

**TOWN OF WAITSFIELD, VERMONT**

**AUDIT REPORT**

**JUNE 30, 2022**

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AUDIT REPORT  
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**Sullivan, Powers & Co., P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

77 Barre Street  
P.O. Box 947  
Montpelier, VT 05601  
802/223-2352  
[www.sullivanpowers.com](http://www.sullivanpowers.com)

Fred Duplessis, CPA  
Richard J. Brigham, CPA  
Chad A. Hewitt, CPA  
Wendy C. Gilwee, CPA  
VT Lic. #92-000180

Independent Auditor's Report

Selectboard  
Town of Waitsfield, Vermont  
4144 Main Street  
Waitsfield, Vermont 05673

***Report on the Audit of the Financial Statements***

***Opinions***

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Waitsfield, Vermont as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Waitsfield, Vermont's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Waitsfield, Vermont, as of June 30, 2022, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting, as described in Note I.D.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Waitsfield, Vermont, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Basis of Accounting***

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

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Waitsfield, Vermont's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and "Government Auditing Standards" will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and "Government Auditing Standards", we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Waitsfield, Vermont's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Waitsfield, Vermont's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

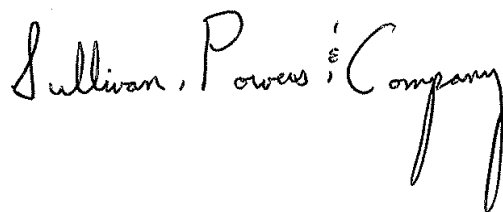
***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Waitsfield, Vermont's basic financial statements. The budgetary comparison information on Schedule 1 and the combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

***Other Reporting Required by "Government Auditing Standards"***

In accordance with "Government Auditing Standards", we have also issued our report dated October 17, 2022 on our consideration of the Town of Waitsfield, Vermont's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Waitsfield, Vermont's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the Town of Waitsfield, Vermont's internal control over financial reporting and compliance.

October 17, 2022  
Montpelier, Vermont  
VT Lic. #92-000180

A handwritten signature in black ink that reads "Sullivan, Powers & Company". The signature is written in a cursive style with a large, stylized 'S' at the beginning and a long, sweeping tail at the end.

TOWN OF WAITSFIELD, VERMONT  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash	\$ 1,824,264	\$ 377,924	\$ 2,202,188
Investments	418,344	0	418,344
Internal Balances	31,139	(31,139)	0
	<u>2,273,747</u>	<u>346,785</u>	<u>2,620,532</u>
<u>LIABILITIES</u>			
Payroll Withholdings Payable	503	0	503
Due to Customers	0	611	611
	<u>503</u>	<u>611</u>	<u>1,114</u>
<u>NET POSITION</u>			
Restricted:			
Scrag Mountain Town Forest	57,307	0	57,307
Records Restoration	61,932	0	61,932
Vermont Grant	40,635	0	40,635
Joslin Library	812	0	812
Cemetery	430,392	0	430,392
Conservation	14,240	0	14,240
Eligible ARPA Expenses	253,041	0	253,041
Unrestricted	1,414,885	346,174	1,761,059
	<u>1,414,885</u>	<u>346,174</u>	<u>1,761,059</u>
Total Net Position	\$ <u>2,273,244</u>	\$ <u>346,174</u>	\$ <u>2,619,418</u>

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

TOWN OF WAITSFIELD, VERMONT  
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs:	Program Receipts				Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services	Operating Grants/Loans and Contributions	Capital Grants/Loans and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 494,950	\$ 109,510	\$ 129,960	\$ 0	\$ (255,480)	\$ 0	\$ (255,480)
Public Safety	229,373	64,283	0	0	(165,090)	0	(165,090)
Highways and Streets	1,425,079	2,307	83,355	476,410	(863,007)	0	(863,007)
Culture and Recreation	140,208	0	0	0	(140,208)	0	(140,208)
Community Development	13,224	0	0	0	(13,224)	0	(13,224)
Cemetery	39,152	9,742	0	0	(29,410)	0	(29,410)
Debt Service	416,100	0	0	0	(416,100)	0	(416,100)
Total Governmental Activities	<u>2,758,086</u>	<u>185,842</u>	<u>213,315</u>	<u>476,410</u>	<u>(1,882,519)</u>	<u>0</u>	<u>(1,882,519)</u>
Business-type Activities							
Water	196,536	242,920	0	0	0	46,384	46,384
Wait House	20,105	12,052	0	0	0	(8,053)	(8,053)
Total Business-type Activities	<u>216,641</u>	<u>254,972</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>38,331</u>	<u>38,331</u>
Total Primary Government	<u>\$ 2,974,727</u>	<u>\$ 440,814</u>	<u>\$ 213,315</u>	<u>\$ 476,410</u>	<u>(1,882,519)</u>	<u>38,331</u>	<u>(1,844,188)</u>
General Receipts:							
Property Taxes					1,728,866	0	1,728,866
Penalties and Interest on Delinquent Taxes					25,244	0	25,244
General State Grants					112,877	0	112,877
ARPA Funds					253,041	0	253,041
Unrestricted Investment Earnings					49,956	147	50,103
Insurance Proceeds					41,494	0	41,494
Other					11,722	0	11,722
Transfers:					(14,000)	14,000	0
Total General Receipts and Transfers					<u>2,209,200</u>	<u>14,147</u>	<u>2,223,347</u>
Change in Net Position					326,681	52,478	379,159
Net Position - July 1, 2021					<u>1,946,563</u>	<u>293,696</u>	<u>2,240,259</u>
Net Position - June 30, 2022					<u>\$ 2,273,244</u>	<u>\$ 346,174</u>	<u>\$ 2,619,418</u>

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



TOWN OF WAITSFIELD, VERMONT  
 STATEMENT OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2022

	General Fund	Vermont Grant Fund	Village West Sidewalk Fund	Joslin Library Fund	Cemetery Trust Fund	Paving Reserve Fund	Heavy Equipment Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>										
Cash	\$ 772,274	\$ 40,635	\$ 0	\$ 812	\$ 29,054	\$ 350,023	\$ 49,594	\$ 0	\$ 581,872	\$ 1,824,264
Investments	0	0	0	0	361,037	0	0	0	57,307	418,344
Due from Other Funds	0	0	0	0	0	0	0	253,041	61,932	314,973
Total Assets	<u>\$ 772,274</u>	<u>\$ 40,635</u>	<u>\$ 0</u>	<u>\$ 812</u>	<u>\$ 390,091</u>	<u>\$ 350,023</u>	<u>\$ 49,594</u>	<u>\$ 253,041</u>	<u>\$ 701,111</u>	<u>\$ 2,557,581</u>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Liabilities:</b>										
Payroll Withholdings Payable	\$ 503	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 503
Due to Other Funds	282,306	0	0	0	0	0	0	0	1,528	283,834
Total Liabilities	<u>282,809</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,528</u>	<u>284,337</u>
<b>Fund Balances:</b>										
Restricted	0	40,635	0	812	390,091	0	0	253,041	173,780	858,359
Committed	0	0	0	0	0	350,023	49,594	0	404,606	804,223
Assigned	53,299	0	0	0	0	0	0	0	121,197	174,496
Unassigned	436,166	0	0	0	0	0	0	0	0	436,166
Total Fund Balances	<u>489,465</u>	<u>40,635</u>	<u>0</u>	<u>812</u>	<u>390,091</u>	<u>350,023</u>	<u>49,594</u>	<u>253,041</u>	<u>699,583</u>	<u>2,273,244</u>
Total Liabilities and Fund Balances	<u>\$ 772,274</u>	<u>\$ 40,635</u>	<u>\$ 0</u>	<u>\$ 812</u>	<u>\$ 390,091</u>	<u>\$ 350,023</u>	<u>\$ 49,594</u>	<u>\$ 253,041</u>	<u>\$ 701,111</u>	<u>\$ 2,557,581</u>

