

TOWN OF WAITSFIELD, VERMONT

AUDIT REPORT

JUNE 30, 2023

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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, 2023, 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, 2023, 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 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 November 6, 2023 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.

Sullivan, Powers & Co.

November 6, 2023
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF WAITSFIELD, VERMONT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash	\$ 2,349,788	\$ 180,951	\$ 2,530,739
Investments	451,883	241,514	693,397
Due from Others	5	0	5
Internal Balances	<u>3,631</u>	<u>(3,631)</u>	<u>0</u>
Total Assets	<u>2,805,307</u>	<u>418,834</u>	<u>3,224,141</u>
<u>LIABILITIES</u>			
Due to Customers	<u>0</u>	<u>438</u>	<u>438</u>
Total Liabilities	<u>0</u>	<u>438</u>	<u>438</u>
<u>NET POSITION</u>			
Restricted:			
Scrag Mountain Town Forest	54,244	0	54,244
Records Restoration	58,989	0	58,989
Verdmont Grant	28,379	0	28,379
Joslin Library	1,187	0	1,187
Cemetery	419,997	0	419,997
Conservation	14,270	0	14,270
Riverside Park	48,782	0	48,782
Eligible ARPA Expenses	455,128	0	455,128
Unrestricted	<u>1,724,331</u>	<u>418,396</u>	<u>2,142,727</u>
Total Net Position	<u>\$ 2,805,307</u>	<u>\$ 418,396</u>	<u>\$ 3,223,703</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, 2023

	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
Functions/Programs:							
Primary Government:							
Governmental Activities:							
General Government	\$ 585,445	\$ 99,389	\$ 34,024	\$ 0	\$ (452,032)	\$ 0	\$ (452,032)
Public Safety	299,020	82,386	3,840	0	(212,794)	0	(212,794)
Highways and Streets	986,168	1,000	83,523	0	(901,645)	0	(901,645)
Culture and Recreation	140,432	6,279	17,500	0	(116,653)	0	(116,653)
Community Development	12,296	0	0	0	(12,296)	0	(12,296)
Wastewater Study	161,047	0	0	70,878	(90,169)	0	(90,169)
Cemetery	34,171	3,930	0	0	(30,241)	0	(30,241)
Debt Service	232,718	0	0	0	(232,718)	0	(232,718)
Total Governmental Activities	2,451,297	192,984	138,887	70,878	(2,048,548)	0	(2,048,548)
Business-type Activities							
Water	184,307	222,255	0	0	0	37,948	37,948
Wait House	27,973	10,481	41,000	0	0	23,508	23,508
Total Business-type Activities	212,280	232,736	41,000	0	0	61,456	61,456
Total Primary Government	\$ 2,663,577	\$ 425,720	\$ 179,887	\$ 70,878	(2,048,548)	61,456	(1,987,092)
General Receipts:							
Property Taxes					2,073,508	0	2,073,508
Penalties and Interest on Delinquent Taxes					36,139	0	36,139
General State Grants					116,851	0	116,851
ARPA Funds					253,041	0	253,041
Unrestricted Investment Earnings					44,424	1,766	46,190
Insurance Proceeds					3,760	0	3,760
Donations					56,892	0	56,892
Other					4,996	0	4,996
Transfers:					(9,000)	9,000	0
Total General Receipts and Transfers					2,580,611	10,766	2,591,377
Change in Net Position					532,063	72,222	604,285
Net Position - July 1, 2022					2,273,244	346,174	2,619,418
Net Position - June 30, 2023					\$ 2,805,307	\$ 418,396	\$ 3,223,703

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, 2023

	General Fund	Bridge & Culvert Fund	Joslin Library Fund	Cemetery Trust Fund	Paving Reserve Fund	Wastewater Feasibility Study Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>									
Cash	\$ 1,105,920	\$ 220,061	\$ 1,187	\$ 1,536	\$ 429,965	\$ 0	\$ 0	\$ 591,119	\$ 2,349,788
Investments	0	0	0	397,639	0	0	0	54,244	451,883
Due from Others	5	0	0	0	0	0	0	0	5
Due from Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>455,128</u>	<u>107,771</u>	<u>562,899</u>
Total Assets	<u>\$ 1,105,925</u>	<u>\$ 220,061</u>	<u>\$ 1,187</u>	<u>\$ 399,175</u>	<u>\$ 429,965</u>	<u>\$ 0</u>	<u>\$ 455,128</u>	<u>\$ 753,134</u>	<u>\$ 3,364,575</u>
<u>LIABILITIES AND FUND BALANCES</u>									
Liabilities:									
Due to Other Funds	<u>\$ 405,283</u>	<u>\$ 59,530</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 90,169</u>	<u>\$ 0</u>	<u>\$ 4,286</u>	<u>\$ 559,268</u>
Total Liabilities	<u>405,283</u>	<u>59,530</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>90,169</u>	<u>0</u>	<u>4,286</u>	<u>559,268</u>
Fund Balances:									
Restricted	0	0	1,187	399,175	0	0	455,128	225,486	1,080,976
Committed	0	160,531	0	0	429,965	0	0	387,044	977,540
Assigned	59,768	0	0	0	0	0	0	138,144	197,912
Unassigned/(Deficit)	<u>640,874</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(90,169)</u>	<u>0</u>	<u>(1,826)</u>	<u>548,879</u>
Total Fund Balances	<u>700,642</u>	<u>160,531</u>	<u>1,187</u>	<u>399,175</u>	<u>429,965</u>	<u>(90,169)</u>	<u>455,128</u>	<u>748,848</u>	<u>2,805,307</u>
Total Liabilities and Fund Balances	<u>\$ 1,105,925</u>	<u>\$ 220,061</u>	<u>\$ 1,187</u>	<u>\$ 399,175</u>	<u>\$ 429,965</u>	<u>\$ 0</u>	<u>\$ 455,128</u>	<u>\$ 753,134</u>	<u>\$ 3,364,575</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, 2023

