

Town of Waitsfield, Vermont

Fiscal Year 2021 -Audit Discussion and Financial Highlights

Independent Auditor's Report

This 2021 Auditor's Report for the fiscal year ending June 30, 2021 includes an "Unqualified" Opinion (which is the best we can get). This is the third year that we have achieved this goal.

Statement of Net Position

The Town's (government-wide) modified cash basis net position increased by \$392,851 during the fiscal year from \$1,847,408 to \$2,240,259. This is the sum of the increase of \$343,474 for Governmental Activities and the increase of \$49,377 for Business-type Activities. The net position may serve over time to be a useful indicator of a government's financial position. In the case of the Town of Waitsfield, assets exceeded liabilities and deferred inflows of resources by \$2,240,259 at the close of fiscal year 2021 on the modified cash basis of accounting.

The Town's General Fund unassigned fund balance increased by \$8,826 during the fiscal year from \$382,779 to \$391,605. The Fund Balance Policy sets a goal of an unassigned fund balance equal to two month's expenditures (17% or \$347,500)

The Town's Business-type Activities are the Water Fund and the Wait House Fund. The Business-type Activities net position increased by \$49,377 during the fiscal year from \$244,319 to \$293,696. The Water Fund's net position increased by \$50,619 while the Wait House Fund decreased by \$1,242.

The Town of Waitsfield maintains twenty-four (24) individual governmental funds. This is up from twenty-three (23) in last year's audit. Information on these government funds is presented in Exhibit C, Exhibit D and the Combining Schedules 2 through 7.

General Fund Budgetary Highlights

The General Fund is used to record all resource inflows and outflows that are not associated with special-purpose funds. The activities being paid for through the general fund constitute the core administrative and operational tasks of the Town. The residents adopt an annual appropriated budget for its General Fund at the March Town Meeting. Capital/One-Time Expenditures are included in the General Fund financial reporting. A budgetary comparison statement has been provided for the General Fund in Schedule 1 beginning on page 32.

For fiscal year 2021 the General Fund had a \$10,256 Excess of Cash Receipts over Cash Disbursements (surplus). Total receipts were \$179,772 more than budgeted. State and other Covid-related grant proceeds of \$19,980 are included in the excess receipt amount. Early, (pre-paid) waste water loan payments totaling \$22,000. Other revenues that were higher than anticipated were Current Use, Fire Department revenue and Town Clerk Fees. Property Taxes were \$47,000 more than budgeted due to the reduction in past due tax accounts. A change in state funding of highway grants resulted in an unexpected \$18,637 in highway aid. These additional funds were transferred to the Bridge and Culvert Reserve Fund.

Total Disbursements were \$169,516 more than budgeted. The reason that disbursements were over the budgeted amount is that an additional \$200,000 was transferred to Paving and Road Equipment Reserve accounts. There were many disbursement accounts that varied from the budget. Only the major differences are listed low:

Employee Benefits (-41,200), the Road Department operating expenditures (-43,842), Legal Fees (-9,551), Town Office costs (-14,652), Public Safety (-8533) and Selectboard expenses (-7,395)) all had substantial savings. The Fire Department was overbudget by \$45,826 due to unexpected fire truck and equipment repairs. This overage is somewhat offset by transfers from reserves and insurance claim proceeds. Also, Fayston will share in the net overage by 40%. The town incurred some COVID-related expenses but received state and private grants/reimbursements to cover these unexpected costs.

Water Fund

The Water Fund ended the year with a Net Position of \$296,534 which was \$50,619 higher than the balance at June 30, 2020. Water User Fees and interest income were \$15,930 higher than budgeted. The Water Fund's disbursements were \$6,799 under the budget. The Water Fund contributed \$46,200 to its Emergency and Asset Replacement Reserves in FY21.

Debt

Total Debt, including Governmental Activities, Water Fund and Short-Term Debt as of June 30, 2021 is \$4,386,467 which is \$351,175 lower than June 30, 2020. There was no new borrowing in FY21.

Questions concerning any of the information provided in the audit report or requests for additional information should be addressed to Sandra Gallup, Town Treasurer, Town of Waitsfield, 4144 Main Street, Waitsfield, Vermont 05673.

TOWN OF WAITSFIELD, VERMONT

AUDIT REPORT

JUNE 30, 2021

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying 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, 2021, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements 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's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective 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, 2021, and the respective changes in financial position thereof for the year then ended in conformity with the modified cash basis of accounting, as described in Note I.D.

Basis of Accounting

We draw attention to Note I.D. of 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.

Other Matters

Change in Accounting Principles

As described in Note I.E. to the financial statements, effective June 30, 2021, the Town implemented GASB Statement No. 84, "Fiduciary Activities".

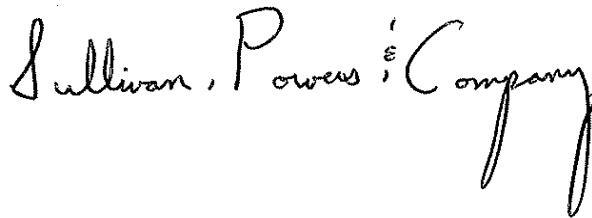
Other Information

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 December 17, 2021 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with “Government Auditing Standards” in considering the Town of Waitsfield, Vermont’s internal control over financial reporting and compliance.

December 17, 2021
Montpelier, Vermont
VT Lic. #92-000180

A handwritten signature in cursive script that reads "Sullivan, Powers & Company". The signature is written in black ink and is positioned to the right of the typed text.

TOWN OF WAITSFIELD, VERMONT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash	\$ 1,516,510	\$ 322,324	\$ 1,838,834
Investments	402,426	0	402,426
Internal Balances	<u>28,352</u>	<u>(28,352)</u>	<u>0</u>
Total Assets	<u>1,947,288</u>	<u>293,972</u>	<u>2,241,260</u>
<u>LIABILITIES</u>			
Payroll Withholdings Payable	725	0	725
Due to Customers	<u>0</u>	<u>276</u>	<u>276</u>
Total Liabilities	<u>725</u>	<u>276</u>	<u>1,001</u>
<u>NET POSITION</u>			
Restricted:			
Scrag Mountain Town Forest	68,674	0	68,674
Records Restoration	53,529	0	53,529
Vermont Grant	53,854	0	53,854
Joslin Library	1,187	0	1,187
Cemetery	413,333	0	413,333
Conservation	14,233	0	14,233
COVID Expenses	1,388	0	1,388
Unrestricted	<u>1,340,365</u>	<u>293,696</u>	<u>1,634,061</u>
Total Net Position	<u>\$ 1,946,563</u>	<u>\$ 293,696</u>	<u>\$ 2,240,259</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, 2021

