

TOWN OF WAITSFIELD, VERMONT

AUDIT REPORT

JUNE 30, 2019

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 AUDIT REPORT
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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, 2019, 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, 2019, 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 Principle

As described in Note II.B. of the financial statements, management began reporting investments at cost in order to conform to the modified cash basis of accounting. Our opinion is not modified with respect to this matter.

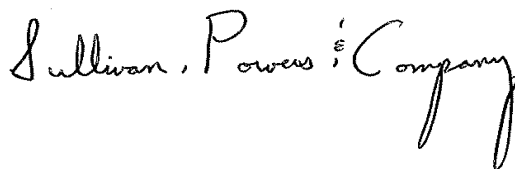
Other Information

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

Other Reporting Required by “Government Auditing Standards”

In accordance with “Government Auditing Standards”, we have also issued our report dated October 16, 2019 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.

October 16, 2019
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, 2019

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>	<hr/>	<hr/>	<hr/>
Cash	\$ 935,085	\$ 230,411	\$ 1,165,496
Investments	426,872	0	426,872
Internal Balances	<hr/> 52,507	<hr/> (52,507)	<hr/> 0
Total Assets	<hr/> 1,414,464	<hr/> 177,904	<hr/> 1,592,368
 <u>LIABILITIES</u>			
Escrow Liabilities	39,286	0	39,286
Payroll Withholdings Payable	168	0	168
Due to Customers	<hr/> 0	<hr/> 418	<hr/> 418
Total Liabilities	<hr/> 39,454	<hr/> 418	<hr/> 39,872
 <u>NET POSITION</u>			
Restricted:			
Scrag Mountain Town Forest	66,863	0	66,863
Records Restoration	33,536	0	33,536
Community Development	76,951	0	76,951
Library Capital	1,476	0	1,476
Cemetery	407,419	0	407,419
Wastewater System Improvements	27,207	0	27,207
Conservation	63,903	0	63,903
Other Purposes	14,202	0	14,202
Unrestricted	<hr/> 683,453	<hr/> 177,486	<hr/> 860,939
Total Net Position	<hr/> <u>\$ 1,375,010</u>	<hr/> <u>\$ 177,486</u>	<hr/> <u>\$ 1,552,496</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, 2019

Functions/Programs:	Program Receipts				Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services	Operating Grants/Loans and Contributions	Capital Grants/Loans and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 631,344	\$ 51,418	\$ 39,286	\$ 0	\$ (540,640)	\$ 0	\$ (540,640)
Public Safety	153,199	34,365	0	0	(118,834)	0	(118,834)
Highways and Streets	615,451	1,770	85,718	0	(527,963)	0	(527,963)
Culture and Recreation	455,085	0	0	51,015	(404,070)	0	(404,070)
Community Development	10,353	0	0	0	(10,353)	0	(10,353)
Cemetery	27,710	7,075	0	0	(20,635)	0	(20,635)
Sewer	0	0	0	11,598	11,598	0	11,598
Debt Service	415,847	0	0	0	(415,847)	0	(415,847)
Total Governmental Activities	<u>2,308,989</u>	<u>94,628</u>	<u>125,004</u>	<u>62,613</u>	<u>(2,026,744)</u>	<u>0</u>	<u>(2,026,744)</u>
Business-type Activities							
Water	192,011	217,717	0	0	0	25,706	25,706
Wait House	18,027	16,178	0	0	0	(1,849)	(1,849)
Total Business-type Activities	<u>210,038</u>	<u>233,895</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,857</u>	<u>23,857</u>
Total Primary Government	<u>\$ 2,519,027</u>	<u>\$ 328,523</u>	<u>\$ 125,004</u>	<u>\$ 62,613</u>	<u>(2,026,744)</u>	<u>23,857</u>	<u>(2,002,887)</u>
General Receipts:							
Property Taxes					1,529,920	0	1,529,920
Penalties and Interest on Delinquent Taxes					29,075	0	29,075
General State Grants					101,892	0	101,892
Unrestricted Investment Earnings					15,825	196	16,021
Insurance Proceeds					7,049	0	7,049
Other					935	0	935
Transfers:					(2,000)	2,000	0
Total General Receipts and Transfers					<u>1,682,696</u>	<u>2,196</u>	<u>1,684,892</u>
Change in Net Position					(344,048)	26,053	(317,995)
Net Position - July 1, 2018, As Restated					<u>1,719,058</u>	<u>151,433</u>	<u>1,870,491</u>
Net Position - June 30, 2019					<u>\$ 1,375,010</u>	<u>\$ 177,486</u>	<u>\$ 1,552,496</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, 2019