	General Fund	Bridge & Culvert Fund	Joslin Library Fund	Cemetery Trust Fund	Paving Reserve Fund	Wastewater Feasibility Study Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
Cash Receipts:									
Property Taxes	\$ 2,073,508	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,073,508
Penalties and Interest on Delinquent Taxes	36,139	0	0	0	0	0	0	0	36,139
Intergovernmental	217,874	0	0	0	0	0	253,041	20,996	491,911
Charges for Services	95,594	0	0	0	0	0	0	9,076	104,670
Permits, Licenses and Fees	60,821	0	0	0	0	0	0	2,750	63,571
Fines and Forfeits	5,817	0	0	0	0	0	0	0	5,817
Loan Repayments	34,024	0	0	0	0	0	0	0	34,024
Investment Income	18,649	774	0	19,846	2,290	0	0	2,865	44,424
Donations	0	0	8,110	0	0	0	0	48,782	56,892
Other	5,996	0	0	0	0	0	0	4,530	10,526
Total Cash Receipts	<u>2,548,422</u>	<u>774</u>	<u>8,110</u>	<u>19,846</u>	<u>2,290</u>	<u>0</u>	<u>253,041</u>	<u>88,999</u>	<u>2,921,482</u>
Cash Disbursements:									
General Government	519,998	0	0	0	0	0	44,304	21,143	585,445
Public Safety	240,442	0	0	0	0	0	6,650	51,928	299,020
Highways and Streets	734,935	59,530	0	0	0	0	0	0	794,465
Culture and Recreation	124,142	0	7,735	0	0	0	0	8,555	140,432
Community Development	0	0	0	0	0	0	0	12,296	12,296
Wastewater Study	0	0	0	0	0	161,047	0	0	161,047
Cemetery	0	0	0	0	0	0	0	31,339	31,339
Capital Outlay:				2,832					2,832
Highway and Streets	0	0	0	0	72,348	0	0	119,355	191,703
Debt Service:									
Principal	198,579	0	0	0	0	0	0	0	198,579
Interest	34,139	0	0	0	0	0	0	0	34,139
Total Cash Disbursements	<u>1,852,235</u>	<u>59,530</u>	<u>7,735</u>	<u>2,832</u>	<u>72,348</u>	<u>161,047</u>	<u>50,954</u>	<u>244,616</u>	<u>2,451,297</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>696,187</u>	<u>(58,756)</u>	<u>375</u>	<u>17,014</u>	<u>(70,058)</u>	<u>(161,047)</u>	<u>202,087</u>	<u>(155,617)</u>	<u>470,185</u>
Other Financing Sources/(Uses):									
Proceeds from Long-term Debt	0	0	0	0	0	70,878	0	0	70,878
Transfers In	0	80,000	0	650	150,000	0	0	256,118	486,768
Transfers Out	(485,010)	0	0	(8,580)	0	0	0	(2,178)	(495,768)
Total Other Financing Sources/(Uses)	<u>(485,010)</u>	<u>80,000</u>	<u>0</u>	<u>(7,930)</u>	<u>150,000</u>	<u>70,878</u>	<u>0</u>	<u>253,940</u>	<u>61,878</u>
Net Change in Fund Balances	211,177	21,244	375	9,084	79,942	(90,169)	202,087	98,323	532,063
Fund Balances - July 1, 2022	<u>489,465</u>	<u>139,287</u>	<u>812</u>	<u>390,091</u>	<u>350,023</u>	<u>0</u>	<u>253,041</u>	<u>650,525</u>	<u>2,273,244</u>
Fund Balances/(Deficit) - June 30, 2023	<u>\$ 700,642</u>	<u>\$ 160,531</u>	<u>\$ 1,187</u>	<u>\$ 399,175</u>	<u>\$ 429,965</u>	<u>\$ (90,169)</u>	<u>\$ 455,128</u>	<u>\$ 748,848</u>	<u>\$ 2,805,307</u>

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, 2023

	Water Fund	Wait House Fund	Total
<u>ASSETS</u>			
Cash	\$ 159,903	\$ 21,048	\$ 180,951
Investments	241,514	0	241,514
Due from Other Funds	<u>0</u>	<u>14,611</u>	<u>14,611</u>
Total Assets	<u>401,417</u>	<u>35,659</u>	<u>437,076</u>
<u>LIABILITIES</u>			
Due to Other Funds	18,242	0	18,242
Due to Customers	<u>438</u>	<u>0</u>	<u>438</u>
Total Liabilities	<u>18,680</u>	<u>0</u>	<u>18,680</u>
<u>NET POSITION</u>			
Unrestricted	<u>382,737</u>	<u>35,659</u>	<u>418,396</u>
Total Net Position	<u>\$ 382,737</u>	<u>\$ 35,659</u>	<u>\$ 418,396</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, 2023

	Water Fund	Wait House Fund	Total
Operating Receipts:			
Charges for Services	\$ 222,255	\$ 10,481	\$ 232,736
Total Operating Receipts	<u>222,255</u>	<u>10,481</u>	<u>232,736</u>
Operating Disbursements:			
Administrative Charges	3,225	0	3,225
Administrative Supplies	502	64	566
Permits and Licenses	565	0	565
Insurance	918	3,117	4,035
Professional Services	27,405	6,575	33,980
Communications	1,163	0	1,163
Utilities	2,928	8,387	11,315
Maintenance	6,910	9,830	16,740
Other	1,395	0	1,395
Total Operating Disbursements	<u>45,011</u>	<u>27,973</u>	<u>72,984</u>
Operating Income/(Loss)	<u>177,244</u>	<u>(17,492)</u>	<u>159,752</u>
Non-Operating Receipts/(Disbursements)			
Investment Income	1,728	38	1,766
Capital Projects	(6,300)	0	(6,300)
Grant Income	0	41,000	41,000
Debt Service - Principal	(58,093)	0	(58,093)
Debt Service - Interest	(74,903)	0	(74,903)
Total Non-Operating Receipts/(Disbursements)	<u>(137,568)</u>	<u>41,038</u>	<u>(96,530)</u>
Net Income/(Loss) Before Transfers	39,676	23,546	63,222
Transfers In	<u>0</u>	<u>9,000</u>	<u>9,000</u>
Change in Net Position	39,676	32,546	72,222
Net Position - July 1, 2022	<u>343,061</u>	<u>3,113</u>	<u>346,174</u>
Net Position - June 30, 2023	<u>\$ 382,737</u>	<u>\$ 35,659</u>	<u>\$ 418,396</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, 2023

	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>
Total Liabilities	<u>31,407</u>	<u>0</u>
<u>NET POSITION</u>		
Net Position/(Deficit):	\$ <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, 2023

	Custodial Funds	
	Sewer Escrow Fund	Education Tax Fund
<u>ADDITIONS</u>		
Education Taxes Collected for Other Governments	\$ 0	\$ 5,758,480
Total Additions	0	5,758,480
<u>DEDUCTIONS</u>		
Education Taxes Distributed to Other Governments	0	5,758,480
Total Deductions	0	5,758,480
Change in Net Position	0	0
Net Position - July 1, 2022	0	0
Net Position - June 30, 2023	\$ 0	\$ 0

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

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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.