	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	\$ 695,243	\$ 72,393	\$ 68,655	\$ 0	\$ (554,195)	\$ 0	\$ (554,195)
Public Safety	227,464	65,927	0	0	(161,537)	0	(161,537)
Highways and Streets	641,243	1,061	90,807	142,522	(406,853)	0	(406,853)
Culture and Recreation	22,523	0	0	0	(22,523)	0	(22,523)
Community Development	9,918	0	0	0	(9,918)	0	(9,918)
Cemetery	36,032	4,300	0	0	(31,732)	0	(31,732)
Debt Service	481,198	0	0	0	(481,198)	0	(481,198)
Total Governmental Activities	<u>2,113,621</u>	<u>143,681</u>	<u>159,462</u>	<u>142,522</u>	<u>(1,667,956)</u>	<u>0</u>	<u>(1,667,956)</u>
Business-type Activities							
Water	183,938	234,418	0	0	0	50,480	50,480
Wait House	17,168	13,923	0	0	0	(3,245)	(3,245)
Total Business-type Activities	<u>201,106</u>	<u>248,341</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>47,235</u>	<u>47,235</u>
Total Primary Government	<u>\$ 2,314,727</u>	<u>\$ 392,022</u>	<u>\$ 159,462</u>	<u>\$ 142,522</u>	<u>(1,667,956)</u>	<u>47,235</u>	<u>(1,620,721)</u>
General Receipts:							
Property Taxes					1,751,614	0	1,751,614
Penalties and Interest on Delinquent Taxes					35,549	0	35,549
General State Grants					139,806	0	139,806
Unrestricted Investment Earnings					38,942	142	39,084
Insurance Proceeds					16,907	0	16,907
Other					30,612	0	30,612
Transfers:					(2,000)	2,000	0
Total General Receipts and Transfers					<u>2,011,430</u>	<u>2,142</u>	<u>2,013,572</u>
Change in Net Position					343,474	49,377	392,851
Net Position - July 1, 2020					<u>1,603,089</u>	<u>244,319</u>	<u>1,847,408</u>
Net Position - June 30, 2021					<u>\$ 1,946,563</u>	<u>\$ 293,696</u>	<u>\$ 2,240,259</u>

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

TOWN OF WAITSFIELD, VERMONT
 STATEMENT OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES
 GOVERNMENTAL FUNDS
 JUNE 30, 2021

	General Fund	Vermont Grant Fund	Village West Sidewalk Fund	Joslin Library Fund	Cemetery Trust Fund	Paving Reserve Fund	Heavy Equipment Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>									
Cash	\$ 626,389	\$ 53,854	\$ 0	\$ 1,187	\$ 36,597	\$ 228,892	\$ 131,060	\$ 438,531	\$ 1,516,510
Investments	0	0	0	0	333,752	0	0	68,674	402,426
Due from Other Funds	0	0	0	0	0	100,000	100,000	53,529	253,529
Total Assets	<u>\$ 626,389</u>	<u>\$ 53,854</u>	<u>\$ 0</u>	<u>\$ 1,187</u>	<u>\$ 370,349</u>	<u>\$ 328,892</u>	<u>\$ 231,060</u>	<u>\$ 560,734</u>	<u>\$ 2,172,465</u>
<u>LIABILITIES AND FUND BALANCES</u>									
Liabilities:									
Escrow Liabilities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Payroll Withholdings Payable	725	0	0	0	0	0	0	0	725
Due to Other Funds	186,834	0	38,343	0	0	0	0	0	225,177
Total Liabilities	<u>187,559</u>	<u>0</u>	<u>38,343</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>225,902</u>
Fund Balances/(Deficits):									
Restricted	1,388	53,854	0	1,187	370,349	0	0	179,420	606,198
Committed	0	0	0	0	0	328,892	231,060	274,672	834,624
Assigned	45,837	0	0	0	0	0	0	106,642	152,479
Unassigned/(Deficit)	391,605	0	(38,343)	0	0	0	0	0	353,262
Total Fund Balances/(Deficits)	<u>438,830</u>	<u>53,854</u>	<u>(38,343)</u>	<u>1,187</u>	<u>370,349</u>	<u>328,892</u>	<u>231,060</u>	<u>560,734</u>	<u>1,946,563</u>
Total Liabilities and Fund Balances	<u>\$ 626,389</u>	<u>\$ 53,854</u>	<u>\$ 0</u>	<u>\$ 1,187</u>	<u>\$ 370,349</u>	<u>\$ 328,892</u>	<u>\$ 231,060</u>	<u>\$ 560,734</u>	<u>\$ 2,172,465</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, 2021

	General Fund	Vermont Grant Fund	Village West Sidewalk Fund	Joslin Library Fund	Cemetery Trust Fund	Paving Reserve Fund	Heavy Equipment Fund	Non-Major Governmental Funds	Total Governmental Funds
Cash Receipts:									
Property Taxes	\$ 1,751,614	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,751,614
Penalties and Interest on Delinquent Taxes	35,549	0	0	0	0	0	0	0	35,549
Intergovernmental	230,613	0	142,522	0	0	0	0	0	373,135
Charges for Services	90,031	0	0	0	0	0	0	4,300	94,331
Permits, Licenses and Fees	56,796	0	0	0	0	0	0	17,720	74,516
Fines and Forfeits	9,647	0	0	0	0	0	0	0	9,647
Loan Repayments	68,655	0	0	0	0	0	0	0	68,655
Investment Income	2,055	14	0	1	0	98	91	792	3,051
Donations	0	0	0	6,605	35,891	0	0	0	42,496
Other	6,101	0	0	0	0	0	0	0	6,101
Total Cash Receipts	2,251,061	14	142,522	6,606	35,891	98	91	22,812	2,459,095
Cash Disbursements:									
General Government	714,740	0	0	0	0	0	0	375	715,115
Public Safety	227,464	0	0	0	0	0	0	0	227,464
Highways and Streets	610,629	0	0	0	0	0	0	28,323	638,952
Culture and Recreation	16,863	0	0	5,660	0	0	0	0	22,523
Community Development	0	9,918	0	0	0	0	0	0	9,918
Cemetery	0	0	0	0	2,866	0	0	33,166	36,032
Capital Outlay:									
Highway and Streets	0	0	158,631	0	0	0	0	0	158,631
Debt Service:									
Principal	270,379	0	0	0	0	0	0	0	270,379
Interest	34,607	0	0	0	0	0	0	0	34,607
Total Cash Disbursements	1,874,682	9,918	158,631	5,660	2,866	0	0	61,864	2,113,621
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	376,379	(9,904)	(16,109)	946	33,025	98	91	(39,052)	345,474
Other Financing Sources/(Uses):									
Transfers In	13,630	0	0	0	1,300	200,000	105,000	99,938	419,868
Transfers Out	(381,638)	0	0	0	(25,300)	0	0	(14,930)	(421,868)
Total Other Financing Sources/(Uses)	(368,008)	0	0	0	(24,000)	200,000	105,000	85,008	(2,000)
Net Change in Fund Balances	8,371	(9,904)	(16,109)	946	9,025	200,098	105,091	45,956	343,474
Fund Balances/(Deficits) - July 1, 2020	430,459	63,758	(22,234)	241	361,324	128,794	125,969	514,778	1,603,089
Fund Balances/(Deficits) - June 30, 2021	\$ 438,830	\$ 53,854	\$ (38,343)	\$ 1,187	\$ 370,349	\$ 328,892	\$ 231,060	\$ 560,734	\$ 1,946,563