	General Fund	Vermont Grant Fund	Sewer Fund	Village West Sidewalk Fund	Joslin Library Fund	Cemetery Trust Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>								
Cash	\$ 343,661	\$ 76,951	\$ 39,286	\$ 0	\$ 1,476	\$ 8,242	\$ 465,469	\$ 935,085
Investments	0	0	0	0	0	360,009	66,863	426,872
Due from Other Funds	<u>2,505</u>	<u>0</u>	<u>27,207</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>33,536</u>	<u>63,248</u>
Total Assets	<u>\$ 346,166</u>	<u>\$ 76,951</u>	<u>\$ 66,493</u>	<u>\$ 0</u>	<u>\$ 1,476</u>	<u>\$ 368,251</u>	<u>\$ 565,868</u>	<u>\$ 1,425,205</u>
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Escrow Liabilities	\$ 0	\$ 0	\$ 39,286	\$ 0	\$ 0	\$ 0	\$ 0	\$ 39,286
Payroll Withholdings Payable	168	0	0	0	0	0	0	168
Due to Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,741</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,741</u>
Total Liabilities	<u>168</u>	<u>0</u>	<u>39,286</u>	<u>10,741</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>50,195</u>
Fund Balances/(Deficits):								
Restricted	0	76,951	27,207	0	1,476	368,251	217,672	691,557
Committed	0	0	0	0	0	0	258,753	258,753
Assigned	54,047	0	0	0	0	0	89,443	143,490
Unassigned/(Deficit)	<u>291,951</u>	<u>0</u>	<u>0</u>	<u>(10,741)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>281,210</u>
Total Fund Balances/(Deficits)	<u>345,998</u>	<u>76,951</u>	<u>27,207</u>	<u>(10,741)</u>	<u>1,476</u>	<u>368,251</u>	<u>565,868</u>	<u>1,375,010</u>
Total Liabilities and Fund Balances	<u>\$ 346,166</u>	<u>\$ 76,951</u>	<u>\$ 66,493</u>	<u>\$ 0</u>	<u>\$ 1,476</u>	<u>\$ 368,251</u>	<u>\$ 565,868</u>	<u>\$ 1,425,205</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, 2019

	General Fund	Vermont Grant Fund	Sewer Fund	Village West Sidewalk Fund	Joslin Library Fund	Cemetery Trust Fund	Non-Major Governmental Funds	Total Governmental Funds
Cash Receipts:								
Property Taxes	\$ 1,529,920	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,529,920
Penalties and Interest on Delinquent Taxes	29,075	0	0	0	0	0	0	29,075
Intergovernmental	187,610	0	0	0	0	0	0	187,610
Charges for Services	55,129	0	0	0	0	0	6,975	62,104
Permits, Licenses and Fees	33,065	0	0	0	0	0	3,428	36,493
Fines and Forfeits	4,281	0	0	0	0	0	0	4,281
Loan Repayments	39,286	0	0	0	0	0	0	39,286
Investment Income	5,530	39	0	0	366	7,824	2,066	15,825
Donations	0	0	0	0	51,015	0	0	51,015
Other	935	0	0	0	0	0	100	1,035
Total Cash Receipts	1,884,831	39	0	0	51,381	7,824	12,569	1,956,644
Cash Disbursements:								
General Government	635,819	0	58	0	0	0	3,817	639,694
Public Safety	153,199	0	0	0	0	0	0	153,199
Highways and Streets	457,561	0	0	0	0	0	1,510	459,071
Culture and Recreation	21,448	0	0	0	12,505	0	0	33,953
Community Development	0	10,353	0	0	0	0	0	10,353
Cemetery	100	0	0	0	0	20	27,590	27,710
Capital Outlay:								
Highways and Streets	0	0	0	0	0	0	156,380	156,380
Culture and Recreation	0	0	0	0	421,132	0	0	421,132
Debt Service:								
Principal	338,982	0	0	0	0	0	23,000	361,982
Interest	51,835	0	0	0	0	0	2,030	53,865
Total Cash Disbursements	1,658,944	10,353	58	0	433,637	20	214,327	2,317,339
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	225,887	(10,314)	(58)	0	(382,256)	7,804	(201,758)	(360,695)
Other Financing Sources/(Uses):								
Proceeds from Long-term Debt	0	0	11,598	0	0	0	0	11,598
Insurance Proceeds	7,049	0	0	0	0	0	0	7,049
Transfers In	97	0	0	0	0	1,300	301,373	302,770
Transfers Out	(278,787)	0	0	0	0	(24,586)	(1,397)	(304,770)
Total Other Financing Sources/(Uses)	(271,641)	0	11,598	0	0	(23,286)	299,976	16,647
Net Change in Fund Balances	(45,754)	(10,314)	11,540	0	(382,256)	(15,482)	98,218	(344,048)
Fund Balances/(Deficits) - July 1, 2018, As Restated	391,752	87,265	15,667	(10,741)	383,732	383,733	467,650	1,719,058
Fund Balances/(Deficits) - June 30, 2019	\$ 345,998	\$ 76,951	\$ 27,207	\$ (10,741)	\$ 1,476	\$ 368,251	\$ 565,868	\$ 1,375,010