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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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.

Bridge & Culvert Fund – This fund accounts for the assets held by the Town for future bridge and culvert expenditures.

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.

Wastewater Feasibility Study Fund – This fund accounts for the activity related to the Wastewater Feasibility Study.

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.

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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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.

The Town's policy is to prepare its financial statements generally on the basis of cash receipts and disbursements; consequently, certain revenue and related assets are recognized when received rather than when earned and certain expenditures and related liabilities are recognized when paid rather than when the obligation is incurred. The exceptions to this are that the Town records investments at cost, amounts due from others 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.

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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".

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.

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Town's cash and investments as of June 30, 2023 consisted of the following:

Cash:		
Deposits with Financial Institutions		\$2,560,610
Deposits with Investment Company		<u>1,536</u>
Total Cash		<u>2,562,146</u>
Investments:		
Certificate of Deposit		315,758
Corporate Bonds		10,000
Mutual Funds – Mixed Holdings		344,101
Exchange Traded Funds		10,378
Common Stock		<u>13,160</u>
Total Investments		<u>693,397</u>
Total Cash and Investments		<u>\$3,255,543</u>

The Town has four (4) certificates of deposit with amounts ranging from \$10,000 to \$140,938, with interest rates ranging from 3.44% to 5.35% and maturities ranging from September 26, 2023 to January 4, 2024.

Fair Market Value

The Town maintains their investments at cost. As of June 30, 2023, the Town's fair market value of their investments are as follows:

	<u>Cost</u>	<u>Fair Market Value</u>
Corporate Bonds	\$ 10,000	\$ 9,928
Mutual Funds - Mixed Holdings	344,101	376,426
Exchange Traded Funds	10,378	9,693
Common Stock	<u>13,160</u>	<u>4,539</u>
Total	\$ <u>377,639</u>	\$ <u>400,586</u>

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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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	\$ 619,523	\$ 619,525
Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution's Agent	<u>2,258,381</u>	<u>2,308,664</u>
Total	<u>\$2,877,904</u>	<u>\$2,928,189</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	\$2,560,610
Cash – Deposits with Investment Company	1,536
Investments – Certificate of Deposit	<u>315,758</u>
Total	<u>\$2,877,904</u>

Interest Rate Risk

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

<u>Investment Type</u>	<u>1 to 5 Years</u>
Corporate Bonds	\$ <u><u>10,000</u></u>

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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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:

Moody's Rating as of June 30, 2023			
<u>Investment Type</u>	<u>Aa2</u>	<u>A2</u>	<u>Total</u>
Corporate Bonds	\$ <u>5,000</u>	<u>5,000</u>	\$ <u>10,000</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.

B. Interfund Balances and Activity

Interfund balances as of June 30, 2023 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 0	\$405,283
Bridge & Culvert Fund	0	59,530
Wastewater Feasibility Study Fund	0	90,169
ARPA Fund	455,128	0
Non-Major Governmental Funds	107,771	4,286
Water Fund	0	18,242
Wait House Fund	<u>14,611</u>	<u>0</u>
Totals	<u>\$577,510</u>	<u>\$577,510</u>

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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Interfund transfers during the years ended June 30, 2023 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Fire Department Truck Reserve Fund	\$ 70,000	Annual Contribution
General Fund	Equipment Fund	64,540	Annual Contribution
General Fund	Fire Department Building & Equipment Fund	8,470	Annual Contribution
General Fund	Bridge & Culvert Fund	80,000	Annual Contribution
General Fund	Route 100 Transportation Path Fund	10,000	Annual Contribution
General Fund	Paving Reserve Fund	150,000	Annual Contribution
General Fund	Heavy Equipment Fund	40,000	Annual Contribution
General Fund	Restroom, Recreation & Conservation Fund	20,000	Annual Contribution
General Fund	Lareau Park Improvement Fund	6,000	Annual Contribution
General Fund	Covered Bridge Repair	2,000	Annual Contribution
General Fund	Wait House Fund	9,000	Annual Contribution
General Fund	Reappraisal Reserve Fund	10,000	Annual Contribution
General Fund	Street Trees Fund	5,000	Annual Contribution
General Fund	Invasive Species Fund	10,000	Annual Contribution
Invasive Species Fund	Restroom, Recreation & Conservation Fund	1,528	Fund Expenses
Cemetery Trust Fund	Cemetery Commission Fund	8,580	Annual Contribution
Cemetery Commission Fund	Cemetery Trust Fund	650	Transfer of Lot Sales
		<u>\$ 495,768</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.

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.

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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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

Joslin Library Fund:

Restricted for Joslin Library Capital Expenditures by Donations (Source of Revenue is Donations)	\$ <u>1,187</u>
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Cemetery Trust Fund:

Restricted for Cemetery Trust Fund by Trust Agreements	<u>399,175</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>455,128</u>
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Non-Major Funds

Special Revenue Funds:

Restricted for Records Restoration Fund Expenses by Statute (Source of Revenue is Restoration Fees)	58,989
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Restricted for Entrust Conservation Fund Expenses by Donations (Source of Revenue is Donations)	14,270
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Restricted for Cemetery Commission Fund Expenses by Lot Sales (Source of Revenue is Lot Sales)	20,822
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Restricted for Community Development by Grant Agreement (Source of Revenue is Grant Revenue)	28,379
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Restricted for Farley Riverside Park Stewardship Reserve Fund Expenses (Source of Revenue is Donations)	<u>48,782</u>
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Total Special Revenue Funds	<u>171,242</u>
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Capital Projects Funds:

Restricted for Scrag Mountain Town Forest Expenses by Agreement (Source of Revenue is Donations)	<u>54,244</u>
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Total Non-Major Funds	<u>225,486</u>
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Total Restricted Fund Balances	<u>\$1,080,976</u>
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TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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The fund balances in the following funds are committed as follows:

Major Funds

Committed for Bridge and Culvert Expenditures by the Voters	\$ <u>160,531</u>
Committed for Paving Expenditures by the Voters	<u>429,965</u>

Non-Major Funds

Special Revenue Funds:

Committed for Agricultural Support by the Voters	<u>10,168</u>
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Capital Projects Funds:

Committed for Route 100 Path Expenditures by the Voters	47,987
Committed for Fire Department Equipment Expenditures by the Voters	101,413
Committed for Street Trees Expenditures by the Voters	14,800
Committed for Equipment Expenditures by the Voters	19,583
Committed for Fire Department Building and Equipment Expenditures by the Voters	28,766
Committed for Heavy Equipment Expenditures by the Voters	90,024
Committed for Covered Bridge Repair Expenditures by the Voters	9,540
Committed for Restroom and Recreation Expenses by the Voters	<u>64,763</u>

Total Capital Project Funds	<u>376,876</u>
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Total Non-Major Funds	<u>387,044</u>
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Total Committed Fund Balances	<u>\$977,540</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	\$ <u>59,768</u>
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Non-Major Funds

Special Revenue Funds:

Assigned for Reappraisal Expenses	<u>110,688</u>
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Capital Projects Funds:

Assigned for Town Clock Expenditures	1,917
Assigned for Lareau Park Improvement Expenditures	16,577
Assigned for Energy Projects Expenditures	<u>8,962</u>

Total Capital Projects Funds	<u>27,456</u>
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TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Total Non-Major Funds	\$138,144
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Total Assigned Fund Balances	\$197,912
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The deficit of \$90,169 in the Wastewater Feasibility Study Fund will be funded with future debt proceeds and transfers in from the General Fund.

The deficit of \$1,826 in the Invasive Species Fund will be funded with future transfers in from the General Fund.

D. Restricted Net Position

The restricted net position in the Governmental Activities consists of the restricted fund balances of \$1,080,976.

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, 2022, the measurement date selected by the State of Vermont, the retirement system consisted of 359 participating employers.

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

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

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

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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

As of June 30, 2022, the measurement date selected by the State of Vermont, VMERS was funded at 73.60% and had a plan fiduciary net position of \$845,979,471 and a total pension liability of \$1,149,351,427 resulting in a net position liability of \$303,371,956. As of June 30, 2023, the Town's proportionate share of this was 0.0993% resulting in a net pension liability of \$301,153. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. 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 0.0993% was an increase of 0.0087 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.

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.

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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Amount – Normal retirement 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 allowance computed as of date of death. For Group D, 70% of the unreduced accrued benefit plus children’s benefit.

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.

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 Contributions – Upon termination, if the member so elects or if no other benefit is payable, the member’s accumulated contributions with interest are refunded.

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

Employer Contribution Rates – 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.

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Significant Actuarial Assumptions and Methods

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

Inflation: 2.30% per year.

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.

Cost-of-Living Adjustments: 1.10% for Group A members and 1.20% for Groups B, C and D members. The January 1, 2022 COLA was 2.00% for Group A members and 2.30% for Groups B, C and D members. The January 1, 2023 COLA was 2.00% for Group A members and 3.00% for Groups B, C and D members.

Mortality:

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

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

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

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

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

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.

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Passive Global Equities	24%	4.30%
Active Global Equities	5%	4.30%
Large Cap US Equities	4%	3.25%
Small/Mid Cap US Equities	3%	3.75%
Non-US Developed Market Equities	7%	5.00%
Private Equity	10%	6.50%
Emerging Market Debt	4%	3.50%
Private & Alternate Credit	10%	4.75%
Non-Core Real Estate	4%	6.00%
Core Fixed Income	19%	0.00%
Core Real Estate	3%	3.50%
US TIPS	3%	(0.50)%
Infrastructure/Farmland	4%	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. In 2022, the Legislature passed H.740, which effectively split the Board-authorized increases evenly between members and employers by including an increase in the employee rate of 0.25% for each group for four years, beginning July 1, 2022. 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, 2022. 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%):

TOWN OF WAITSFIELD, VERMONT
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<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$451,265	\$301,153	\$177,680

Additional Information

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

B. 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 2023 were as follows:

	<u>Homestead</u>	<u>Non-Homestead</u>
Town	.5288	.5288
Local Agreement	.0035	.0035
Education	<u>1.7109</u>	<u>1.6463</u>
Total	<u>2.2432</u>	<u>2.1786</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 2023.

TOWN OF WAITSFIELD, VERMONT
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JUNE 30, 2023

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.

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, 2023 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	\$ 412,750	\$ 0	\$ 31,750	\$ 381,000
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	182,422	0	36,484	145,938

TOWN OF WAITSFIELD, VERMONT
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JUNE 30, 2023

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
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	\$ 239,998	\$ 0	\$ 26,667	\$ 213,331
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	183,750	0	12,250	171,500
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, Administrative Fee of 2%, Due November, 2037	237,513	0	20,531	216,982
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 Prior Year, Interest at 3.1%, Due and Paid May, 2023	14,950	0	14,950	0
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 and Paid May, 2023	25,000	0	25,000	0
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	161,110	0	30,947	130,163

TOWN OF WAITSFIELD, VERMONT
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JUNE 30, 2023

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, State of Vermont Special Environmental Revolving Fund, Authorized Up to \$78,753 for a Feasibility Study for a New Community Wastewater System, 100% Forgivable.	\$ <u>0</u>	\$ <u>70,878</u>	\$ <u>70,878*</u>	\$ <u>0</u>
Total Governmental Activities	\$ <u>1,457,493</u>	\$ <u>70,878</u>	\$ <u>269,457</u>	\$ <u>1,258,914</u>

*This is a 100% forgivable bond, the Town recognized \$70,878 in forgiveness in fiscal year 2023.

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	\$2,562,969	\$ 0	\$ 54,612	\$2,508,357
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>175,241</u>	<u>0</u>	<u>3,481</u>	<u>171,760</u>
Total Business-type Activities	\$ <u>2,738,210</u>	\$ <u>0</u>	\$ <u>58,093</u>	\$ <u>2,680,117</u>

TOWN OF WAITSFIELD, VERMONT
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Maturities are estimated to be as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 159,665	\$ 29,967	\$ 59,701	\$ 73,655
2025	160,721	26,940	61,354	71,642
2026	161,798	23,841	63,054	69,942
2027	162,899	20,671	64,800	69,942
2028	93,335	17,431	66,054	66,402
2029-2033	407,996	49,029	361,670	303,312
2034-2038	112,500	6,895	414,600	252,684
2039-2043	0	0	471,578	192,385
2044-2048	0	0	488,703	126,050
2049-2053	0	0	493,479	58,593
2054-2058	0	0	135,124	3,729
Total	\$ <u>1,258,914</u>	\$ <u>174,774</u>	\$ <u>2,680,117</u>	\$ <u>1,288,336</u>