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, 2021

	Water Fund	Wait House Fund	Total
<u>ASSETS</u>			
Cash	\$ <u>316,318</u>	\$ <u>6,006</u>	\$ <u>322,324</u>
Total Assets	<u>316,318</u>	<u>6,006</u>	<u>322,324</u>
<u>LIABILITIES</u>			
Due to Other Funds	19,508	8,844	28,352
Due to Customers	<u>276</u>	<u>0</u>	<u>276</u>
Total Liabilities	<u>19,784</u>	<u>8,844</u>	<u>28,628</u>
<u>NET POSITION</u>			
Unrestricted/(Deficit)	<u>296,534</u>	<u>(2,838)</u>	<u>293,696</u>
Total Net Position	<u>\$ <u>296,534</u></u>	<u>\$ <u>(2,838)</u></u>	<u>\$ <u>293,696</u></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, 2021

	Water Fund	Wait House Fund	Total
Operating Receipts:			
Charges for Services	\$ 234,419	\$ 13,923	\$ 248,342
Total Operating Receipts	<u>234,419</u>	<u>13,923</u>	<u>248,342</u>
Operating Disbursements:			
Administrative Charges	1,500	28	1,528
Permits and Licenses	755	0	755
Equipment	2,454	0	2,454
Insurance	961	2,500	3,461
Professional Services	22,298	1,509	23,807
Communications	1,376	0	1,376
Utilities	2,791	7,169	9,960
Maintenance	9,012	5,262	14,274
Other	997	700	1,697
Total Operating Disbursements	<u>42,144</u>	<u>17,168</u>	<u>59,312</u>
Operating Income/(Loss)	<u>192,275</u>	<u>(3,245)</u>	<u>189,030</u>
Non-Operating Receipts/(Disbursements)			
Investment Income	139	3	142
Debt Service - Principal	(63,795)	0	(63,795)
Debt Service - Interest	(78,000)	0	(78,000)
Transfers In	0	2,000	2,000
Total Non-Operating Receipts/(Disbursements)	<u>(141,656)</u>	<u>2,003</u>	<u>(139,653)</u>
Change in Net Position	50,619	(1,242)	49,377
Net Position/(Deficit) - July 1, 2020	<u>245,915</u>	<u>(1,596)</u>	<u>244,319</u>
Net Position/(Deficit) - June 30, 2021	<u>\$ 296,534</u>	<u>\$ (2,838)</u>	<u>\$ 293,696</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 FUND
 JUNE 30, 2021

	Custodial Funds	
	Sewer Escrow Fund	Education Tax Fund
<u>ASSETS</u>		
Assets:		
Cash	\$ <u>39,286</u>	\$ <u>0</u>
<u>LIABILITIES</u>		
Liabilities:		
Escrow Liabilities	<u>39,286</u>	<u>0</u>
<u>NET POSITION</u>		
Net Position:	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

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

TOWN OF WAITSFIELD, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY MODIFIED CASH BASIS NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Custodial Funds	
	Sewer Escrow Fund	Education Tax Fund
<u>ADDITIONS</u>		
Education Taxes Collected for Other Governments	\$ <u>0</u>	\$ <u>14,865,946</u>
Total Additions	<u>0</u>	<u>14,865,946</u>
<u>DEDUCTIONS</u>		
Education Taxes Distributed to Other Governments	<u>0</u>	<u>14,865,946</u>
Total Deductions	<u>0</u>	<u>14,865,946</u>
Change in Net Position	0	0
Net Position - July 1, 2020	<u>0</u>	<u>0</u>
Net Position - June 30, 2021	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

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

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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

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

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

The Town reports on the following major governmental funds:

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

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

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

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

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

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

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

TOWN OF WAITSFIELD, VERMONT
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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 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
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E. New Pronouncement – Fiduciary Activities

Effective June 30, 2021, the Town implemented GASB Statement No. 84, “Fiduciary Activities”. GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This required moving certain items previously recorded through a General Fund liability account or funds treated as special revenue funds to newly established custodial funds that reports additions and deductions for these activities. No restatement of beginning net position/fund balance was required in any fund. As a result, the collection and remittance of education taxes on behalf of other governments and sewer escrow balances are now presented in Custodial Funds.

F. 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”.

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2021, expenditures in the General Fund exceeded appropriations by \$169,516. These overexpenditures were funded by excess revenues and available fund balance.

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Town's cash and investments as of June 30, 2021 consisted of the following:

Cash:

Deposits with Financial Institutions	\$1,841,523
Deposits with Investment Company	<u>36,597</u>
Total Cash	<u>1,878,120</u>

Investments:

Certificate of Deposit	68,674
Corporate Bonds	9,341
Mutual Funds – Mixed Holdings	305,273
Common Stock	<u>19,138</u>

Total Investments 402,426

Total Cash and Investments \$2,280,546

The Town has one (1) certificate of deposit at Northfield Savings Bank in the amount of \$68,674 with an interest rate of 1.74% that matures in fiscal year 2022.

TOWN OF WAITSFIELD, VERMONT
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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	\$ 437,542	\$ 438,885
Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution’s Agent	<u>1,509,252</u>	<u>1,547,625</u>
Total	<u>\$1,946,794</u>	<u>\$1,986,510</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	\$1,841,523
Cash – Deposits with Investment Company	36,597
Investments – Certificate of Deposit	<u>68,674</u>
Total	<u>\$1,946,794</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.

TOWN OF WAITSFIELD, VERMONT
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<u>Investment Type</u>	<u>Remaining Maturity</u> 1 to 5 Years
Corporate Bonds	\$ <u>9,341</u>

Credit Risk

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

Standard and Poor's Rating as of June 30, 2021	
<u>Investment Type</u>	<u>A-</u>
Corporate Bonds	\$ <u>9,341</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, 2021 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 0	\$186,834
Village West Sidewalk Fund	0	38,343
Non-Major Governmental Funds	53,529	0
Water Fund	0	19,508
Wait House Fund	0	8,844
Paving Reserve Fund	100,000	0
Heavy Equipment Fund	<u>100,000</u>	<u>0</u>
Totals	<u>\$253,529</u>	<u>\$253,529</u>

TOWN OF WAITSFIELD, VERMONT
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Interfund transfers during the years ended June 30, 2021 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Fire Department Equipment Fund	\$ 25,000	Annual Contribution
General Fund	Equipment Fund	1,000	Annual Contribution
General Fund	Fire Department Building & Equipment Fund	7,500	Annual Contribution
General Fund	Bridge & Culvert Fund	19,638	Annual Contribution
General Fund	Route 100 Transportation Path Fund	500	Annual Contribution
General Fund	Paving Reserve Fund	200,000	Annual Contribution
General Fund	Heavy Equipment Fund	105,000	Annual Contribution
General Fund	Restroom, Recreation & Conservation Fund	10,000	Annual Contribution
General Fund	Lareau Park Improvement Fund	500	Annual Contribution
General Fund	Covered Bridge Repair	500	Annual Contribution
General Fund	Wait House Fund	2,000	Annual Contribution
General Fund	Reappraisal Reserve Fund	9,000	Annual Contribution
General Fund	Street Tree Reserve Fund	1,000	Annual Contribution
Fire Department Building & Equipment Fund	General Fund	13,630	Building Contribution
Cemetery Trust Fund	Cemetery Commission Fund	25,300	Annual Contribution
Cemetery Commission Fund	Cemetery Trust Fund	1,300	Transfer of Lot Sales
		<u>\$ 421,868</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.