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

TOWN OF WAITSFIELD, VERMONT  
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Vermont Grant Fund	Village West Sidewalk Fund	Joslin Library Fund	Cemetery Trust Fund	Paving Reserve Fund	Heavy Equipment Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Cash Receipts:</b>										
Property Taxes	\$ 1,728,866	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,728,866
Penalties and Interest on Delinquent Taxes	25,244	0	0	0	0	0	0	0	0	25,244
Intergovernmental	196,232	0	215,300	0	0	0	0	253,041	0	664,573
Charges for Services	120,852	0	0	0	0	0	0	0	700	121,552
Permits, Licenses and Fees	68,393	0	0	0	0	0	0	0	19,320	87,713
Fines and Forfeits	4,150	0	0	0	0	0	0	0	0	4,150
Loan Repayments	129,960	0	0	0	0	0	0	0	0	129,960
Investment Income	2,717	5	0	0	46,447	130	34	0	623	49,956
Donations	0	0	0	9,515	0	0	0	0	0	9,515
Other	15,864	0	0	0	0	0	0	0	264	16,128
<b>Total Cash Receipts</b>	<b>2,292,278</b>	<b>5</b>	<b>215,300</b>	<b>9,515</b>	<b>46,447</b>	<b>130</b>	<b>34</b>	<b>253,041</b>	<b>20,907</b>	<b>2,837,657</b>
<b>Cash Disbursements:</b>										
General Government	493,075	0	0	0	0	0	0	0	1,875	494,950
Public Safety	188,045	0	0	0	0	0	0	0	41,328	229,373
Highways and Streets	664,936	0	0	0	0	0	0	0	34,671	699,607
Culture and Recreation	116,987	0	0	9,890	0	0	0	0	13,331	140,208
Community Development	0	13,224	0	0	0	0	0	0	0	13,224
Cemetery	0	0	0	0	3,265	0	0	0	35,887	39,152
Capital Outlay:										
Highway and Streets	0	0	243,863	0	0	108,999	372,610	0	0	725,472
Debt Service:										
Principal	279,256	0	0	0	0	0	100,000	0	0	379,256
Interest	36,844	0	0	0	0	0	0	0	0	36,844
<b>Total Cash Disbursements</b>	<b>1,779,143</b>	<b>13,224</b>	<b>243,863</b>	<b>9,890</b>	<b>3,265</b>	<b>108,999</b>	<b>472,610</b>	<b>0</b>	<b>127,092</b>	<b>2,758,086</b>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	513,135	(13,219)	(28,563)	(375)	43,182	(108,869)	(472,576)	253,041	(106,185)	79,571
<b>Other Financing Sources/(Uses):</b>										
Proceeds of Financed Purchase	0	0	0	0	0	0	261,110	0	0	261,110
Transfers In	0	0	66,906	0	350	130,000	30,000	0	312,290	539,546
Transfers Out	(462,500)	0	0	0	(23,790)	0	0	0	(67,256)	(553,546)
<b>Total Other Financing Sources/(Uses)</b>	<b>(462,500)</b>	<b>0</b>	<b>66,906</b>	<b>0</b>	<b>(23,440)</b>	<b>130,000</b>	<b>291,110</b>	<b>0</b>	<b>245,034</b>	<b>247,110</b>
Net Change in Fund Balances	50,635	(13,219)	38,343	(375)	19,742	21,131	(181,466)	253,041	138,849	326,681
Fund Balances/(Deficits) - July 1, 2021	438,830	53,854	(38,343)	1,187	370,349	328,892	231,060	0	560,734	1,946,563
Fund Balances - June 30, 2022	\$ 489,465	\$ 40,635	\$ 0	\$ 812	\$ 390,091	\$ 350,023	\$ 49,594	\$ 253,041	\$ 699,583	\$ 2,273,244

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

TOWN OF WAITSFIELD, VERMONT  
STATEMENT OF FUND NET POSITION - MODIFIED CASH BASIS  
PROPRIETARY FUNDS  
JUNE 30, 2022

	Water Fund	Wait House Fund	Total
<u>ASSETS</u>			
Cash	\$ 361,914	\$ 16,010	\$ 377,924
Total Assets	<u>361,914</u>	<u>16,010</u>	<u>377,924</u>
<u>LIABILITIES</u>			
Due to Other Funds	18,242	12,897	31,139
Due to Customers	<u>611</u>	<u>0</u>	<u>611</u>
Total Liabilities	<u>18,853</u>	<u>12,897</u>	<u>31,750</u>
<u>NET POSITION</u>			
Unrestricted	<u>343,061</u>	<u>3,113</u>	<u>346,174</u>
Total Net Position	<u>\$ 343,061</u>	<u>\$ 3,113</u>	<u>\$ 346,174</u>

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

TOWN OF WAITSFIELD, VERMONT  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGES IN MODIFIED CASH BASIS FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	Water Fund	Wait House Fund	Total
Operating Receipts:			
Charges for Services	\$ 242,920	\$ 12,052	\$ 254,972
Total Operating Receipts	<u>242,920</u>	<u>12,052</u>	<u>254,972</u>
Operating Disbursements:			
Administrative Charges	1,500	0	1,500
Administrative Supplies	503	1,319	1,822
Permits and Licenses	831	0	831
Insurance	908	2,500	3,408
Professional Services	26,998	268	27,266
Communications	1,127	0	1,127
Utilities	3,774	9,688	13,462
Maintenance	10,533	5,725	16,258
Other	807	605	1,412
Total Operating Disbursements	<u>46,981</u>	<u>20,105</u>	<u>67,086</u>
Operating Income/(Loss)	<u>195,939</u>	<u>(8,053)</u>	<u>187,886</u>
Non-Operating Receipts/(Disbursements)			
Investment Income	143	4	147
Debt Service - Principal	(72,619)	0	(72,619)
Debt Service - Interest	(76,936)	0	(76,936)
Total Non-Operating Receipts/(Disbursements)	<u>(149,412)</u>	<u>4</u>	<u>(149,408)</u>
Net Income/(Loss) Before Transfers	46,527	(8,049)	38,478
Transfers In	<u>0</u>	<u>14,000</u>	<u>14,000</u>
Change in Net Position	46,527	5,951	52,478
Net Position/(Deficit) - July 1, 2021	<u>296,534</u>	<u>(2,838)</u>	<u>293,696</u>
Net Position - June 30, 2022	<u>\$ 343,061</u>	<u>\$ 3,113</u>	<u>\$ 346,174</u>

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

TOWN OF WAITSFIELD, VERMONT  
 STATEMENT OF FIDUCIARY MODIFIED CASH BASIS NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2022

	Custodial Funds	
	Sewer Escrow Fund	Education Tax Fund
<u>ASSETS</u>		
Assets:		
Cash	\$ <u>31,407</u>	\$ <u>0</u>
<u>LIABILITIES</u>		
Liabilities:		
Escrow Liabilities	<u>31,407</u>	<u>0</u>
<u>NET POSITION</u>		
Net Position:	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

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

TOWN OF WAITSFIELD, VERMONT  
STATEMENT OF CHANGES IN FIDUCIARY MODIFIED CASH BASIS NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	Custodial Funds	
	Sewer Escrow Fund	Education Tax Fund
<u>ADDITIONS</u>		
Education Taxes Collected for Other Governments	\$ <u>0</u>	\$ <u>5,717,618</u>
Total Additions	<u>0</u>	<u>5,717,618</u>
<u>DEDUCTIONS</u>		
Education Taxes Distributed to Other Governments	<u>0</u>	<u>5,717,618</u>
Total Deductions	<u>0</u>	<u>5,717,618</u>
Change in Net Position	0	0
Net Position - July 1, 2021	<u>0</u>	<u>0</u>
Net Position - June 30, 2022	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

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

TOWN OF WAITSFIELD, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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

## **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### **A. The Financial Reporting Entity**

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

### **B. Basis of Presentation**

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

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

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Government-wide Statements: The statement of net position and the statement of activities display information about the primary government, the Town. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of activities between funds. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through property taxes, intergovernmental receipts, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

The Town reports on the following major governmental funds:

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

Vermont Grant Fund – This fund accounts for the assets held by the Town for future community development expenditures.

