ -	\$ -	\$ 25,524	\$ -	\$ 9,507	\$ 6,630	\$ 4,775	\$ -	\$ -	\$ -	\$ 52,929
Deferred Revenue	-	-	-	-	265,000	-	-	-	-	-	-	265,000
Notes Payable	-	-	-	-	-	-	-	447,081	-	-	-	447,081
Total Liabilities	6,493	-	-	25,524	265,000	9,507	6,630	451,856	-	-	-	765,010
<i>Fund Balances:</i>												
Committed for Specific Purposes	15,194	117,660	20,280	323,371	-	64,121	25,899	(296,885)	50,034	2,036	14,446	336,155
TOTAL LIABILITIES & FUND BALANCES	\$ 21,687	\$ 117,660	\$ 20,280	\$ 348,895	\$ 265,000	\$ 73,628	\$ 32,529	\$ 154,971	\$ 50,034	\$ 2,036	\$ 14,446	\$ 1,101,165

TOWN OF WATTSFIELD, VERMONT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND -
 CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Reappraisal Reserve	Fire Dept Reserves	Library & Cemetery Reserves	Highway & Transportation Reserves	Town Park, Forest Conservation & Energy Efficiency Reserves	Covered Bridge, Clock & Ancient Road Reserves	Storm Related & Sewer Reserves	Budget Stabilization Reserves	Tree, Wait House, TIF and FSA Reserves	Vault Preservation Reserves	December 31, 2011 Totals
Revenue											
Investment Income	\$ 5	\$ 82	\$ 370	\$ 462	\$ 41	\$ 33	\$ -	\$ 34	\$ 4	\$ -	\$ 1,031
Donations	-	9,164	27,775	-	7,500	-	-	-	-	-	44,439
Federal & State Reimbursements	-	-	-	-	-	-	151,971	-	-	-	151,971
Fees for Goods & Services	-	-	3,400	-	-	-	-	-	19,752	4,250	27,402
Total Revenue	5	9,246	31,545	462	7,541	33	151,971	34	19,756	4,250	224,842
Expenditures:											
Salaries & Related Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,645	\$ -	\$ 1,645
Capital Improvements	-	39,400	11,152	-	-	-	-	-	-	-	50,552
Operations & Maintenance	-	-	30,247	28,268	1,620	24,746	-	-	20,032	2,575	107,487
Flood Expenditures	-	-	-	-	-	-	444,081	-	-	-	444,081
Total Expenditures	-	39,400	41,399	28,268	1,620	24,746	444,081	-	21,677	2,575	603,765
Excess (Deficiency) of Revenues Over Expenditures	5	(30,154)	(9,855)	(27,805)	5,921	(24,713)	(292,110)	34	(1,921)	1,675	(378,923)
Other Financing Sources (Uses). Operating Transfers In (Out)	15,000	43,000	-	77,104	15,000	10,000	-	-	(14,375)	-	145,729
Excess (Deficiency) of Revenues Over Expenditures	15,005	12,846	(9,855)	49,299	20,921	(14,713)	(292,110)	34	(16,297)	1,675	(233,195)
Fund Balances - Beginning	190	104,814	30,134	274,072	43,199	40,612	(4,775)	50,000	18,333	12,771	569,350
Fund Balances - Ending	\$ 15,195	\$ 117,660	\$ 20,280	\$ 323,371	\$ 64,121	\$ 25,899	\$ (296,885)	\$ 50,034	\$ 2,036	\$ 14,446	\$ 336,155