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

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

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

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

Major Funds

General Fund:

Restricted for COVID Related Expenses (Source of Revenue is Grant Revenue)	\$ <u>1,388</u>
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Verdmont Grant Fund:

Restricted for Community Development by Grant Agreement (Source of Revenue is Grant Revenue)	<u>53,854</u>
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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>370,349</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)	53,529
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Restricted for Entrust Conservation Fund Expenses by Donations (Source of Revenue is Donations)	14,233
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Restricted for Cemetery Commission Fund Expenses by Lot Sales (Source of Revenue is Lot Sales)	<u>42,984</u>
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Total Special Revenue Funds	<u>110,746</u>
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Capital Projects Funds:

Restricted for Scrag Mountain Town Forest Expenses by Agreement (Source of Revenue is Donations)	<u>68,674</u>
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Total Capital Projects Funds	<u>68,674</u>
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Total Non-Major Funds	<u>179,420</u>
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Total Restricted Fund Balances	<u>\$606,198</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 Paving Expenditures by the Voters	<u>\$328,892</u>
Committed for Heavy Equipment Expenditures by the Voters	<u>231,060</u>

Non-Major Funds

Special Revenue Funds:

Committed for Agricultural Support by the Voters	10,084
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Capital Projects Funds:

Committed for Route 100 Path Expenditures by the Voters	94,565
Committed for Fire Department Equipment Expenditures by the Voters	42,517
Committed for Street Trees Expenditures by the Voters	4,772
Committed for Equipment Expenditures by the Voters	33,582
Committed for Fire Department Building and Equipment Expenditures by the Voters	15,886
Committed for Bridge and Culvert Expenditures by the Voters	28,271
Committed for Covered Bridge Repair Expenditures by the Voters	5,520
Committed for Restroom and Recreation Expenses by the Voters	<u>39,475</u>

Total Non-Major Funds	<u>274,672</u>
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Total Committed Fund Balances	<u>\$834,624</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>45,837</u>
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Non-Major Funds

Special Revenue Funds:

Assigned for Reappraisal Expenses	<u>89,854</u>
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Capital Projects Funds:

Assigned for Town Clock Expenditures	1,912
Assigned for Lareau Park Improvement Expenditures	5,988
Assigned for Energy Projects Expenditures	<u>8,888</u>

Total Capital Projects Funds	<u>16,788</u>
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Total Non-Major Funds	<u>106,642</u>
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Total Assigned Fund Balances	<u>\$152,479</u>
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TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

The unassigned deficit of \$38,343 in the Village West Sidewalk Fund will be funded with the collection of future grant revenue.

D. Restricted Net Position

The restricted net position in the Governmental Activities consists of the restricted fund balances of \$604,909.

The unrestricted deficit of \$2,838 in the Wait House Fund will be funded with the collection of future rent revenue.

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, 2020, the measurement date selected by the State of Vermont, the retirement system consisted of 353 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, 2021

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

As of June 30, 2020, the measurement date selected by the State of Vermont, VMERS was funded at 74.52% and had a plan fiduciary net position of \$740,052,895 and a total pension liability of \$993,026,959 resulting in a net position liability of \$252,974,064. As of June 30, 2021, the Town's proportionate share of this was 0.0874% resulting in a net pension liability of \$221,221. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 0.0874% was a decrease of 0.0059 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 allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes normal retirement age for Groups A and B members, and payable without reduction to Group D members.

Vested Retirement Allowance:

Eligibility – Five (5) years of service.

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

Disability Retirement Allowance:

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

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

Death Benefit:

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

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

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

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

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

Member Contributions – Group A – 3.00%. Group B – 5.375%. Group C – 10.50%. Group D – 11.85%.

Employer Contributions – Group A – 4.50%. Group B – 6.00%. Group C – 7.75%. Group D – 10.35%.

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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

Significant Actuarial Assumptions and Methods

Investment Rate of Return: 7.00%, net of pension plan investment expenses, including inflation, a decrease from 7.50% in the prior 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.

Mortality:

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

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

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

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

Cost-of-Living Adjustments: 1.10% for Group A members and 1.20% for Groups B, C and D members. The January 1, 2020 and January 1, 2021 COLAs are 0.80% and 0.40%, respectively, for all groups.

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

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

Inflation: 2.30%

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	29%	7.07%
US Equity – Large Cap	4%	6.19%
US Equity – Small/Mid Cap	3%	6.93%
Non-US Equity – Large Cap	5%	7.01%
Non-US Equity – Small Cap	2%	7.66%
Emerging Markets Debt	4%	3.66%
Core Bond	20%	0.39%
Private & Alternate Credit	10%	6.03%
US TIPS	3%	(0.20)%
Core Real Estate	5%	4.06%
Non-Core Real Estate	3%	6.43%
Private Equity	10%	11.27%
Infrastructure/Farmland	2%	5.44%

Discount Rate – The discount rate used to measure the total pension liability was 7.00%, a decrease from 7.50% in the prior year. 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) with scheduled increases through July 1, 2021. Further, based upon Board resolution, projected contributions beginning July 1, 2022, and each subsequent July 1, through 2025 include additional total contribution increases of 0.50% per year. 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, 2020. 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%, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6%) or one percent higher (8%):

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>
\$337,981	\$221,221	\$125,152

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 2021 were as follows:

	<u>Homestead</u>	<u>Non-Homestead</u>
Town	.4535	.4535
Local Agreement	.0035	.0035
Education	<u>1.6510</u>	<u>1.6458</u>
Total	<u>2.1080</u>	<u>2.1028</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 2021.

TOWN OF WAITSFIELD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

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 capital lease obligations 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. Leases are reported in governmental activities if the debt is expected to be repaid from general governmental revenue and in the business-type activities if debt is expected to be repaid from proprietary fund revenue.