The General Fund charges the Water Fund and Wait House Fund for various expenses. These charges totaling \$8,350 have been eliminated from the Governmental Activities on the Statement of Activities - Modified Cash Basis.

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, 2019

	Water Fund	Wait House Fund	Total
<u>ASSETS</u>			
Cash	\$ 228,411	\$ 2,000	\$ 230,411
Total Assets	<u>228,411</u>	<u>2,000</u>	<u>230,411</u>
<u>LIABILITIES</u>			
Due to Other Funds	49,527	2,980	52,507
Due to Customers	<u>418</u>	<u>0</u>	<u>418</u>
Total Liabilities	<u>49,945</u>	<u>2,980</u>	<u>52,925</u>
<u>NET POSITION</u>			
Unrestricted/(Deficit)	<u>178,466</u>	<u>(980)</u>	<u>177,486</u>
Total Net Position	<u>\$ 178,466</u>	<u>\$ (980)</u>	<u>\$ 177,486</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, 2019

	Water Fund	Wait House Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Operating Receipts:			
Charges for Services	\$ 217,191	\$ 16,178	\$ 233,369
Miscellaneous Income	<u>526</u>	<u>0</u>	<u>526</u>
Total Operating Receipts	<u>217,717</u>	<u>16,178</u>	<u>233,895</u>
Operating Disbursements:			
Administrative Charges	1,500	0	1,500
Administrative Supplies	550	242	792
Permits and Licenses	649	0	649
Insurance	1,003	2,500	3,503
Professional Services	22,484	924	23,408
Communications	1,653	0	1,653
Utilities	3,042	8,076	11,118
Maintenance	12,137	5,364	17,501
Other	<u>669</u>	<u>921</u>	<u>1,590</u>
Total Operating Disbursements	<u>43,687</u>	<u>18,027</u>	<u>61,714</u>
Operating Income/(Loss)	<u>174,030</u>	<u>(1,849)</u>	<u>172,181</u>
Non-Operating Receipts/(Disbursements)			
Investment Income	196	0	196
Debt Service - Principal	(60,116)	0	(60,116)
Debt Service - Interest	(82,178)	0	(82,178)
Water Equipment	(6,030)	0	(6,030)
Transfers In	<u>0</u>	<u>2,000</u>	<u>2,000</u>
Total Non-Operating Receipts/(Disbursements)	<u>(148,128)</u>	<u>2,000</u>	<u>(146,128)</u>
Change in Net Position	25,902	151	26,053
Net Position/(Deficit) - July 1, 2018	<u>152,564</u>	<u>(1,131)</u>	<u>151,433</u>
Net Position/(Deficit) - June 30, 2019	<u>\$ 178,466</u>	<u>\$ (980)</u>	<u>\$ 177,486</u>

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

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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, sewer and general administrative services.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Financial Reporting Entity

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

B. Basis of Presentation

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

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

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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. 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. Separate statements for each fund category – governmental and proprietary – 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.