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, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Receipts:			
Property Taxes	\$ 2,029,667	\$ 2,073,508	\$ 43,841
Delinquent Tax Interest	16,500	23,312	6,812
Delinquent Tax Penalties	15,000	12,827	(2,173)
Act 60 Annual Support	10,500	10,830	330
Town Clerk Fees	35,000	28,845	(6,155)
Investment Income	2,500	18,535	16,035
Liquor Licenses	3,500	3,970	470
Zoning Fees	8,500	17,176	8,676
Highway State Aid	90,000	74,123	(15,877)
Road Department - Grants	0	9,400	9,400
Road Department - Miscellaneous	3,000	1,000	(2,000)
Insurance Audit Refund	0	524	524
Fire Department Income (Fayston)	57,544	54,883	(2,661)
Traffic Control Income	5,000	5,096	96
Dog Fines & Impoundment Fees	150	721	571
PILOT	6,000	6,239	239
Current Use	105,000	110,612	5,612
Library Insurance Reimbursement	2,700	3,236	536
Wait House Insurance Reimbursement	2,500	3,117	617
Water Admin. Reimbursement	2,800	3,575	775
Miscellaneous	0	1,215	1,215
Wastewater Loan Repayments - Phase 1 and 2	23,535	34,024	10,489
Waitsfield Elementary Solar	10,000	8,744	(1,256)
Solar Array Credits	9,500	15,236	5,736
Planning and Zoning Grant	0	17,500	17,500
Total Cash Receipts	2,438,896	2,538,248	99,352
Cash Disbursements:			
Town Meeting:			
Elections Expense	3,000	218	2,782
Town Report	1,500	1,074	426
Total Town Meeting	4,500	1,292	3,208
Legal and Auditing:			
Legal	16,000	9,366	6,634
Auditing	17,700	17,700	0
Total Legal and Auditing	33,700	27,066	6,634

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TOWN OF WAITSFIELD, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
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BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
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	Budget	Actual	Variance Favorable/ (Unfavorable)
Town Office Operations:			
Insurance and Bonds	\$ 17,000	\$ 12,859	\$ 4,141
Office Utilities	5,000	4,984	16
Town Office Repairs and Maintenance	9,000	2,391	6,609
Postage	5,250	3,114	2,136
Supplies	7,000	8,019	(1,019)
Computer Services	7,450	6,177	1,273
Training	750	406	344
Cleaning	10,000	9,055	945
Equipment Maintenance & Contracts	14,000	14,997	(997)
Telephone	5,110	4,488	622
Office Equipment	3,750	183	3,567
Public Notice Expense	4,000	5,223	(1,223)
Special Services	7,000	0	7,000
Total Town Office Operations	95,310	71,896	23,414
Town Clerk and Treasurer:			
Clerk/Treasurer & Assistant Salary	82,852	101,388	(18,536)
Borrowing Interest	250	38	212
Ballot Clerks	1,500	823	677
Total Town Clerk and Treasurer	84,602	102,249	(17,647)
Selectboard:			
Selectboard Reimbursement	3,250	3,250	0
Town Website	750	0	750
Town Administrator	70,541	69,143	1,398
Training	500	547	(47)
Mileage Reimbursement	0	44	(44)
Selectboard Recording Secretary	2,000	1,418	582
Total Selectboard	77,041	74,402	2,639
Planning and Zoning:			
Minute Taker	825	1,601	(776)
Special Planning Projects	6,000	22,933	(16,933)
Zoning Administrator/Planning Director Salary	55,669	57,051	(1,382)
Training	500	192	308
Computer Equipment Services	1,250	851	399
Mileage Reimbursement	250	0	250
Total Planning and Zoning	64,494	82,628	(18,134)

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GENERAL FUND
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	Budget	Actual	Variance Favorable/ (Unfavorable)
Board of Listers:			
Assessor Services	\$ 22,500	\$ 22,463	\$ 37
Computer Equipment Services	2,250	2,807	(557)
Property Map Maintenance	1,750	1,650	100
Training and Meetings	200	0	200
Professional Services	1,000	0	1,000
Total Board of Listers	27,700	26,920	780
Collector of Delinquent Taxes:	15,000	11,705	3,295
Conservation Committee:	5,000	5,000	0
Highway Department Labor:	181,926	200,601	(18,675)
Equipment Operation and Repairs:			
Road Department Insurance	9,500	9,100	400
Gas, Oil, Grease and Filters	7,500	11,282	(3,782)
Diesel	25,000	38,530	(13,530)
2020 International Dump Truck	1,500	1,675	(175)
2021 International Dump Truck	1,500	628	872
2021 GMC 3500	1,500	4,058	(2,558)
2009 John Deere Loader	1,500	4,866	(3,366)
2015/2021 Tandem	5,000	7,345	(2,345)
Ford Chloride Truck	1,500	489	1,011
2021 John Deere Grader	500	421	79
2021 CAT Backhoe	500	0	500
2018 HV Truck	2,500	1,291	1,209
Roadside Mower	3,000	4,607	(1,607)
Steel Pole Saw/Chainsaw	300	102	198
Garage Repairs	2,500	3,091	(591)
Garage Trash Removal	1,700	2,071	(371)
Garage Uniforms	4,500	6,812	(2,312)
Garage Heat	4,000	4,061	(61)
Garage Telephone	2,600	2,218	382
Garage Electricity	1,900	1,751	149
Garage Supplies/Hardware	3,000	4,179	(1,179)
Garage Miscellaneous	1,200	185	1,015
Chipper/Rake	650	1,294	(644)
Garage Alarm System	900	377	523
Water Service	630	593	37
Plow Blades and Shoes	6,000	5,863	137
Total Equipment Operation and Repairs	90,880	116,889	(26,009)