Long-term debt activity during the year ended June 30, 2021 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	\$ 476,250	\$ 0	\$ 31,750	\$ 444,500

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
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	\$ 255,390	\$ 0	\$ 36,484	\$ 218,906
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	293,332	0	26,667	266,665
Note Payable, Community Bank, 2016 Paving, Principal Payments of \$48,000 Plus Interest Payable on September 14 Annually, Interest at 1.73%, Due and Paid September, 2020	48,000	0	48,000	0
Note Payable, People's United Bank, SCBA Equipment, Principal Payments of \$9,000 Plus Interest Payable on December 4, Interest at 2.1%, Due and Paid December, 2020	9,000	0	9,000	0
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	208,250	0	12,250	196,000
Note Payable, Community Bank, Construction of Highway Repairs, Principal Payments of \$18,346 Plus Interest Payable on July 26 Annually, Interest at 1.73%, Due July, 2021	36,692	0	18,346	18,346

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, State of Vermont Special Environmental Revolving Fund, Wastewater Improvements, Minimum Annual Principal and Administrative Fee Payments of \$25,282 are Due Annually on November 1, the Town Paid on Additional \$30,000 of Principal during the Year, Administrative Fee of 2%, Due November, 2037	\$ 400,003	\$ 0	\$ 48,681	\$ 351,322
Note Payable, People's United Bank, Water Main Break, Principal Payments of \$23,000 Plus Interest Payable on May 11 Annually, Interest at 3.1%, Due May, 2023	69,000	0	23,000 *	46,000
Note Payable, People's United Bank, Storm Damage, Principal Payments of \$25,000 Plus Interest Payable on May 10 Annually, Interest at 3.1%, Due May, 2023	<u>75,000</u>	<u>0</u>	<u>25,000</u>	<u>50,000</u>
Total Governmental Activities	<u>\$1,870,917</u>	<u>\$ 0</u>	<u>\$ 279,178</u>	<u>\$1,591,739</u>

*The Water Fund Contributed \$8,799 towards the principal payment of the Water Main Break Note.

Business-type Activities:

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	\$2,667,803	\$ 0	\$ 51,701	\$2,616,102
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>181,922</u>	<u>0</u>	<u>3,295</u>	<u>178,627</u>
Total Business-type Activities	<u>\$2,849,725</u>	<u>\$ 0</u>	<u>\$ 54,996</u>	<u>\$2,794,729</u>

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

Maturities are estimated to be as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 181,913	\$ 36,929	\$ 56,528	\$ 76,468
2023	173,935	32,896	58,093	74,903
2024	126,311	29,121	59,701	73,295
2025	126,695	26,767	61,354	71,642
2026	127,086	24,354	63,054	69,942
2027-2031	495,631	83,768	342,444	322,536
2032-2036	305,076	25,986	392,552	272,428
2037-2041	55,092	1,061	450,002	214,987
2042-2046	0	0	486,929	150,181
2047-2051	0	0	491,490	82,950
2052-2056	0	0	332,582	17,717
Total	\$ 1,591,739	\$ 260,882	\$ 2,794,729	\$ 1,427,049

E. Short-Term Debt

Short-term debt activity during the year ended June 30, 2021 was as follows:

Governmental Activities:	Beginning Balance	Additions	Deletions	Ending Balance
Current Expense Note, People's United Bank, Fire Truck Purchase, Interest at 2.05% Due June, 2021	\$23,000	\$ 0	\$23,000	\$ 0
Total Governmental Activities	\$23,000	\$ 0	\$23,000	\$ 0

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STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
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BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Receipts:			
Property Taxes	\$ 1,704,590	\$ 1,751,614	\$ 47,024
Delinquent Tax Interest	15,000	23,371	8,371
Delinquent Tax Penalties	15,000	12,178	(2,822)
Act 60 Annual Support	10,000	10,697	697
Town Clerk Fees	35,000	44,390	9,390
Investment Income	6,000	2,021	(3,979)
Liquor Licenses	4,000	3,520	(480)
Zoning Fees	7,000	8,886	1,886
Highway State Aid	69,000	90,807	21,807
Insurance Claims	0	1,845	1,845
Road Department - Miscellaneous	3,250	1,060	(2,190)
Fire Department Income (Fauston)	43,841	56,280	12,439
Traffic Control Income	5,500	9,647	4,147
Dog Fines & Impoundment Fees	150	0	(150)
PILOT	5,900	6,071	171
Current Use	95,000	103,058	8,058
Insurance Claims Fire Department	0	7,153	7,153
State Reimbursement COVID Expense	0	2,440	2,440
Library Insurance Reimbursement	2,700	2,659	(41)
Wait House Insurance Reimbursement	2,500	2,500	0
Water Admin. Reimbursement	750	2,750	2,000
Miscellaneous	0	2,382	2,382
Wastewater Loan Repayments - Phase 1 and 2	38,704	68,655	29,951
Other Grant Proceeds	0	17,540	17,540
Waitsfield Elementary Solar	12,000	9,864	(2,136)
Solar Array Credits	9,000	9,639	639
Reimbursement from Reserves	0	13,630	13,630
	<u>2,084,885</u>	<u>2,264,657</u>	<u>179,772</u>
Total Cash Receipts			
Cash Disbursements:			
Town Meeting:			
Elections Expense	3,500	1,961	1,539
Town Report	1,400	1,279	121
	<u>4,900</u>	<u>3,240</u>	<u>1,660</u>
Total Town Meeting			
Legal and Auditing:			
Legal	15,000	5,449	9,551
Auditing	16,500	16,200	300
	<u>31,500</u>	<u>21,649</u>	<u>9,851</u>
Total Legal and Auditing			

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TOWN OF WAITSFIELD, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Town Office Operations:			
Insurance and Bonds	\$ 19,250	\$ 13,144	\$ 6,106
Office Rent	5,000	4,427	573
Town Office Repairs and Maintenance	5,650	6,215	(565)
Postage	4,250	3,637	613
Supplies	7,000	6,620	380
Computer Services	6,250	4,540	1,710
Training	750	20	730
Cleaning	8,200	7,650	550
Equipment Maintenance & Contracts	14,000	7,364	6,636
Telephone	4,750	4,555	195
Office Equipment	3,750	2,608	1,142
Public Notice Expense	4,500	6,606	(2,106)
Special Services	2,500	3,812	(1,312)
	<u>85,850</u>	<u>71,198</u>	<u>14,652</u>
Total Town Office Operations			
Town Clerk and Treasurer:			
Clerk/Treasurer & Assistant Salary	75,977	77,012	(1,035)
Borrowing Interest	250	0	250
Ballot Clerks	750	1,187	(437)
	<u>76,977</u>	<u>78,199</u>	<u>(1,222)</u>
Total Town Clerk and Treasurer			
Selectboard:			
Selectboard Reimbursement	3,250	3,250	0
Town Website	750	703	47
Town Administrator	73,563	68,823	4,740
Training	250	400	(150)
Selectboard Recording Secretary	3,100	342	2,758
	<u>80,913</u>	<u>73,518</u>	<u>7,395</u>
Total Selectboard			
Planning and Zoning:			
Minute Taker	825	139	686
Special Planning Projects	3,500	2,861	639
Zoning Administrator/Planning Director Salary	41,684	41,108	576
Training	450	160	290
Computer Equipment Services	1,250	743	507
Mileage Reimbursement	250	0	250
	<u>47,959</u>	<u>45,011</u>	<u>2,948</u>
Total Planning and Zoning			