Village West Sidewalk Fund – This fund accounts for the design and construction expenditures for new segments of the Town's village west sidewalk.

Joslin Library Fund – This fund accounts for the capital improvement expenditures of the Joslin Library.

Cemetery Trust Fund – This fund accounts for the assets held by the Town in trust for the future costs associated with the cemeteries.

Paving Reserve Fund – This fund accounts for the assets held by the Town for future paving projects.

Heavy Equipment Fund – This fund accounts for the assets held by the Town for future heavy equipment purchases.



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

The Town reports on the following major proprietary funds:

Water Fund – This fund accounts for the maintenance and operations of the water system.

Wait House Fund – This fund accounts for the maintenance and operations of the Wait House.

Proprietary fund operating receipts, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Nonoperating receipts, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Additionally, the Town reports the following fund type:

Custodial Funds – These funds account for resources held by the Town in a purely custodial capacity for other governments, private organizations or individuals.

### **C. Measurement Focus**

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

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

### **D. Basis of Accounting**

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

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The Town's policy is to prepare its financial statements generally on the basis of cash receipts and disbursements; consequently, certain revenue and related assets are recognized when received rather than when earned and certain expenditures and related liabilities are recognized when paid rather than when the obligation is incurred. The exceptions to this are that the Town records investments at cost as assets and escrow liabilities required for loans receivable in the event of default, payroll withholdings payable and amounts due to customers for water overpayments as liabilities.

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

## **E. Assets, Liabilities and Equity**

### **1. Cash**

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

Excess cash of individual funds are shown as due from other funds and excess cash withdrawals are shown as due to other funds. Interest income is allocated based on the due from/to other funds balances.

### **2. Investments**

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

### **3. Fund Equity**

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

### **4. Interfund Receivables/Payables**

Activity between funds that are representative of lending/borrowing arrangements that are outstanding at the end of the fiscal year are referred to as "advances from/to other funds". All other outstanding balances between funds are reported as "due from/to other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

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**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

The budget presented herein is for the Town’s “General Fund” only and does not include the Town Forest Stewardship Fund that is included with the General Fund as it does not qualify to be reported as a separate special revenue fund.

**B. Excess of Expenditures Over Appropriations**

For the year ended June 30, 2022, expenditures in the General Fund exceeded appropriations by \$118,366. These overexpenditures were funded by excess revenues.

**III. DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

The Town’s cash and investments as of June 30, 2022 consisted of the following:

Cash:

Deposits with Financial Institutions	\$2,204,541
Deposits with Investment Company	<u>29,054</u>
Total Cash	<u>2,233,595</u>

Investments:

Certificate of Deposit	57,307
Corporate Bonds	9,095
Mutual Funds – Mixed Holdings	339,196
Common Stock	<u>12,746</u>
Total Investments	<u>418,344</u>

Total Cash and Investments	<u>\$2,651,939</u>
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The Town has one (1) certificate of deposit at Northfield Savings Bank in the amount of \$57,307 with an interest rate of 1.74% that matures in fiscal year 2023.

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**Fair Market Value**

The Town maintains their investments at cost. As of June 30, 2022, the Town's fair market value of their investments are as follows:

	<u>Cost</u>	<u>Fair Market Value</u>
Corporate Bonds	\$ 9,095	\$ 9,218
Mutual Funds - Mixed Holdings	339,196	351,552
Common Stock	<u>12,746</u>	<u>7,010</u>
Total	<u>\$ 361,037</u>	<u>\$ 367,780</u>

**Custodial Credit Risk**

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

	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC/SIPC Insured	\$ 408,068	\$ 409,739
Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution's Agent	<u>1,882,834</u>	<u>1,914,039</u>
Total	<u>\$2,290,902</u>	<u>\$2,323,778</u>

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

The book balance is comprised of the following:

Cash – Deposits with Financial Institutions	\$2,204,541
Cash – Deposits with Investment Company	29,054
Investments – Certificate of Deposit	<u>57,307</u>
Total	<u>\$2,290,902</u>

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**Interest Rate Risk**

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

<u>Investment Type</u>	<u>Matures November 15, 2022</u>
Corporate Bonds	\$ <u><u>9,095</u></u>

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. These organizations look at a number of factors in order to evaluate the risk of an obligation and rate the risk. The rating allows the investor to make informed buying and selling decisions. The Town does not have any policy to limit the exposure to credit risk. The Town's common stock and certificate of deposit are not subject to credit risk disclosure. The Town's mutual funds are open-ended and are, therefore, not subject to credit risk disclosure. The credit ratings for the corporate bonds are as follows:

Standard and Poor's Rating as of June 30, 2022	
<u>Investment Type</u>	<u>A-</u>
Corporate Bonds	\$ <u><u>9,095</u></u>

**Concentration of Credit Risk**

Concentration of credit risk is the risk that a large percentage of the Town's investments are held within one security. The Town does not have any limitations on the amount that can be invested in any one issuer. There are no investments other than mutual funds that represent more than 5% of the total investments.

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**B. Interfund Balances and Activity**

Interfund balances as of June 30, 2022 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 0	\$282,306
ARPA Fund	253,041	0
Non-Major Governmental Funds	61,932	1,528
Water Fund	0	18,242
Wait House Fund	<u>0</u>	<u>12,897</u>
Totals	<u>\$314,973</u>	<u>\$314,973</u>

Interfund transfers during the years ended June 30, 2022 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Fire Department Truck Reserve Fund	\$ 53,000	Annual Contribution
General Fund	Equipment Fund	61,000	Annual Contribution
General Fund	Fire Department Building & Equipment Fund	13,000	Annual Contribution
General Fund	Bridge & Culvert Fund	120,000	Annual Contribution
General Fund	Route 100 Transportation Path Fund	10,000	Annual Contribution
General Fund	Paving Reserve Fund	130,000	Annual Contribution
General Fund	Heavy Equipment Fund	30,000	Annual Contribution
General Fund	Restroom, Recreation & Conservation Fund	10,000	Annual Contribution
General Fund	Lareau Park Improvement Fund	4,500	Annual Contribution
General Fund	Covered Bridge Repair	2,000	Annual Contribution
General Fund	Wait House Fund	14,000	Annual Contribution
General Fund	Reappraisal Reserve Fund	10,000	Annual Contribution
General Fund	Street Trees Fund	5,000	Annual Contribution
Cemetery Trust Fund	Cemetery Commission Fund	23,790	Annual Contribution
Cemetery Commission Fund	Cemetery Trust Fund	350	Transfer of Lot Sales
Route 100 Transportation Path Fund	Village West Sidewalk Fund	<u>66,906</u>	Fund Local Match
		<u>\$ 553,546</u>	

**C. Fund Balances**

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

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

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

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

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

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

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

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

Major Funds

General Fund:

Verdmont Grant Fund:

Restricted for Community Development by Grant Agreement (Source of Revenue is Grant Revenue)	\$ <u>40,635</u>
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Joslin Library Fund:

Restricted for Joslin Library Capital Expenditures by Donations (Source of Revenue is Donations)	<u>812</u>
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Cemetery Trust Fund:

Restricted for Cemetery Trust Fund by Trust Agreements	<u>390,091</u>
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ARPA Fund:

Restricted for Eligible Uses of the Coronavirus Local Fiscal Recovery Funding by Grant Agreement (Source of Revenue is Grant Revenue)	<u>253,041</u>
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TOWN OF WAITSFIELD, VERMONT  
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Non-Major Funds

Special Revenue Funds:

Restricted for Records Restoration Fund Expenses by Statute (Source of Revenue is Restoration Fees)	\$ 61,932
Restricted for Entrust Conservation Fund Expenses by Donations (Source of Revenue is Donations)	14,240
Restricted for Cemetery Commission Fund Expenses by Lot Sales (Source of Revenue is Lot Sales)	<u>40,301</u>

Total Special Revenue Funds	<u>116,473</u>
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Capital Projects Funds:

Restricted for Scrag Mountain Town Forest Expenses by Agreement (Source of Revenue is Donations)	<u>57,307</u>
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Total Non-Major Funds	<u>173,780</u>
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Total Restricted Fund Balances	<u>\$858,359</u>
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The fund balances in the following funds are committed as follows:

Major Funds

Committed for Paving Expenditures by the Voters	<u>\$350,023</u>
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Committed for Heavy Equipment Expenditures by the Voters	<u>49,594</u>
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Non-Major Funds

Special Revenue Funds:

Committed for Agricultural Support by the Voters	<u>10,090</u>
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Capital Projects Funds:

Committed for Route 100 Path Expenditures by the Voters	37,687
Committed for Fire Department Equipment Expenditures by the Voters	61,274
Committed for Street Trees Expenditures by the Voters	9,775
Committed for Equipment Expenditures by the Voters	68,918
Committed for Fire Department Building and Equipment Expenditures by the Voters	22,085
Committed for Bridge and Culvert Expenditures by the Voters	139,287
Committed for Covered Bridge Repair Expenditures by the Voters	7,522
Committed for Restroom and Recreation Expenses by the Voters	<u>47,968</u>

Total Capital Project Funds	<u>394,516</u>
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Total Non-Major Funds	<u>404,606</u>
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Total Committed Fund Balances	<u>\$804,223</u>
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The fund balances in the following funds are assigned as follows:

Major Funds

General Fund:

Assigned for Town Forest Stewardship Expenditures \$ 53,299

Non-Major Funds

Special Revenue Funds:

Assigned for Reappraisal Expenses 99,900

Capital Projects Funds:

Assigned for Town Clock Expenditures 1,913

Assigned for Lareau Park Improvement Expenditures 10,491

Assigned for Energy Projects Expenditures 8,893

Total Capital Projects Funds 21,297

Total Non-Major Funds 121,197

Total Assigned Fund Balances \$174,496

**D. Restricted Net Position**

The restricted net position in the Governmental Activities consists of the restricted fund balances of \$858,359.

**IV. OTHER INFORMATION**

**A. Pension Plan**

**Defined Benefit Plan**

**Plan Description**

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. As of June 30, 2021, the measurement date selected by the State of Vermont, the retirement system consisted of 352 participating employers.

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

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

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

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

As of June 30, 2021, the measurement date selected by the State of Vermont, VMERS was funded at 86.29% and had a plan fiduciary net position of \$926,034,330 and a total pension liability of \$1,073,218,528 resulting in a net position liability of \$147,184,198. As of June 30, 2022, the Town's proportionate share of this was 0.0906% resulting in a net pension liability of \$133,321. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. The Town's proportion of 0.0906% was an increase of 0.0032 from its proportion measured as of the prior year.

**Summary of System Provisions**

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

Creditable Service – Service as a member plus purchased service.

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

Service Retirement Allowance:

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

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

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

Early Retirement Allowance:

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

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

Vested Retirement Allowance:

Eligibility – Five (5) years of service.

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

Disability Retirement Allowance:

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

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

Death Benefit:

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

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

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

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

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

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

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

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

#### **Significant Actuarial Assumptions and Methods**

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

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

#### **Mortality:**

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

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

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

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

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

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

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

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

Inflation: 2.30%

Long-term Expected Rate of Return:

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

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

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

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

<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$263,517	\$133,321	\$26,262

**Additional Information**

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

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**B. Property Taxes**

The Town is responsible for assessing and collecting its own property taxes as well as education taxes for the State of Vermont. The tax rate is set by the Selectboard based on the voter approved budget, the estimated grand list and the State education property tax liability. Property taxes are due in four equal installments on September 15, November 15, February 15 and May 15. The penalty rate is eight percent (8%) after the May installment. Interest is charged at one percent (1%) per month for the first three months and one and a half percent (1-1/2%) per month for each month thereafter. The tax rates for 2022 were as follows:

	<u>Homestead</u>	<u>Non-Homestead</u>
Town	.4545	.4545
Local Agreement	.0036	.0036
Education	<u>1.7183</u>	<u>1.6776</u>
Total	<u>2.1764</u>	<u>2.1357</u>

**C. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains insurance coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this coverage in any of the past three fiscal years. The Town must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving sixty days notice. Fund underwriting and ratesetting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

The Town has elected to pay actual unemployment claims instead of enrolling in an unemployment insurance program. The Town paid \$-0- in unemployment claims during fiscal year 2022.

**D. Long-Term Debt**

The Town issues general obligation bonds to provide resources for the acquisition and construction of major capital facilities and to refund prior issues. General obligation bonds have been issued for both general governmental and proprietary activities. Bonds are reported in governmental activities if the debt is expected to be repaid from general governmental revenues and in business-type activities if the debt is expected to be repaid from proprietary fund revenues.

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General obligation bonds are direct and pledge the full faith and credit of the Town. New bonds generally are issued as 10 to 20 year bonds. Refunding bonds are issued for various terms based on the debt service of the debt refunded.

The State of Vermont offers a number of low and no-interest revolving loan programs to be utilized for predetermined purposes. The Town has borrowed money from the State of Vermont Special Environmental Revolving Fund for a wastewater project.

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

The Town enters into lease agreements as the lessee for the purpose of financing the acquisition of major pieces of equipment. These lease agreements qualify as financed purchases for accounting purposes (even though they may include clauses that allow for cancellation of the lease in the event the Town does not appropriate funds in future years) and therefore, have been recorded at the present value of the future minimum lease payments as of the inception date of the leases. Financed purchases are reported in governmental activities if the debt is expected to be repaid from general governmental revenue and in the business-type activities of debt is expected to be repaid from proprietary fund revenue.

Long-term debt activity during the year ended June 30, 2022 was as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Town Office/Solar Array, Principal Payments of \$31,750 Payable on December 1 Annually, Interest Rates Ranging from 0.513% to 3.993% Payable Semi-Annually on May 15 and November 15, Due November, 2034	\$ 444,500	\$ 0	\$ 31,750	\$ 412,750
Bond Payable, State of Vermont Special Environmental Revolving Fund, Wastewater Improvements, Principal Payments of 36,484 Payable on May 1 Annually, Interest at 0%, Due May, 2027	218,906	0	36,484	182,422
Bond Payable, People's United Bank, Bridge Street Improvements, Principal Payments of \$26,667 Payable on September 1 Annually, Interest Payments Payable Semi-Annually on February 1 and September 1, Interest at 2.6%, Due September, 2030	266,665	0	26,667	239,998



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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Town Office, Principal Payments of \$12,250 Payable November 1 Annually, Interest Rates Ranging from 1.491% to 3.091% Payable Semi-Annually on May 1 and November 1, Due November, 2036	\$ 196,000	\$ 0	\$ 12,250	\$ 183,750
Note Payable, Community Bank, Construction of Highway Repairs, Principal Payments of \$18,346 Plus Interest Payable on July 26 Annually, Interest at 1.73%, Due and Paid July, 2021	18,346	0	18,346	0
Bond Payable, State of Vermont Special Environmental Revolving Fund, Wastewater Improvements, Minimum Annual Principal and Administrative Fee Payments of \$25,282 are Due Annually on November 1, the Town Paid an Additional \$95,753 of Principal during the Year, Administrative Fee of 2%, Due November, 2037	351,322	0	113,809	237,513
Note Payable, People's United Bank, Water Main Break, Principal Payments of \$23,000 Plus Interest Payable on May 11 Annually, the Town Paid an Additional \$8,050 of Principal During the Year, Interest at 3.1%, Due May, 2023	46,000	0	31,050 *	14,950
Note Payable, People's United Bank, Storm Damage, Principal Payments of \$25,000 Plus Interest Payable on May 10 Annually, Interest at 3.1%, Due May, 2023	50,000	0	25,000	25,000
Financed Purchase, Deere Credit First principal payment of \$100,000, Annual Principal and Interest Payments of \$34,199, beginning November 3, 2022, Interest at 2%, Due November 2026	<u>0</u>	<u>261,110</u>	<u>100,000</u>	<u>161,110</u>
Total Governmental Activities	<u>\$1,591,739</u>	<u>\$261,110</u>	<u>\$395,356</u>	<u>\$1,457,493</u>

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\*The Water Fund Contributed \$16,100 towards the principal payment of the Water Main Break Note.