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TOWN OF WAITSFIELD, VERMONT
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	Budget	Actual	Variance Favorable/ (Unfavorable)
Road Hired Equipment and Labor:			
Sidewalk Plowing	\$ 29,651	\$ 29,651	\$ 0
Other Equipment Rental	300	0	300
Contracted Plowing	2,500	0	2,500
Grading	150	0	150
Contracted Services	12,000	150	11,850
Total Road Hired Equipment and Labor	44,601	29,801	14,800
Road Department Materials:			
Salt	50,000	45,588	4,412
Sand	56,000	45,447	10,553
Chloride	16,000	14,791	1,209
Stone	8,000	8,044	(44)
Culverts	10,000	10,230	(230)
Guardrails	1,500	0	1,500
Tools	6,400	2,753	3,647
Signs	2,000	644	1,356
Fabric	1,000	0	1,000
Cold Patch, Hay & Seed	5,000	4,400	600
Waste Blocks	1,000	0	1,000
Total Road Department Materials	156,900	131,897	25,003
Road Department Miscellaneous			
Fayston Winter Agreement	11,174	11,174	0
Sidewalk Maintenance and Repairs	2,500	0	2,500
Tree Cutting	1,000	0	1,000
Bridge Repairs	3,700	206	3,494
Gravel Pit Management	1,000	160	840
Pavement Sealing	4,350	0	4,350
Line Painting	4,000	3,323	677
Street Lights	5,000	5,519	(519)
Bridge Lights	800	189	611
Radios and Pagers	500	0	500
Road Department Training	250	30	220
MRGP/State Roads Permit	1,500	1,765	(265)
Total Road Department Miscellaneous	35,774	22,366	13,408
Employee Benefits:			
FICA/Medicare	29,712	33,098	(3,386)
Retirement	26,216	27,862	(1,646)
Unemployment	750	749	1
Workers Compensation	14,000	24,465	(10,465)
Health Insurance	92,083	89,305	2,778
Dental Insurance	6,474	1,259	5,215
Life and Disability Insurance	3,588	2,384	1,204
Vision	650	359	291
Total Employee Benefits	173,473	179,481	(6,008)

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TOWN OF WAITSFIELD, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
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BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Fire Department:			
Gas, Oil and Grease	\$ 3,500	\$ 3,209	\$ 291
Insurance	9,000	10,536	(1,536)
Telecommunication	35,000	36,007	(1,007)
Electricity	2,500	1,800	700
Heat	6,000	5,424	576
Water	660	592	68
Building Repair and Maintenance	6,000	4,661	1,339
Alarm	425	115	310
Truck Repairs	14,000	12,948	1,052
Equipment Repairs	7,500	3,244	4,256
Radio and Repairs	5,000	5,765	(765)
Bottled Gas	400	0	400
Training	9,000	6,396	2,604
Hose and Equipment	6,180	5,777	403
Gear	10,000	9,684	316
Fire Prevention	600	687	(87)
Miscellaneous	500	1,058	(558)
Dues	500	0	500
Physical Exams	1,500	0	1,500
Labor	24,230	34,995	(10,765)
FICA and Medicare	1,854	2,991	(1,137)
Ladder/Hose Testing	3,200	3,499	(299)
Total Fire Department	147,549	149,388	(1,839)
Public Safety:			
Sheriff Department Billing	25,000	25,779	(779)
Dog Warden Salary and Fees	750	860	(110)
Dog Pound Fees	150	365	(215)
Emergency Management	1,200	770	430
Fire Warden	250	250	0
Constable	8,000	554	7,446
Fire Protection Contribution	27,640	25,960	1,680
Generator Expense	900	281	619
Insurance	2,100	557	1,543
Training	500	0	500
Town Health Officer	750	750	0
Miscellaneous	250	30	220
Total Public Safety	67,490	56,156	11,334
Dues and Assessments:			
Central Vermont Regional Planning	2,453	2,453	0
Joslin Memorial Library	64,881	64,782	99
Mad River Resource Management Alliance	12,394	12,908	(514)
Mad River Valley Ambulance	15,000	15,000	0
Mad River Valley Planning District	45,137	45,317	(180)
Mad River Valley Recreation District	40,000	40,000	0
Vermont League of Cities and Towns	3,412	3,412	0
Green Mountain Transit	2,030	2,030	0

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TOWN OF WAITSFIELD, VERMONT
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GENERAL FUND
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	Budget	Actual	Variance Favorable/ (Unfavorable)
Dues and Assessments/(Cont.):			
Washington County Tax	\$ 31,378	\$ 31,378	\$ 0
Total Dues and Assessments	216,685	217,280	(595)
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 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
Rural Fire Protection	100	100	0
MOSAIC	250	250	0
Center for Independent Living	620	620	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	500	500	0
Good Samaritan	1,000	1,000	0
Total Special Appropriations	22,470	22,470	0
Miscellaneous:			
Maintenance of Parks	15,000	13,155	1,845
Trail Maintenance	2,500	2,500	0
Solar Array Maintenance	1,500	1,288	212
Steward Mad River Valley	5,000	5,000	0
Membership and Dues	100	80	20
Cemetery Veteran's Flags	100	0	100
Mad River Valley Television Hearing Coverage	3,570	3,400	170
Wait House Operations	4,000	4,000	0
Other	500	12	488
MRGP Permit Compliance	5,500	0	5,500
Total Miscellaneous	37,770	29,435	8,335
Debt Service:			
Town Office/Solar Array Bond	45,945	45,945	0
Town Office Bond	17,073	17,073	0
Wastewater Loan - RF1-058	36,484	36,484	0
Wastewater Loan - RF1-164/208	26,681	25,282	1,399

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STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
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BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
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	Budget	Actual	Variance Favorable/ (Unfavorable)
Debt Service/(Cont.):			
Bridge Street Bond	\$ 32,560	\$ 32,608	\$ (48)
2016 Paving Note	65,000	0	65,000
Town Garage Improvements	15,000	0	15,000
2011 Storm Damage Loan	25,775	25,749	26
Water Main Break Loan	15,414	15,378	36
Grader Lease	34,199	34,199	0
Tandem Purchase	53,900	53,900	0
Total Debt Service	368,031	286,618	81,413
Wait House:			
Wait House Capital Reserve	5,000	5,000	0
Total Wait House	5,000	5,000	0
Contribution to Reserves:			
Equipment Reserve Fund	70,000	70,000	0
Heavy Equipment Reserve Fund	40,000	40,000	0
Fire Department Equipment Reserve Fund	64,540	64,540	0
Fire Department Building Reserve Fund	15,460	15,460	0
Conservation Fund	20,000	20,000	0
Lareau Park Reserve	6,000	6,000	0
Route 100 Transportation Path Fund	10,000	10,000	0
Bridge and Culvert Repair	80,000	80,000	0
Paving Reserve Fund	150,000	150,000	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
Invasive Species Reserve	10,000	10,000	0
Total Contribution to Reserves	483,000	483,000	0
Total Cash Disbursements	2,438,896	2,333,540	105,356
Excess of Cash Receipts			
Over Cash Disbursements	\$ 0	204,708	\$ 204,708
Adjustments to Reconcile from the Budgetary Basis of Accounting			
to the Modified Cash Basis of Accounting:			
Town Forest Stewardship Fund Investment Income		114	
Town Forest Stewardship Fund Income		10,060	
Town Forest Stewardship Fund Expenses		(3,705)	
Net Change in Fund Balance		211,177	
Fund Balance - July 1, 2022		489,465	
Fund Balance - June 30, 2023		\$ 700,642	