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

Sewer Fund – This fund accounts for the activity related to the assets held by the Town and capital investments for private sewer systems.

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.

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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.

C. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide and proprietary 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, 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 are reported as other financing sources.

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

E. Assets, Liabilities and Equity

1. Cash

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

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

2. Investments

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

3. Fund Equity

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

4. Interfund Receivables/Payables

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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B. Restatement of Net Position/Fund Balance

The net position of the Governmental Activities was restated as follows:

	Governmental Activities
Net Position - June 30, 2018, As Originally Reported	\$ 1,762,422
Change in Accounting Principle: Recording Investments at Cost to Conform to the Modified Cash Basis of Accounting	(43,364)
Net Position - June 30, 2018, As Restated	\$ 1,719,058

The fund balance in the following fund was restated as follows:

	Cemetery Trust Fund
Fund Balance - June 30, 2018, As Originally Report	\$ 427,097
Change in Accounting Principle: Recording Investments at Cost to Conform to the Modified Cash Basis of Accounting	(43,364)
Fund Balance - June 30, 2018, As Restated	\$ 383,733

The restatement of the net position of the Governmental Activities and the fund balance of the Cemetery Trust Fund was a result of the Town recording investments at cost to conform with the modified cash basis of accounting. The effect of this correction on the Governmental Activities Statement of Net Position and the Cemetery Trust Fund Statement of Modified Cash Basis Assets, Liabilities and Fund Balances was to decrease assets and net position/fund balance by \$43,364. The effect on the 2018 Statement of Activities and Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances is unknown.

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Town's cash and investments as of June 30, 2019 consisted of the following:

Cash:	
Deposits with Financial Institutions	\$1,157,254
Deposits with Investment Company	<u>8,242</u>
Total Cash	<u>1,165,496</u>
Investments:	
Certificate of Deposit	66,863
Corporate Bonds	32,704
Mutual Funds – Mixed Holdings	308,952
Common Stock	<u>18,353</u>
Total Investments	<u>426,872</u>
Total Cash and Investments	<u>\$1,592,368</u>

The Town has one (1) certificate of deposit at Northfield Savings Bank in the amount of \$66,863 with an interest rate of 1.5% that matures in fiscal year 2020.

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	\$ 403,559	\$ 403,559
Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution's Agent	<u>828,800</u>	<u>850,820</u>
Total	<u>\$1,232,359</u>	<u>\$1,254,379</u>

TOWN OF WAITSFIELD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
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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	\$1,157,254
Cash – Deposits with Investment Company	8,242
Investments – Certificate of Deposit	<u>66,863</u>
Total	<u>\$1,232,359</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, certificates of deposit and mutual funds are not subject to interest rate risk disclosure.

Investment Type	Remaining Maturity		Total
	Less Than 1 Year	1 to 5 Years	
Corporate Bonds	\$ <u>17,888</u>	\$ <u>14,816</u>	\$ <u>32,704</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 certificates 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:

Investment Type	Standard and Poor's Rating as of June 30, 2019		Total
	A+	A-	
Corporate Bonds	\$ <u>17,888</u>	\$ <u>14,816</u>	\$ <u>32,704</u>

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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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, 2019 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 2,505	\$ 0
Sewer Fund	27,207	0
Village West Sidewalk Fund	0	10,741
Non-Major Governmental Funds	33,536	0
Water Fund	0	49,527
Wait House Fund	<u>0</u>	<u>2,980</u>
Totals	<u>\$63,248</u>	<u>\$63,248</u>