Business-type Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, United States Department of Agriculture, Water System Improvements Semi-Annual Principal Payments of \$48,946 Plus Interest Payable on March 17 and September 17, Interest at 2.75%, Due September, 2052	\$2,616,102	\$ 0	\$ 53,133	\$2,562,969
Bond Payable, United States Department of Agriculture, Eagles Water System Improvements, Semi-Annual Principal Payments of \$3,120 Plus Interest Payable on May 21 and November 21, Interest at 2.75%, Due May, 2052	<u>178,627</u>	<u>0</u>	<u>3,386</u>	<u>175,241</u>
Total Business-type Activities	<u>\$2,794,729</u>	<u>\$ 0</u>	<u>\$ 56,519</u>	<u>\$2,738,210</u>

Maturities are estimated to be as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 190,791	\$ 34,401	\$ 58,093	\$ 74,903
2024	151,720	30,123	59,701	73,295
2025	152,617	27,255	61,354	71,642
2026	153,534	24,317	63,054	69,942
2027	154,468	21,283	64,800	68,196
2028-2032	399,878	66,863	351,926	313,054
2033-2037	237,336	17,225	403,430	261,559
2038-2042	17,149	343	461,864	202,528
2043-2047	0	0	487,823	136,784
2048-2052	0	0	492,471	69,427
2053-2057	<u>0</u>	<u>0</u>	<u>233,694</u>	<u>9,283</u>
Total	<u>\$ 1,457,493</u>	<u>\$ 221,810</u>	<u>\$ 2,738,210</u>	<u>\$ 1,350,613</u>

**E. Subsequent Events**

Subsequent to year-end, the Town will receive the second half of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program funds in the amount of \$253,041.

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Receipts:			
Property Taxes	\$ 1,732,820	\$ 1,728,866	\$ (3,954)
Delinquent Tax Interest	15,000	15,372	372
Delinquent Tax Penalties	15,000	9,872	(5,128)
Act 60 Annual Support	10,500	10,744	244
Town Clerk Fees	35,000	36,146	1,146
Investment Income	6,000	2,692	(3,308)
Liquor Licenses	3,500	4,140	640
Zoning Fees	7,000	17,363	10,363
Highway State Aid	69,250	80,155	10,905
Insurance Claims	0	30,420	30,420
Road Department - Grants	0	3,200	3,200
Road Department - Miscellaneous	3,250	2,307	(943)
Insurance Audit Refund	0	516	516
Fire Department Income (Fayston)	50,632	59,869	9,237
Traffic Control Income	5,500	3,945	(1,555)
Dog Fines & Impoundment Fees	150	205	55
PILOT	5,900	6,347	447
Current Use	95,000	105,048	10,048
Wait House Insurance Reimbursement	2,500	2,500	0
Water Admin. Reimbursement	1,500	3,263	1,763
Miscellaneous	0	2,207	2,207
Wastewater Loan Repayments - Phase 1 and 2	38,704	129,960	91,256
Other Grant Proceeds	0	1,482	1,482
Waitsfield Elementary Solar	10,000	5,599	(4,401)
Solar Array Credits	9,500	13,890	4,390
Library Insurance Reimbursement	2,700	4,795	2,095
	<u>2,119,406</u>	<u>2,280,903</u>	<u>161,497</u>
Total Cash Receipts			
Cash Disbursements:			
Town Meeting:			
Elections Expense	2,500	1,903	597
Town Report	1,400	1,960	(560)
	<u>3,900</u>	<u>3,863</u>	<u>37</u>
Total Town Meeting			
Legal and Auditing:			
Legal	15,000	12,277	2,723
Auditing	17,200	17,200	0
	<u>32,200</u>	<u>29,477</u>	<u>2,723</u>
Total Legal and Auditing			

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Town Office Operations:			
Insurance and Bonds	\$ 19,000	\$ 12,569	\$ 6,431
Office Rent	5,000	4,481	519
Town Office Repairs and Maintenance	6,000	5,587	413
Postage	4,500	3,626	874
Supplies	7,000	6,705	295
Computer Services	7,450	1,788	5,662
Training	500	233	267
Cleaning	9,400	7,950	1,450
Equipment Maintenance & Contracts	14,000	18,620	(4,620)
Telephone	4,750	4,810	(60)
Office Equipment	3,750	4,125	(375)
Public Notice Expense	4,000	6,701	(2,701)
Special Services	5,000	3,907	1,093
	<u>90,350</u>	<u>81,102</u>	<u>9,248</u>
Total Town Office Operations			
Town Clerk and Treasurer:			
Clerk/Treasurer & Assistant Salary	77,020	94,441	(17,421)
Borrowing Interest	250	0	250
Ballot Clerks	500	1,000	(500)
	<u>77,770</u>	<u>95,441</u>	<u>(17,671)</u>
Total Town Clerk and Treasurer			
Selectboard:			
Selectboard Reimbursement	3,250	3,251	(1)
Town Website	750	823	(73)
Town Administrator	71,837	66,984	4,853
Training	250	397	(147)
Selectboard Recording Secretary	2,500	1,134	1,366
	<u>78,587</u>	<u>72,589</u>	<u>5,998</u>
Total Selectboard			
Planning and Zoning:			
Minute Taker	825	923	(98)
Special Planning Projects	3,500	0	3,500
Zoning Administrator/Planning Director Salary	52,467	54,221	(1,754)
Training	500	239	261
Computer Equipment Services	1,250	899	351
Mileage Reimbursement	250	0	250
	<u>58,792</u>	<u>56,282</u>	<u>2,510</u>
Total Planning and Zoning			

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TOWN OF WAITSFIELD, VERMONT  
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	Budget	Actual	Variance Favorable/ (Unfavorable)
Board of Listers:			
Assessor Services	\$ 21,000	\$ 22,569	\$ (1,569)
Computer Equipment Services	2,250	2,878	(628)
Property Map Maintenance	1,750	1,650	100
Training and Meetings	200	0	200
Professional Services	1,000	0	1,000
	<u>26,200</u>	<u>27,097</u>	<u>(897)</u>
Total Board of Listers			
Collector of Delinquent Taxes:	<u>15,000</u>	<u>9,826</u>	<u>5,174</u>
Conservation Committee:	<u>2,000</u>	<u>1,970</u>	<u>30</u>
Highway Department Labor:	<u>174,929</u>	<u>200,152</u>	<u>(25,223)</u>
Equipment Operation and Repairs:			
Road Department Insurance	9,500	9,220	280
Gas, Oil, Grease and Filters	7,100	10,107	(3,007)
Diesel	30,000	30,874	(874)
2020 International Dump Truck	1,500	4,520	(3,020)
2021 International Dump Truck	0	160	(160)
2021 Pick Up Chevy	1,000	1,103	(103)
2009 John Deere Loader	2,500	1,566	934
2015/2021 Tandem	8,500	16,458	(7,958)
Ford Chloride Truck	1,000	1,472	(472)
1998 Galion Grader	3,500	423	3,077
2008 CAT Backhoe	500	103	397
2018 HV Truck	1,500	1,915	(415)
Roadside Mower	900	1,447	(547)
Steel Pole Saw/Chainsaw	300	20	280
Garage Repairs	2,500	1,643	857
Garage Trash Removal	1,700	1,913	(213)
Garage Uniforms	4,500	5,490	(990)
Garage Heat	3,000	5,499	(2,499)
Garage Telephone	2,250	2,476	(226)
Garage Electricity	2,000	1,744	256
Garage Supplies/Hardware	3,000	4,418	(1,418)
Garage Miscellaneous	1,200	1,316	(116)
Chipper/Rake	500	559	(59)
Garage Alarm System	950	961	(11)
Water Service	630	628	2
Plow Blades and Shoes	6,000	3,624	2,376
	<u>96,030</u>	<u>109,659</u>	<u>(13,629)</u>
Total Equipment Operation and Repairs			