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

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TOWN OF WAITSFIELD, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS ASSETS,
 LIABILITIES AND FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2023

	Special Revenue Funds	Capital Projects Funds	Total
<u>ASSETS</u>			
Cash	\$ 186,787	\$ 404,332	\$ 591,119
Investments	0	54,244	54,244
Due from Other Funds	<u>107,771</u>	<u>0</u>	<u>107,771</u>
Total Assets	<u>\$ 294,558</u>	<u>\$ 458,576</u>	<u>\$ 753,134</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Due to Other Funds	\$ <u>4,286</u>	\$ <u>0</u>	\$ <u>4,286</u>
Total Liabilities	<u>4,286</u>	<u>0</u>	<u>4,286</u>
Fund Balances:			
Restricted	171,242	54,244	225,486
Committed	10,168	376,876	387,044
Assigned	110,688	27,456	138,144
Unassigned/(Deficit)	<u>(1,826)</u>	<u>0</u>	<u>(1,826)</u>
Total Fund Balances	<u>290,272</u>	<u>458,576</u>	<u>748,848</u>
Total Liabilities and and Fund Balances	<u>\$ 294,558</u>	<u>\$ 458,576</u>	<u>\$ 753,134</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, 2023

	Special Revenue Funds	Capital Projects Funds	Total
Cash Receipts:			
Intergovernmental	\$ 0	\$ 20,996	\$ 20,996
Charges for Services	9,076	0	9,076
Permits, Licenses and Fees	2,750	0	2,750
Investment Income	942	1,923	2,865
Donations	48,782	0	48,782
Miscellaneous	0	4,530	4,530
	<u>61,550</u>	<u>27,449</u>	<u>88,999</u>
Total Cash Receipts	<u>61,550</u>	<u>27,449</u>	<u>88,999</u>
Cash Disbursements:			
General Government	21,143	0	21,143
Public Safety	0	51,928	51,928
Community Development	12,296	0	12,296
Culture and Recreation	0	8,555	8,555
Cemetery	31,339	0	31,339
Capital Outlay:			
Highways and Streets	0	119,355	119,355
	<u>64,778</u>	<u>179,838</u>	<u>244,616</u>
Total Cash Disbursements	<u>64,778</u>	<u>179,838</u>	<u>244,616</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>(3,228)</u>	<u>(152,389)</u>	<u>(155,617)</u>
Other Financing Sources/(Uses):			
Transfers In	28,580	227,538	256,118
Transfers Out	(2,178)	0	(2,178)
	<u>26,402</u>	<u>227,538</u>	<u>253,940</u>
Total Other Financing Sources/(Uses)	<u>26,402</u>	<u>227,538</u>	<u>253,940</u>
Net Change in Fund Balances	23,174	75,149	98,323
Fund Balances - July 1, 2022	<u>267,098</u>	<u>383,427</u>	<u>650,525</u>
Fund Balances - June 30, 2023	<u>\$ 290,272</u>	<u>\$ 458,576</u>	<u>\$ 748,848</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, 2023

	Records Restoration Fund	Reappraisal Fund	Entrust Conservation Fund	Agricultural Support Fund	Cemetery Commission Fund	Invasive Species Reserve Fund	Vermont Grant Fund	Farley Riverside Park Stewardship Reserve Fund	Total
<u>ASSETS</u>									
Cash	\$ 0	\$ 110,688	\$ 14,270	\$ 10,168	\$ 20,822	\$ 2,460	\$ 28,379	\$ 0	\$ 186,787
Due from Other Funds	<u>58,989</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>48,782</u>	<u>107,771</u>
Total Assets	<u>\$ 58,989</u>	<u>\$ 110,688</u>	<u>\$ 14,270</u>	<u>\$ 10,168</u>	<u>\$ 20,822</u>	<u>\$ 2,460</u>	<u>\$ 28,379</u>	<u>\$ 48,782</u>	<u>\$ 294,558</u>
<u>LIABILITIES AND FUND BALANCES</u>									
Due to Other Funds	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,286</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,286</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,286</u>	<u>0</u>	<u>0</u>	<u>4,286</u>
Fund Balances:									
Restricted	58,989	0	14,270	0	20,822	0	28,379	48,782	171,242
Committed	0	0	0	10,168	0	0	0	0	10,168
Assigned	0	110,688	0	0	0	0	0	0	110,688
Unassigned/(Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,826)</u>	<u>0</u>	<u>0</u>	<u>(1,826)</u>
Total Fund Balances	<u>58,989</u>	<u>110,688</u>	<u>14,270</u>	<u>10,168</u>	<u>20,822</u>	<u>(1,826)</u>	<u>28,379</u>	<u>48,782</u>	<u>290,272</u>
Total Liabilities and Fund Balances	<u>\$ 58,989</u>	<u>\$ 110,688</u>	<u>\$ 14,270</u>	<u>\$ 10,168</u>	<u>\$ 20,822</u>	<u>\$ 2,460</u>	<u>\$ 28,379</u>	<u>\$ 48,782</u>	<u>\$ 294,558</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, 2023

	Records Restoration Fund	Reappraisal Fund	Entrust Conservation Fund	Agricultural Support Fund	Cemetery Commission Fund	Invasive Species Reserve Fund	Vermont Grant Fund	Farley Riverside Park Stewardship Reserve Fund	Total
Cash Receipts:									
Charges for Services	\$ 7,896	\$ 0	\$ 0	\$ 0	\$ 1,180	\$ 0	\$ 0	\$ 0	\$ 9,076
Permits, Licenses and Fees	0	0	0	0	2,750	0	0	0	2,750
Investment Income	0	788	30	78	0	6	40	0	942
Donations	0	0	0	0	0	0	0	48,782	48,782
Total Cash Receipts	7,896	788	30	78	3,930	6	40	48,782	61,550
Cash Disbursements:									
General Government	10,839	0	0	0	0	10,304	0	0	21,143
Community Development	0	0	0	0	0	0	12,296	0	12,296
Cemetery	0	0	0	0	31,339	0	0	0	31,339
Total Cash Disbursements	10,839	0	0	0	31,339	10,304	12,296	0	64,778
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	(2,943)	788	30	78	(27,409)	(10,298)	(12,256)	48,782	(3,228)
Other Financing Sources/(Uses):									
Transfers In	0	10,000	0	0	8,580	10,000	0	0	28,580
Transfers Out	0	0	0	0	(650)	(1,528)	0	0	(2,178)
Total Other Financing Sources/(Uses)	0	10,000	0	0	7,930	8,472	0	0	26,402
Net Change in Fund Balances	(2,943)	10,788	30	78	(19,479)	(1,826)	(12,256)	48,782	23,174
Fund Balances - July 1, 2022	61,932	99,900	14,240	10,090	40,301	0	40,635	0	267,098
Fund Balances/(Deficit) - June 30, 2023	\$ 58,989	\$ 110,688	\$ 14,270	\$ 10,168	\$ 20,822	\$ (1,826)	\$ 28,379	\$ 48,782	\$ 290,272