Interfund transfers during the years ended June 30, 2019 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Fire Department Equipment Fund	\$ 20,000	Annual Contribution
General Fund	Equipment Fund	40,000	Annual Contribution
General Fund	Equipment Fund	25,398	Lo-Pro Truck Purchase
General Fund	Fire Department Building & Equipment Fund	6,000	Annual Contribution
General Fund	Bridge & Culvert Fund	10,000	Annual Contribution
General Fund	Route 100 Transportation Path Fund	35,000	Annual Contribution
General Fund	Paving Reserve Fund	50,000	Annual Contribution
General Fund	Heavy Equipment Fund	15,000	Annual Contribution
General Fund	Restroom, Recreation & Conservation Fund	10,000	Annual Contribution
General Fund	Wait House Fund	2,000	Annual Contribution
Town Forest Stewardship Fund	Scrag Mountain Forest Fund	65,389 *	Establish New Fund
Cemetery Trust Fund	Cemetery Commission Fund	24,586	Annual Contribution
Cemetery Commission Fund	Cemetery Trust Fund	1,300	Transfer of Lot Sales
Water Main Break Fund	General Fund	<u>97</u>	Close Fund
Total		<u>\$ 304,770</u>	

* The transfer from the Town Forest Stewardship Fund to the Scrag Mountain Forest Fund is combined with the General Fund to comply with GASB Statement No. 54.

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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.

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

Verdmont Grant Fund:

Restricted for Community Development by Grant Agreement (Source of Revenue is Grant Revenue)	\$ <u>76,951</u>
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TOWN OF WAITSFIELD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019

Sewer Fund:		
	Restricted for Wastewater System Improvements by Unspent Debt Proceeds (Source of Revenue is Debt Proceeds)	\$ <u>27,207</u>
Joslin Library Fund:		
	Restricted for Joslin Library Capital Expenditures by Donations (Source of Revenue is Donations)	<u>1,476</u>
Cemetery Trust Fund:		
	Restricted for Cemetery Trust Fund by Trust Agreements	<u>368,251</u>
 <u>Non-Major Funds</u>		
Special Revenue Funds:		
	Restricted for Records Restoration Fund Expenses by Statute (Source of Revenue is Restoration Fees)	33,536
	Restricted for Entrust Conservation Fund Expenses by Donations (Source of Revenue is Donations)	14,202
	Restricted for Cemetery Commission Fund Expenses by Lot Sales (Source of Revenue is Lot Sales)	<u>39,168</u>
	Total Special Revenue Funds	<u>86,906</u>
Capital Projects Funds:		
	Restricted for Route 100 Transportation Path Expenditures by Agreement (Source of Revenue is Grant Revenue)	63,903
	Restricted for Scrag Mountain Town Forest Expenses by Agreement (Source of Revenue is Donations)	<u>66,863</u>
	Total Capital Projects Funds	<u>130,766</u>
	Total Non-Major Funds	<u>217,672</u>
	Total Restricted Fund Balances	<u>\$691,557</u>

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

Non-Major Funds

Special Revenue Funds:		
	Committed for Agricultural Support by the Voters	\$ <u>10,063</u>

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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Capital Projects Funds:

Committed for Fire Department Equipment Expenditures by the Voters	\$ 2
Committed for Street Trees Expenditures by the Voters	3,484
Committed for Equipment Expenditures by the Voters	56
Committed for Fire Department Building and Equipment Expenditures by the Voters	17,770
Committed for Bridge and Culvert Expenditures by the Voters	32,358
Committed for Paving Expenditures by the Voters	60,023
Committed for Covered Bridge Repair Expenditures by the Voters	5,009
Committed for Heavy Equipment Expenditures by the Voters	110,563
Committed for Restroom and Recreation Expenses by the Voters	<u>19,425</u>
Total Capital Projects Funds	<u>248,690</u>
Total Non-Major Funds	<u>258,753</u>
Total Committed Fund Balances	<u>\$258,753</u>

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

Major Funds

General Fund:

Assigned for Town Forest Stewardship Expenditures	\$ <u>54,047</u>
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Non-Major Funds

Special Revenue Funds:

Assigned for Reappraisal Expenses	<u>73,189</u>
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Capital Projects Funds:

Assigned for Town Clock Expenditures	1,908
Assigned for Lareau Park Improvement Expenditures	5,476
Assigned for Energy Projects Expenditures	<u>8,870</u>
Total Capital Projects Funds	<u>16,254</u>
Total Non-Major Funds	<u>89,443</u>
Total Assigned Fund Balances	<u>\$143,490</u>

The unassigned deficit of \$10,741 in the Village West Sidewalk Fund will be funded with the collection of future grant revenue.