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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, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Board of Listers:			
Assessor Services	\$ 21,000	\$ 22,553	\$ (1,553)
Computer Equipment Services	2,000	1,773	227
Property Map Maintenance	1,750	1,500	250
Training and Meetings	200	0	200
Professional Services	1,000	0	1,000
Total Board of Listers	<u>25,950</u>	<u>25,826</u>	<u>124</u>
Collector of Delinquent Taxes:	<u>15,000</u>	<u>12,839</u>	<u>2,161</u>
Conservation Committee:	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Highway Department Labor:	<u>174,472</u>	<u>169,205</u>	<u>5,267</u>
Equipment Operation and Repairs:			
Road Department Insurance	10,500	8,438	2,062
Gas, Oil, Grease and Filters	6,750	6,052	698
Diesel	30,000	19,611	10,389
2013 International Dump Truck	6,000	8,944	(2,944)
2016 GMC Pickup Truck	1,000	4,184	(3,184)
2018 HV Truck	1,500	2,128	(628)
Ford Chloride Truck	1,000	843	157
2009 John Deere Loader	1,500	150	1,350
2015 Tandem	5,000	9,577	(4,577)
1998 Galion Grader	1,000	1,797	(797)
2008 CAT Backhoe	1,500	1,259	241
Roadside Mower	800	192	608
Steel Pole Saw/Chainsaw	300	93	207
Garage Repairs	1,000	745	255
Garage Trash Removal	1,700	1,989	(289)
Garage Uniforms	4,000	5,039	(1,039)
Garage Heat	2,500	2,567	(67)
Garage Telephone	2,250	2,629	(379)
Garage Electricity	2,000	1,764	236
Garage Supplies/Hardware	3,000	4,005	(1,005)
Garage Miscellaneous	1,200	1,091	109
Chipper/Rake	500	771	(271)
Garage Alarm System	800	592	208
Water Service	630	628	2
Plow Blades and Shoes	6,000	6,006	(6)
Total Equipment Operation and Repairs	<u>92,430</u>	<u>91,094</u>	<u>1,336</u>

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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, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Road Hired Equipment and Labor:			
Sidewalk Plowing	\$ 29,000	\$ 29,070	\$ (70)
Other Equipment Rental	500	300	200
Contracted Plowing	2,500	2,800	(300)
Grading	150	0	150
Contracted Services	10,000	7,380	2,620
Total Road Hired Equipment and Labor	42,150	39,550	2,600
Road Department Materials:			
Salt	50,500	29,211	21,289
Sand	54,600	53,379	1,221
Chloride	16,000	8,010	7,990
Crushed Gravel	17,500	16,556	944
Stone	8,000	6,433	1,567
Culverts	6,000	8,848	(2,848)
Guardrails	1,000	1,845	(845)
Tools	2,300	2,753	(453)
Signs	1,500	2,133	(633)
Waste Blocks	1,000	2,237	(1,237)
Cold Patch, Hay and Seed	5,000	2,949	2,051
Total Road Department Materials	163,400	134,354	29,046
Road Department Miscellaneous			
Fayston Winter Agreement	11,479	11,500	(21)
Sidewalk Maintenance and Repairs	500	0	500
Bridge Repairs	1,000	0	1,000
Gravel Pit Management	1,000	0	1,000
Line Painting	4,500	0	4,500
Street Lights	4,700	5,182	(482)
Bridge Lights	250	828	(578)
Radios and Pagers	500	826	(326)
Road Department Training	250	0	250
MRGP/State Roads Permit	1,500	1,750	(250)
Total Road Department Miscellaneous	25,679	20,086	5,593
Employee Benefits:			
FICA/Medicare	29,260	27,642	1,618
Retirement	21,942	20,139	1,803
Unemployment	250	547	(297)
Workers Compensation	14,696	13,088	1,608
Health Insurance	103,460	67,452	36,008
Life and Disability Insurance	2,600	2,095	505
Vision	650	605	45
Total Employee Benefits	172,858	131,568	41,290

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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, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Fire Department:			
Gas, Oil and Grease	\$ 3,500	\$ 2,594	\$ 906
Insurance	9,975	11,388	(1,413)
Telecommunication	32,000	30,007	1,993
Electricity	2,550	2,483	67
Heat	6,000	4,068	1,932
Water	655	630	25
Building Repair and Maintenance	6,000	3,717	2,283
Alarm	400	413	(13)
Truck Repairs	10,000	32,673	(22,673)
Equipment Repairs	4,100	25,505	(21,405)
Bottled Gas	400	240	160
Training	3,400	519	2,881
Hose and Equipment	6,000	8,696	(2,696)
Gear	9,500	10,788	(1,288)
Fire Prevention	600	0	600
Miscellaneous	500	55	445
Dues	500	0	500
Physical Exams	500	0	500
Labor	21,000	28,723	(7,723)
FICA and Medicare	1,700	2,197	(497)
Ladder/Hose Testing	2,500	2,910	(410)
Total Fire Department	121,780	167,606	(45,826)
Public Safety:			
Sheriff Department Billing	28,000	27,194	806
Dog Warden Salary and Fees	750	720	30
Dog Pound Fees	150	40	110
Emergency Management	1,000	675	325
Fire Warden	250	250	0
Fire Protection Contribution	27,640	27,632	8
Generator Expense	850	1,035	(185)
Insurance	2,100	0	2,100
Training	500	0	500
Town Health Officer	500	500	0
Miscellaneous	250	1,812	(1,562)
Total Public Safety	61,990	59,858	2,132
Dues and Assessments:			
Central Vermont Regional Planning	2,135	2,135	0
Joslin Memorial Library	63,466	63,466	0
Mad River Resource Management Alliance	12,033	12,033	0
Mad River Valley Ambulance	15,000	15,000	0
Mad River Valley Planning District	45,320	45,317	3
Mad River Valley Recreation District	30,000	30,000	0
Vermont League of Cities and Towns	3,209	3,209	0
Green Mountain Transit	2,030	2,030	0
Washington County Tax	29,976	29,976	0
Total Dues and Assessments	203,169	203,166	3