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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, 2023

	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	\$ 101,413	\$ 1,917	\$ 16,577	\$ 14,800	\$ 19,583	\$ 28,766
Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 101,413</u>	<u>\$ 1,917</u>	<u>\$ 16,577</u>	<u>\$ 14,800</u>	<u>\$ 19,583</u>	<u>\$ 28,766</u>
<u>LIABILITIES AND FUND BALANCES</u>						
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	101,413	0	0	14,800	19,583	28,766
Assigned	<u>0</u>	<u>1,917</u>	<u>16,577</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>101,413</u>	<u>1,917</u>	<u>16,577</u>	<u>14,800</u>	<u>19,583</u>	<u>28,766</u>
Total Liabilities and Fund Balances	<u>\$ 101,413</u>	<u>\$ 1,917</u>	<u>\$ 16,577</u>	<u>\$ 14,800</u>	<u>\$ 19,583</u>	<u>\$ 28,766</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, 2023

	Heavy Equipment 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	\$ 90,024	\$ 8,962	\$ 47,987	\$ 9,540	\$ 0	\$ 64,763	\$ 404,332
Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>54,244</u>	<u>0</u>	<u>54,244</u>
Total Assets	\$ <u>90,024</u>	\$ <u>8,962</u>	\$ <u>47,987</u>	\$ <u>9,540</u>	\$ <u>54,244</u>	\$ <u>64,763</u>	\$ <u>458,576</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:	\$ <u>0</u>	\$ <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	54,244	0	54,244
Committed	90,024	0	47,987	9,540	0	64,763	376,876
Assigned	<u>0</u>	<u>8,962</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,456</u>
Total Fund Balances	<u>90,024</u>	<u>8,962</u>	<u>47,987</u>	<u>9,540</u>	<u>54,244</u>	<u>64,763</u>	<u>458,576</u>
Total Liabilities and Fund Balances	\$ <u>90,024</u>	\$ <u>8,962</u>	\$ <u>47,987</u>	\$ <u>9,540</u>	\$ <u>54,244</u>	\$ <u>64,763</u>	\$ <u>458,576</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, 2023

	Fire Department Truck Reserve Fund	Belden Fund	Lareau Park Improvement Fund	Street Trees Fund	Equipment Fund	Fire Department Building & Equipment Fund
Cash Receipts:						
Intergovernmental	\$ 17,156	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,840
Investment Income	159	4	86	25	20	53
Miscellaneous	<u>4,093</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>437</u>
Total Cash Receipts	<u>21,408</u>	<u>4</u>	<u>86</u>	<u>25</u>	<u>20</u>	<u>4,330</u>
Cash Disbursements:						
Public Safety	45,809	0	0	0	0	6,119
Culture and Recreation	0	0	0	0	0	0
Capital Outlay:						
Highways and Streets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>119,355</u>	<u>0</u>
Total Cash Disbursements	<u>45,809</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>119,355</u>	<u>6,119</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>(24,401)</u>	<u>4</u>	<u>86</u>	<u>25</u>	<u>(119,335)</u>	<u>(1,789)</u>
Other Financing Sources:						
Transfers In	64,540	0	6,000	5,000	70,000	8,470
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources	<u>64,540</u>	<u>0</u>	<u>6,000</u>	<u>5,000</u>	<u>70,000</u>	<u>8,470</u>
Net Change in Fund Balances	40,139	4	6,086	5,025	(49,335)	6,681
Fund Balances - July 1, 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>
Fund Balances - June 30, 2023	<u>\$ 101,413</u>	<u>\$ 1,917</u>	<u>\$ 16,577</u>	<u>\$ 14,800</u>	<u>\$ 19,583</u>	<u>\$ 28,766</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, 2023

	Heavy Equipment Fund	Energy Projects Fund	Route 100 Transportation Path Fund	Covered Bridge Repair Fund	Scrag Mountain Forest Fund	Restroom, Recreation & Conservation Fund	Total
Cash Receipts:							
Intergovernmental	\$ 0	\$	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,996
Investment Income	430	69	300	18	642	117	1,923
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,530</u>
Total Cash Receipts	<u>430</u>	<u>69</u>	<u>300</u>	<u>18</u>	<u>642</u>	<u>117</u>	<u>27,449</u>
Cash Disbursements:							
Public Safety	0	0	0	0	0	0	51,928
Culture and Recreation	0	0	0	0	3,705	4,850	8,555
Capital Outlay:							
Highways and Streets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>119,355</u>
Total Cash Disbursements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,705</u>	<u>4,850</u>	<u>179,838</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>430</u>	<u>69</u>	<u>300</u>	<u>18</u>	<u>(3,063)</u>	<u>(4,733)</u>	<u>(152,389)</u>
Other Financing Sources:							
Transfers In	40,000	0	10,000	2,000	0	21,528	227,538
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources	<u>40,000</u>	<u>0</u>	<u>10,000</u>	<u>2,000</u>	<u>0</u>	<u>21,528</u>	<u>227,538</u>
Net Change in Fund Balances	40,430	69	10,300	2,018	(3,063)	16,795	75,149
Fund Balances - July 1, 2022	<u>49,594</u>	<u>8,893</u>	<u>37,687</u>	<u>7,522</u>	<u>57,307</u>	<u>47,968</u>	<u>383,427</u>
Fund Balances - June 30, 2023	<u>\$ 90,024</u>	<u>\$ 8,962</u>	<u>\$ 47,987</u>	<u>\$ 9,540</u>	<u>\$ 54,244</u>	<u>\$ 64,763</u>	<u>\$ 458,576</u>

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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, 2023, 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 November 6, 2023.

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.

Sullivan, Powers & Co.

November 6, 2023
Montpelier, Vermont
VT Lic. #92-000180