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GENERAL FUND  
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	Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Road Hired Equipment and Labor:</b>			
Sidewalk Plowing	\$ 29,070	\$ 29,070	\$ 0
Other Equipment Rental	500	0	500
Contracted Plowing	2,500	1,480	1,020
Grading	150	0	150
Contracted Services	12,000	11,083	917
<b>Total Road Hired Equipment and Labor</b>	<b>44,220</b>	<b>41,633</b>	<b>2,587</b>
<b>Road Department Materials:</b>			
Salt	53,000	33,491	19,509
Sand	56,000	34,838	21,162
Chloride	16,000	12,035	3,965
Crushed Gravel	11,000	10,518	482
Stone	14,000	14,153	(153)
Culverts	2,500	0	2,500
Guardrails	2,500	3,586	(1,086)
Tools	3,500	1,991	1,509
Signs	5,000	5,793	(793)
Waste Blocks	1,000	1,065	(65)
<b>Total Road Department Materials</b>	<b>164,500</b>	<b>117,470</b>	<b>47,030</b>
<b>Road Department Miscellaneous</b>			
Fayston Winter Agreement	11,300	11,058	242
Sidewalk Maintenance and Repairs	2,500	0	2,500
Tree Cutting	1,000	0	1,000
Bridge Repairs	1,000	27,900	(26,900)
Gravel Pit Management	1,000	160	840
Line Painting	4,000	950	3,050
Street Lights	4,700	5,365	(665)
Bridge Lights	250	378	(128)
Radios and Pagers	500	1,794	(1,294)
Road Department Training	250	39	211
MRGP/State Roads Permit	1,500	1,350	150
Culvert Plate Compactor	5,000	3,200	1,800
Culvert Blower	6,200	6,169	31
<b>Total Road Department Miscellaneous</b>	<b>39,200</b>	<b>58,363</b>	<b>(19,163)</b>
<b>Employee Benefits:</b>			
FICA/Medicare	28,584	32,048	(3,464)
Retirement	23,353	24,837	(1,484)
Unemployment	750	547	203
Workers Compensation	14,000	12,100	1,900
Health Insurance	88,660	65,642	23,018
Life and Disability Insurance	2,600	2,047	553
Vision	650	438	212
<b>Total Employee Benefits</b>	<b>158,597</b>	<b>137,659</b>	<b>20,938</b>

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	Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Fire Department:</b>			
Gas, Oil and Grease	\$ 3,500	\$ 3,095	\$ 405
Insurance	8,910	10,084	(1,174)
Telecommunication	36,834	21,641	15,193
Electricity	2,550	1,800	750
Heat	6,000	6,060	(60)
Water	655	630	25
Building Repair and Maintenance	6,000	6,041	(41)
Alarm	425	145	280
Truck Repairs	10,000	9,450	550
Equipment Repairs	4,100	3,885	215
Radio and Repairs	3,750	2,632	1,118
Bottled Gas	400	37	363
Training	3,400	4,522	(1,122)
Hose and Equipment	6,000	5,142	858
Gear	9,500	8,259	1,241
Fire Prevention	600	888	(288)
Miscellaneous	500	75	425
Dues	500	20	480
Physical Exams	500	0	500
Labor	21,000	25,681	(4,681)
FICA and Medicare	1,700	1,965	(265)
Ladder/Hose Testing	3,000	3,246	(246)
<b>Total Fire Department</b>	<b>129,824</b>	<b>115,298</b>	<b>14,526</b>
<b>Public Safety:</b>			
Sheriff Department Billing	28,000	14,810	13,190
Dog Warden Salary and Fees	750	750	0
Dog Pound Fees	150	155	(5)
Emergency Management	1,000	597	403
Fire Warden	250	250	0
Fire Protection Contribution	27,640	27,632	8
Generator Expense	850	302	548
Insurance	2,100	0	2,100
Training	250	0	250
Town Health Officer	500	30	470
Miscellaneous	750	750	0
<b>Total Public Safety</b>	<b>62,240</b>	<b>45,276</b>	<b>16,964</b>
<b>Dues and Assessments:</b>			
Central Vermont Regional Planning	2,170	2,167	3
Joslin Memorial Library	64,486	64,486	0
Mad River Resource Management Alliance	12,033	12,471	(438)
Mad River Valley Ambulance	15,000	15,000	0
Mad River Valley Planning District	44,067	45,317	(1,250)
Mad River Valley Recreation District	30,000	30,000	0
Vermont League of Cities and Towns	3,209	3,209	0
Green Mountain Transit	29,929	29,929	0
Washington County Tax	2,030	2,030	0
<b>Total Dues and Assessments</b>	<b>202,924</b>	<b>204,609</b>	<b>(1,685)</b>

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Special Appropriations:			
Circle	\$ 350	\$ 350	\$ 0
Central Vermont Adult Basic Education	600	600	0
Capstone (Central Vermont Community Action Council)	150	150	0
Downstreet (Central Vermont Community Land Trust)	500	500	0
Central Vermont Council on Aging	900	900	0
Central Vermont DART	200	200	0
Central Vermont Economic Development	450	450	0
Central Vermont Home Health & Hospice	4,500	4,500	0
Family Center of Washington County	500	500	0
Good Beginnings of Central Vermont	300	300	0
Green Up Vermont	100	100	0
Mad River Valley Seniors	7,000	7,000	0
Peoples Health and Wellness	500	500	0
Retired Senior Voluntary Program	150	150	0
MOSAIC	250	250	0
Center for Independent Living	650	650	0
VT Association For The Blind	250	250	0
VT Family Network	250	250	0
Winooski NR Conservation District	500	500	0
Washington County Youth Service	750	750	0
Everybody Wins	500	500	0
Washington County Mental Health	1,600	1,600	0
Community Harvest	300	300	0
Prevent Child Abuse VT	200	200	0
Good Samaritan	500	500	0
	<u>21,950</u>	<u>21,950</u>	<u>0</u>
Total Special Appropriations			
Miscellaneous:			
Maintenance of Parks	19,000	14,160	4,840
Trail Maintenance	2,500	2,500	0
Solar Array Maintenance	1,500	1,082	418
Membership and Dues	100	80	20
Cemetery Veteran's Flags	100	0	100
Mad River Valley Television Hearing Coverage	3,400	3,400	0
Tax Adjustment-Previous Year	0	2,845	(2,845)
Affordable Housing	4,000	4,000	0
Wait House Operations	4,000	4,000	0
Other	500	0	500
Other Grant Expense	0	1,389	(1,389)
MRGP Permit Compliance	4,900	0	4,900
	<u>40,000</u>	<u>33,456</u>	<u>6,544</u>
Total Miscellaneous			
Debt Service:			
Town Office/Solar Array Bond	46,831	46,831	0
Town Office Bond	17,318	17,318	0
Wastewater Loan - RF1-058	36,484	36,484	0
Wastewater Loan - RF1-164/208	26,681	121,035	(94,354)