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BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Special Appropriations:			
Circle	\$ 350	\$ 350	\$ 0
Central Vermont Adult Basic Education	600	600	0
Capstone (Central Vermont Community Action Council)	150	150	0
Downstreet (Central Vermont Community Land Trust)	500	500	0
Central Vermont Council on Aging	900	900	0
Central Vermont Economic Development	450	450	0
Central Vermont Home Health & Hospice	3,100	3,100	0
Everybody Wins!	500	500	0
Family Center of Washington County	500	500	0
Good Beginnings of Central Vermont	300	300	0
Green Up Vermont	100	100	0
DART	200	200	0
VT Association For The Blind	250	250	0
Mad River Valley Health Center	1,000	1,000	0
Mad River Valley Seniors	7,000	7,000	0
Peoples Health and Wellness	500	500	0
Retired Senior Voluntary Program	150	150	0
Sexual Assault Crisis Team	250	250	0
Center for Independent Living	450	450	0
Washington County Mental Health	1,600	1,600	0
Washington County Youth Service	750	750	0
Community Harvest	300	300	0
Winooski NR Conservation District	350	350	0
VT Family Network	250	250	0
Total Special Appropriations	20,500	20,500	0
Miscellaneous:			
Maintenance of Parks	18,500	11,444	7,056
Trail Maintenance	2,500	1,500	1,000
Solar Array Maintenance	750	1,867	(1,117)
Membership and Dues	100	55	45
Cemetery Veteran's Flags	100	0	100
Mad River Valley Television Hearing Coverage	3,400	3,400	0
Tax Adjustment-Previous Year	0	332	(332)
Other	500	0	500
Total Miscellaneous	25,850	18,598	7,252
Debt Service:			
Town Office/Solar Array Bond	47,360	47,632	(272)
Town Office Bond	17,546	17,546	0
Bridge Street/Covered Bridge Bond	33,947	33,999	(52)
Flood Expenses Debt Service	27,325	27,303	22
Wastewater Loan - RF1-058	36,484	36,484	0
Wastewater Loan - RF1-164/208	26,681	48,681	(22,000)
Other Grant Expense	0	14,872	(14,872)

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STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
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BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Debt Service/(Cont.):			
2015 Paving Loan	\$ 48,830	\$ 48,788	\$ 42
2016 Paving Loan	19,051	19,047	4
Paving Project/Plan Expense	7,500	3,000	4,500
MRGP Permit Compliance	2,000	2,000	0
Fire Dept. SCBA Equipment Loan	9,189	9,186	3
Dump Truck Purchase	128,000	132,893	(4,893)
Water Main Break Loan	16,340	16,319	21
Fire Truck Purchase	23,805	23,448	357
Total Debt Service	444,058	481,198	(37,140)
Wait House:			
Wait House Operations	2,500	2,500	0
Wait House Capital Reserve	2,000	2,000	0
Total Wait House	4,500	4,500	0
Contribution to Reserves:			
Equipment Reserve Fund	1,000	1,000	0
Heavy Equipment Reserve Fund	5,000	105,000	(100,000)
Fire Department Equipment Reserve Fund	25,000	25,000	0
Fire Department Building Reserve Fund	7,500	7,500	0
Conservation Fund	10,000	10,000	0
Lareau Park Reserve	500	500	0
Route 100 Transportation Path Fund	500	500	0
Bridge and Culvert Repair	1,000	19,638	(18,638)
Paving Reserve Fund	100,000	200,000	(100,000)
Reappraisal Reserve	9,000	9,000	0
Covered Bridge Repair Restoration	500	500	0
Street Tree Reserve	1,000	1,000	0
Total Contribution to Reserves	161,000	379,638	(218,638)
Total Cash Disbursements	2,084,885	2,254,401	(169,516)
Excess of Cash Receipts			
Over Cash Disbursements	\$ 0	10,256	\$ 10,256
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Cash Basis of Accounting:			
Town Forest Stewardship Fund Investment Income		34	
Town Forest Stewardship Fund Expenses		(1,919)	
Net Change in Fund Balance		8,371	
Fund Balance - July 1, 2020		430,459	
Fund Balance - June 30, 2021		\$ 438,830	

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, 2021

	Special Revenue Funds	Capital Projects Funds	Total
<u>ASSETS</u>			
Cash	\$ 157,155	\$ 281,376	\$ 438,531
Investments	0	68,674	68,674
Due from Other Funds	53,529	0	53,529
Total Assets	\$ 210,684	\$ 350,050	\$ 560,734
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:	\$ 0	\$ 0	\$ 0
Total Liabilities	0	0	0
Fund Balances:			
Restricted	110,746	68,674	179,420
Committed	10,084	264,588	274,672
Assigned	89,854	16,788	106,642
Total Fund Balances	210,684	350,050	560,734
Total Liabilities and and Fund Balances	\$ 210,684	\$ 350,050	\$ 560,734

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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, 2021

	Special Revenue Funds	Capital Projects Funds	Total
Cash Receipts:			
Charges for Services	\$ 4,300	\$ 0	\$ 4,300
Permits, Licenses and Fees	17,720	0	17,720
Investment Income	110	682	792
Total Cash Receipts	<u>22,130</u>	<u>682</u>	<u>22,812</u>
Cash Disbursements:			
General Government	375	0	375
Highways and Streets	0	28,323	28,323
Cemetery	33,166	0	33,166
Total Cash Disbursements	<u>33,541</u>	<u>28,323</u>	<u>61,864</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>(11,411)</u>	<u>(27,641)</u>	<u>(39,052)</u>
Other Financing Sources/(Uses):			
Transfers In	34,300	65,638	99,938
Transfers Out	(1,300)	(13,630)	(14,930)
Total Other Financing Sources/(Uses)	<u>33,000</u>	<u>52,008</u>	<u>85,008</u>
Net Change in Fund Balances	21,589	24,367	45,956
Fund Balances - July 1, 2020	<u>189,095</u>	<u>325,683</u>	<u>514,778</u>
Fund Balances - June 30, 2021	<u>\$ 210,684</u>	<u>\$ 350,050</u>	<u>\$ 560,734</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, 2021

	Records Restoration Fund	Reappraisal Fund	Entrust Conservation Fund	Agricultural Support Fund	Cemetery Commission Fund	Total
<u>ASSETS</u>						
Cash	\$ 0	\$ 89,854	\$ 14,233	\$ 10,084	\$ 42,984	\$ 157,155
Due from Other Funds	<u>53,529</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>53,529</u>
Total Assets	<u>\$ 53,529</u>	<u>\$ 89,854</u>	<u>\$ 14,233</u>	<u>\$ 10,084</u>	<u>\$ 42,984</u>	<u>\$ 210,684</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:						
Restricted	53,529	0	14,233	0	42,984	110,746
Committed	0	0	0	10,084	0	10,084
Assigned	<u>0</u>	<u>89,854</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>89,854</u>
Total Fund Balances	<u>53,529</u>	<u>89,854</u>	<u>14,233</u>	<u>10,084</u>	<u>42,984</u>	<u>210,684</u>
Total Liabilities and Fund Balances	<u>\$ 53,529</u>	<u>\$ 89,854</u>	<u>\$ 14,233</u>	<u>\$ 10,084</u>	<u>\$ 42,984</u>	<u>\$ 210,684</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, 2021