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TOWN OF WAITSFIELD, VERMONT  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGES IN MODIFIED CASH BASIS FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Debt Service/(Cont.):			
Bridge Street Bond	\$ 33,254	\$ 33,304	\$ (50)
2016 Paving Note	18,698	18,692	6
2011 Storm Damage Loan	26,550	26,535	15
Water Main Break Loan	15,877	15,901	(24)
Total Debt Service	221,693	316,100	(94,407)
Wait House:			
Wait House Capital Reserve	10,000	10,000	0
Total Wait House	10,000	10,000	0
Contribution to Reserves:			
Equipment Reserve Fund	61,000	61,000	0
Heavy Equipment Reserve Fund	30,000	30,000	0
Fire Department Equipment Reserve Fund	53,000	53,000	0
Fire Department Building Reserve Fund	13,000	13,000	0
Conservation Fund	10,000	10,000	0
Lareau Park Reserve	4,500	4,500	0
Route 100 Transportation Path Fund	10,000	10,000	0
Bridge and Culvert Repair	40,000	120,000	(80,000)
Paving Reserve Fund	130,000	130,000	0
Reappraisal Reserve	10,000	10,000	0
Covered Bridge Repair Restoration	2,000	2,000	0
Street Tree Reserve	5,000	5,000	0
Total Contribution to Reserves	368,500	448,500	(80,000)
Total Cash Disbursements	2,119,406	2,237,772	(118,366)
Excess of Cash Receipts Over Cash Disbursements	\$ 0	43,131	\$ 43,131
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Cash Basis of Accounting:			
Town Forest Stewardship Fund Investment Income		25	
Town Forest Stewardship Fund Income		11,350	
Town Forest Stewardship Fund Expenses		(3,871)	
Net Change in Fund Balance		50,635	
Fund Balance - July 1, 2021		438,830	
Fund Balance - June 30, 2022		\$ 489,465	

The reconciling items are due to combining one (1) fund, the Town Forest Stewardship Fund with the General Fund in order to comply with GASB Statement No. 54

TOWN OF WAITSFIELD, VERMONT  
 COMBINING SCHEDULE OF MODIFIED CASH BASIS ASSETS,  
 LIABILITIES AND FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2022

	Special Revenue Funds	Capital Projects Funds	Total
<u>ASSETS</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Cash	\$ 164,531	\$ 417,341	\$ 581,872
Investments	0	57,307	57,307
Due from Other Funds	<u>61,932</u>	<u>0</u>	<u>61,932</u>
Total Assets	<u>\$ 226,463</u>	<u>\$ 474,648</u>	<u>\$ 701,111</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Due to Other Funds	\$ <u>0</u>	\$ <u>1,528</u>	\$ <u>1,528</u>
Total Liabilities	<u>0</u>	<u>1,528</u>	<u>1,528</u>
Fund Balances:			
Restricted	116,473	57,307	173,780
Committed	10,090	394,516	404,606
Assigned	<u>99,900</u>	<u>21,297</u>	<u>121,197</u>
Total Fund Balances	<u>226,463</u>	<u>473,120</u>	<u>699,583</u>
Total Liabilities and and Fund Balances	<u>\$ 226,463</u>	<u>\$ 474,648</u>	<u>\$ 701,111</u>

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TOWN OF WAITSFIELD, VERMONT  
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
 CHANGES IN MODIFIED CASH BASIS FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds	Capital Projects Funds	Total
Cash Receipts:			
Charges for Services	\$ 700	\$ 0	\$ 700
Permits, Licenses and Fees	19,320	0	19,320
Investment Income	81	542	623
Miscellaneous	0	264	264
	<u>20,101</u>	<u>806</u>	<u>20,907</u>
Cash Disbursements:			
General Government	1,875	0	1,875
Public Safety	0	41,328	41,328
Highways and Streets	0	34,671	34,671
Culture and Recreation	0	13,331	13,331
Cemetery	35,887	0	35,887
	<u>37,762</u>	<u>89,330</u>	<u>127,092</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>(17,661)</u>	<u>(88,524)</u>	<u>(106,185)</u>
Other Financing Sources/(Uses):			
Transfers In	33,790	278,500	312,290
Transfers Out	(350)	(66,906)	(67,256)
	<u>33,440</u>	<u>211,594</u>	<u>245,034</u>
Net Change in Fund Balances	15,779	123,070	138,849
Fund Balances - July 1, 2021	<u>210,684</u>	<u>350,050</u>	<u>560,734</u>
Fund Balances - June 30, 2022	<u>\$ 226,463</u>	<u>\$ 473,120</u>	<u>\$ 699,583</u>

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TOWN OF WAITSFIELD, VERMONT  
 COMBINING SCHEDULE OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2022

	Records Restoration Fund	Reappraisal Fund	Entrust Conservation Fund	Agricultural Support Fund	Cemetery Commission Fund	Total
<u>ASSETS</u>						
Cash	\$ 0	\$ 99,900	\$ 14,240	\$ 10,090	\$ 40,301	\$ 164,531
Due from Other Funds	<u>61,932</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>61,932</u>
Total Assets	<u>\$ 61,932</u>	<u>\$ 99,900</u>	<u>\$ 14,240</u>	<u>\$ 10,090</u>	<u>\$ 40,301</u>	<u>\$ 226,463</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:						
Restricted	61,932	0	14,240	0	40,301	116,473
Committed	0	0	0	10,090	0	10,090
Assigned	<u>0</u>	<u>99,900</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>99,900</u>
Total Fund Balances	<u>61,932</u>	<u>99,900</u>	<u>14,240</u>	<u>10,090</u>	<u>40,301</u>	<u>226,463</u>
Total Liabilities and Fund Balances	<u>\$ 61,932</u>	<u>\$ 99,900</u>	<u>\$ 14,240</u>	<u>\$ 10,090</u>	<u>\$ 40,301</u>	<u>\$ 226,463</u>

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TOWN OF WAITSFIELD, VERMONT  
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS  
 AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022

	Records Restoration Fund	Reappraisal Fund	Entrust Conservation Fund	Agricultural Support Fund	Cemetery Commission Fund	Total
<b>Cash Receipts:</b>						
Charges for Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 700	\$ 700
Permits, Licenses and Fees	10,278	0	0	0	9,042	19,320
Investment Income	<u>0</u>	<u>46</u>	<u>7</u>	<u>6</u>	<u>22</u>	<u>81</u>
Total Cash Receipts	<u>10,278</u>	<u>46</u>	<u>7</u>	<u>6</u>	<u>9,764</u>	<u>20,101</u>
<b>Cash Disbursements:</b>						
General Government	1,875	0	0	0	0	1,875
Cemetery	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>35,887</u>	<u>35,887</u>
Total Cash Disbursements	<u>1,875</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>35,887</u>	<u>37,762</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>8,403</u>	<u>46</u>	<u>7</u>	<u>6</u>	<u>(26,123)</u>	<u>(17,661)</u>
<b>Other Financing Sources/(Uses):</b>						
Transfers In	0	10,000	0	0	23,790	33,790
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(350)</u>	<u>(350)</u>
Total Other Financing Sources/(Uses)	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>23,440</u>	<u>33,440</u>
Net Change in Fund Balances	8,403	10,046	7	6	(2,683)	15,779
Fund Balances - July 1, 2021	<u>53,529</u>	<u>89,854</u>	<u>14,233</u>	<u>10,084</u>	<u>42,984</u>	<u>210,684</u>
Fund Balances - June 30, 2022	<u>\$ 61,932</u>	<u>\$ 99,900</u>	<u>\$ 14,240</u>	<u>\$ 10,090</u>	<u>\$ 40,301</u>	<u>\$ 226,463</u>

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TOWN OF WAITSFIELD, VERMONT  
COMBINING SCHEDULE OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES  
NON-MAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2022

	Fire Department Truck Reserve Fund	Belden Fund	Lareau Park Improvement Fund	Street Trees Fund	Equipment Fund	Fire Department Building & Equipment Fund
<u>ASSETS</u>						
Cash	\$ 61,274	\$ 1,913	\$ 10,491	\$ 9,775	\$ 68,918	\$ 22,085
Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 61,274</u>	<u>\$ 1,913</u>	<u>\$ 10,491</u>	<u>\$ 9,775</u>	<u>\$ 68,918</u>	<u>\$ 22,085</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Due to Other Funds	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:						
Restricted	0	0	0	0	0	0
Committed	61,274	0	0	9,775	68,918	22,085
Assigned	<u>0</u>	<u>1,913</u>	<u>10,491</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>61,274</u>	<u>1,913</u>	<u>10,491</u>	<u>9,775</u>	<u>68,918</u>	<u>22,085</u>
Total Liabilities and Fund Balances	<u>\$ 61,274</u>	<u>\$ 1,913</u>	<u>\$ 10,491</u>	<u>\$ 9,775</u>	<u>\$ 68,918</u>	<u>\$ 22,085</u>

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TOWN OF WAITSFIELD, VERMONT  
COMBINING SCHEDULE OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES  
NON-MAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2022

	Bridge & Culvert Fund	Energy Projects Fund	Route 100 Transportation Path Fund	Covered Bridge Repair Fund	Scrag Mountain Forest Fund	Restroom, Recreation & Conservation Fund	Total
<u>ASSETS</u>							
Cash	\$ 139,287	\$ 8,893	\$ 37,687	\$ 7,522	\$ 0	\$ 49,496	\$ 417,341
Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>57,307</u>	<u>0</u>	<u>57,307</u>
Total Assets	<u>\$ 139,287</u>	<u>\$ 8,893</u>	<u>\$ 37,687</u>	<u>\$ 7,522</u>	<u>\$ 57,307</u>	<u>\$ 49,496</u>	<u>\$ 474,648</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Due to Other Funds	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>1,528</u>	\$ <u>1,528</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,528</u>	<u>1,528</u>
Fund Balances:							
Restricted	0	0	0	0	57,307	0	57,307
Committed	139,287	0	37,687	7,522	0	47,968	394,516
Assigned	<u>0</u>	<u>8,893</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>21,297</u>
Total Fund Balances	<u>139,287</u>	<u>8,893</u>	<u>37,687</u>	<u>7,522</u>	<u>57,307</u>	<u>47,968</u>	<u>473,120</u>
Total Liabilities and Fund Balances	<u>\$ 139,287</u>	<u>\$ 8,893</u>	<u>\$ 37,687</u>	<u>\$ 7,522</u>	<u>\$ 57,307</u>	<u>\$ 49,496</u>	<u>\$ 474,648</u>

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TOWN OF WAITSFIELD, VERMONT  
COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES  
NON-MAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	Fire Department Truck Reserve Fund	Belden Fund	Lareau Park Improvement Fund	Street Trees Fund	Equipment Fund	Fire Department Building & Equipment Fund
Cash Receipts:						
Investment Income	\$ 13	\$ 1	\$ 3	\$ 3	\$ 7	\$ 7
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>264</u>
Total Cash Receipts	<u>13</u>	<u>1</u>	<u>3</u>	<u>3</u>	<u>7</u>	<u>271</u>
Cash Disbursements:						
Public Safety	34,256	0	0	0	0	7,072
Highways and Streets	0	0	0	0	25,671	0
Culture and Recreation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Cash Disbursements	<u>34,256</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,671</u>	<u>7,072</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>(34,243)</u>	<u>1</u>	<u>3</u>	<u>3</u>	<u>(25,664)</u>	<u>(6,801)</u>
Other Financing Sources/(Uses):						
Transfers In	53,000	0	4,500	5,000	61,000	13,000
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources/(Uses)	<u>53,000</u>	<u>0</u>	<u>4,500</u>	<u>5,000</u>	<u>61,000</u>	<u>13,000</u>
Net Change in Fund Balances	18,757	1	4,503	5,003	35,336	6,199
Fund Balances - July 1, 2021	<u>42,517</u>	<u>1,912</u>	<u>5,988</u>	<u>4,772</u>	<u>33,582</u>	<u>15,886</u>
Fund Balances - June 30, 2022	<u>\$ 61,274</u>	<u>\$ 1,913</u>	<u>\$ 10,491</u>	<u>\$ 9,775</u>	<u>\$ 68,918</u>	<u>\$ 22,085</u>

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TOWN OF WAITSFIELD, VERMONT  
COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES  
NON-MAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	Bridge & Culvert Fund	Energy Projects Fund	Route 100 Transportation Path Fund	Covered Bridge Repair Fund	Scrag Mountain Forest Fund	Restroom, Recreation & Conservation Fund	Total
<b>Cash Receipts:</b>							
Investment Income	\$ 16	\$ 5	\$ 28	\$ 2	\$ 436	\$ 21	\$ 542
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>264</u>
Total Cash Receipts	<u>16</u>	<u>5</u>	<u>28</u>	<u>2</u>	<u>436</u>	<u>21</u>	<u>806</u>
<b>Cash Disbursements:</b>							
Public Safety	0	0	0	0	0	0	41,328
Highways and Streets	9,000	0	0	0	0	0	34,671
Culture and Recreation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,803</u>	<u>1,528</u>	<u>13,331</u>
Total Cash Disbursements	<u>9,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,803</u>	<u>1,528</u>	<u>89,330</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>(8,984)</u>	<u>5</u>	<u>28</u>	<u>2</u>	<u>(11,367)</u>	<u>(1,507)</u>	<u>(88,524)</u>
<b>Other Financing Sources/(Uses):</b>							
Transfers In	120,000	0	10,000	2,000	0	10,000	278,500
Transfers Out	<u>0</u>	<u>0</u>	<u>(66,906)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(66,906)</u>
Total Other Financing Sources/(Uses)	<u>120,000</u>	<u>0</u>	<u>(56,906)</u>	<u>2,000</u>	<u>0</u>	<u>10,000</u>	<u>211,594</u>
Net Change in Fund Balances	111,016	5	(56,878)	2,002	(11,367)	8,493	123,070
Fund Balances - July 1, 2021	<u>28,271</u>	<u>8,888</u>	<u>94,565</u>	<u>5,520</u>	<u>68,674</u>	<u>39,475</u>	<u>350,050</u>
Fund Balances - June 30, 2022	<u>\$ 139,287</u>	<u>\$ 8,893</u>	<u>\$ 37,687</u>	<u>\$ 7,522</u>	<u>\$ 57,307</u>	<u>\$ 47,968</u>	<u>\$ 473,120</u>

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**Sullivan, Powers & Co., P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

77 Barre Street  
P.O. Box 947  
Montpelier, VT 05601  
802/223-2352  
[www.sullivanpowers.com](http://www.sullivanpowers.com)

Fred Duplessis, CPA  
Richard J. Brigham, CPA  
Chad A. Hewitt, CPA  
Wendy C. Gilwee, CPA  
[VT Lic. #92-000180](#)

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with "Government Auditing Standards"

Selectboard  
Town of Waitsfield, Vermont  
4144 Main Street  
Waitsfield, Vermont 05673

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Waitsfield, Vermont, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Waitsfield, Vermont's basic financial statements, and have issued our report thereon dated October 17, 2022.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Town of Waitsfield, Vermont's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Waitsfield, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Waitsfield, Vermont's internal control.

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

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

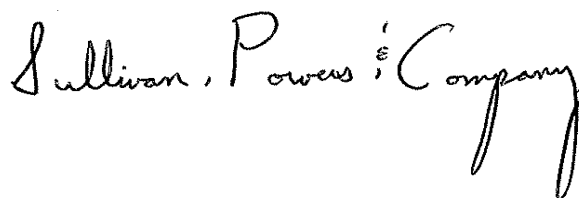
### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Town of Waitsfield, Vermont's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under "Government Auditing Standards".

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Waitsfield, Vermont's internal control or on compliance. This report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the Town of Waitsfield, Vermont's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October 17, 2022  
Montpelier, Vermont  
VT Lic. #92-000180

A handwritten signature in black ink that reads "Sullivan, Powers & Company". The signature is written in a cursive style with a large, stylized 'S' and 'C'.