	Records Restoration Fund	Reappraisal Fund	Entrust Conservation Fund	Agricultural Support Fund	Cemetery Commission Fund	Total
Cash Receipts:						
Charges for Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,300	\$ 4,300
Permits, Licenses and Fees	12,600	0	0	0	5,120	17,720
Investment Income	<u>0</u>	<u>59</u>	<u>10</u>	<u>7</u>	<u>34</u>	<u>110</u>
Total Cash Receipts	<u>12,600</u>	<u>59</u>	<u>10</u>	<u>7</u>	<u>9,454</u>	<u>22,130</u>
Cash Disbursements:						
General Government	375	0	0	0	0	375
Cemetery	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>33,166</u>	<u>33,166</u>
Total Cash Disbursements	<u>375</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>33,166</u>	<u>33,541</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>12,225</u>	<u>59</u>	<u>10</u>	<u>7</u>	<u>(23,712)</u>	<u>(11,411)</u>
Other Financing Sources/(Uses):						
Transfers In	0	9,000	0	0	25,300	34,300
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,300)</u>	<u>(1,300)</u>
Total Other Financing Sources/(Uses)	<u>0</u>	<u>9,000</u>	<u>0</u>	<u>0</u>	<u>24,000</u>	<u>33,000</u>
Net Change in Fund Balances	12,225	9,059	10	7	288	21,589
Fund Balances - July 1, 2020	<u>41,304</u>	<u>80,795</u>	<u>14,223</u>	<u>10,077</u>	<u>42,696</u>	<u>189,095</u>
Fund Balances - June 30, 2021	<u>\$ 53,529</u>	<u>\$ 89,854</u>	<u>\$ 14,233</u>	<u>\$ 10,084</u>	<u>\$ 42,984</u>	<u>\$ 210,684</u>

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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, 2021

	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	\$ 42,517	\$ 1,912	\$ 5,988	\$ 4,772	\$ 33,582	\$ 15,886
Investments	0	0	0	0	0	0
Due From Other Funds	0	0	0	0	0	0
Total Assets	\$ <u>42,517</u>	\$ <u>1,912</u>	\$ <u>5,988</u>	\$ <u>4,772</u>	\$ <u>33,582</u>	\$ <u>15,886</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Liabilities	0	0	0	0	0	0
Fund Balances:						
Restricted	0	0	0	0	0	0
Committed	42,517	0	0	4,772	33,582	15,886
Assigned	0	1,912	5,988	0	0	0
Total Fund Balances	<u>42,517</u>	<u>1,912</u>	<u>5,988</u>	<u>4,772</u>	<u>33,582</u>	<u>15,886</u>
Total Liabilities and Fund Balances	\$ <u>42,517</u>	\$ <u>1,912</u>	\$ <u>5,988</u>	\$ <u>4,772</u>	\$ <u>33,582</u>	\$ <u>15,886</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, 2021

	Bridge & Culvert Fund	Energy Projects Fund	Route 100 Transportation Path Fund	Covered Bridge Repair Fund	Scrag Mountain Forest Fund	Restroom, Recreation & Conservation Fund	Total
<u>ASSETS</u>							
Cash	\$ 28,271	\$ 8,888	\$ 94,565	\$ 5,520	\$ 0	\$ 39,475	\$ 281,376
Investments	0	0	0	0	68,674	0	68,674
Due From Other Funds	0	0	0	0	0	0	0
Total Assets	\$ 28,271	\$ 8,888	\$ 94,565	\$ 5,520	\$ 68,674	\$ 39,475	\$ 350,050
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Liabilities	0	0	0	0	0	0	0
Fund Balances:							
Restricted	0	0	0	0	68,674	0	68,674
Committed	28,271	0	94,565	5,520	0	39,475	264,588
Assigned	0	8,888	0	0	0	0	16,788
Total Fund Balances	28,271	8,888	94,565	5,520	68,674	39,475	350,050
Total Liabilities and Fund Balances	\$ 28,271	\$ 8,888	\$ 94,565	\$ 5,520	\$ 68,674	\$ 39,475	\$ 350,050

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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, 2021

	Fire Department Truck Reserve Fund	Belden Fund	Lareau Park Improvement Fund	Street Trees Fund	Equipment Fund	Fire Department Building & Equipment Fund
Cash Receipts:						
Investment Income	\$ 14	\$ 1	\$ 4	\$ 3	\$ 24	\$ 12
Total Cash Receipts	<u>14</u>	<u>1</u>	<u>4</u>	<u>3</u>	<u>24</u>	<u>12</u>
Cash Disbursements:						
Highways and Streets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Cash Disbursements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>14</u>	<u>1</u>	<u>4</u>	<u>3</u>	<u>24</u>	<u>12</u>
Other Financing Sources/(Uses):						
Transfers In	25,000	0	500	1,000	1,000	7,500
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(13,630)</u>
Total Other Financing Sources/(Uses)	<u>25,000</u>	<u>0</u>	<u>500</u>	<u>1,000</u>	<u>1,000</u>	<u>(6,130)</u>
Net Change in Fund Balances	25,014	1	504	1,003	1,024	(6,118)
Fund Balances - July 1, 2020	<u>17,503</u>	<u>1,911</u>	<u>5,484</u>	<u>3,769</u>	<u>32,558</u>	<u>22,004</u>
Fund Balances - June 30, 2021	<u>\$ 42,517</u>	<u>\$ 1,912</u>	<u>\$ 5,988</u>	<u>\$ 4,772</u>	<u>\$ 33,582</u>	<u>\$ 15,886</u>

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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, 2021

	Bridge & Culvert Fund	Energy Projects Fund	Route 100 Transportation Path Fund	Covered Bridge Repair Fund	Scrag Mountain Forest Fund	Restroom, Recreation & Conservation Fund	Total
Cash Receipts:							
Investment Income	\$ 28	\$ 6	\$ 68	\$ 4	\$ 496	\$ 22	\$ 682
Total Cash Receipts	<u>28</u>	<u>6</u>	<u>68</u>	<u>4</u>	<u>496</u>	<u>22</u>	<u>682</u>
Cash Disbursements:							
Highways and Streets	28,323	0	0	0	0	0	28,323
Total Cash Disbursements	<u>28,323</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>28,323</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>(28,295)</u>	<u>6</u>	<u>68</u>	<u>4</u>	<u>496</u>	<u>22</u>	<u>(27,641)</u>
Other Financing Sources/(Uses):							
Transfers In	19,638	0	500	500	0	10,000	65,638
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(13,630)</u>
Total Other Financing Sources/(Uses)	<u>19,638</u>	<u>0</u>	<u>500</u>	<u>500</u>	<u>0</u>	<u>10,000</u>	<u>52,008</u>
Net Change in Fund Balances	(8,657)	6	568	504	496	10,022	24,367
Fund Balances - July 1, 2020	<u>36,928</u>	<u>8,882</u>	<u>93,997</u>	<u>5,016</u>	<u>68,178</u>	<u>29,453</u>	<u>325,683</u>
Fund Balances - June 30, 2021	<u>\$ 28,271</u>	<u>\$ 8,888</u>	<u>\$ 94,565</u>	<u>\$ 5,520</u>	<u>\$ 68,674</u>	<u>\$ 39,475</u>	<u>\$ 350,050</u>

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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, 2021, 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 December 17, 2021.

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) to determine the 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. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. 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 may exist that have not been 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under "Government Auditing Standards".

However, we noted certain other matters that we have reported to the Town of Waitsfield, Vermont in a separate letter dated December 17, 2021.

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.

December 17, 2021
Montpelier, Vermont
VT Lic. #92-000180