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

D. Restricted and Designated Net Position

The restricted net position in the Governmental Activities consists of the restricted fund balances of \$691,557.

The designated net position of the Town as of June 30, 2019 consists of the following:

Water Fund:

Designated for Water Operations	\$ <u>178,466</u>
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Total Designated Net Position	\$ <u>178,466</u>
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The unrestricted deficit of \$980 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. During the year ended June 30, 2019, the retirement system consisted of 402 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
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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

As of June 30, 2018, the measurement date selected by the State of Vermont, VMERS was funded at 82.60% and had a plan fiduciary net position of \$667,848,905 and a total pension liability of \$808,524,797 resulting in a net position liability of \$140,675,892. As of June 30, 2019, the Town's proportionate share of this was 0.104% resulting in a net pension liability of \$146,331. The net pension liability was measured as of June 30, 2018, 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 0.104% was a decrease of 0.0132 from its proportion measured as of the prior year.

Summary of System Provisions

Membership – Full time employees of participating municipalities. The Town elected coverage under Group B.

Creditable Service – Service as a member plus purchased service.

Average Final Compensation (AFC) – Group B – Average annual compensation during highest three (3) consecutive years.

Service Retirement Allowance:

Eligibility – Group B – The earlier of age 62 with five (5) years of service or age 55 with thirty (30) years of service.

Amount – Group B – 1.7% of AFC times service as a Group B member plus percentage earned as a Group A member times AFC.

Maximum benefit is 60% of AFC for Group B. 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 Group B.

Amount – Normal allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes normal retirement age for Group B members.

Vested Retirement Allowance:

Eligibility – Five (5) years of service.

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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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.

Death Benefit:

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

Amount – For Group B, 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.

Optional Benefit and Death after Retirement – For Group B, lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee.

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 3% for Group B.

Member Contributions – Group B – 5.00%.

Employer Contributions – Group B – 5.625%.

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

Significant Actuarial Assumptions and Methods

Investment Rate of Return: 7.50%, net of pension plan investment expenses, including inflation.

Salary increases: 5% per year.

Mortality:

Death in Active Service: Group B – 98% of RP-2006 blended 60% Blue Collar Employee, 40% Healthy Employee with generational improvements.

Healthy Post-Retirement: Group B – 98% of RP-2014 blended 60% Blue Collar Annuitant, 40% Healthy Annuitant with generational improvements.

TOWN OF WAITSFIELD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
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Disabled Post-Retirement: Group B – RP-2006 Disabled Mortality Table with generational improvements.

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

Cost-of-Living Adjustments: Assumed to occur on January 1 following one year of retirement at the rate of 1.30% per annum for Group B members, a decrease from 1.8% in the prior year (beginning at normal retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Group B who receive a disability retirement benefit). The January 1, 2019 COLA is assumed to be 1.30%.

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.

Actuarial Value of Assets: A smoothing method is used, under which the value of assets for actuarial purposes equals market value less a five-year phase-in of the differences between actual and assumed investment return. The value of assets for actuarial purposes may not differ from market value of assets by more than 20%.

Inflation: 2.50%

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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Equity	18%	6.10%
Non-US Equity	16%	7.45%
Global Equity	9%	6.74%
Fixed Income	26%	2.25%
Real Estate	8%	5.11%
Private Markets	15%	7.60%
Hedge Funds	8%	3.86%

TOWN OF WAITSFIELD, VERMONT
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Discount Rate – The discount rate used to measure the total pension liability was 7.50%. In accordance with paragraph 29 of GASB 68, professional judgement was applied to determine that the System’s projected fiduciary net position exceeds projected benefit payments for current active and inactive members for all years. The analysis was based on the expectation that employers will continue to contribute at the rates set by the Board, which exceed the actuarially determined contribution, which is comprised on an employer normal cost payment and a payment to reduce the unfunded liability to zero by June 30, 2038. 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 7.50 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.50%) or one percent higher (8.50%):

<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
\$247,852	\$146,331	\$63,767

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 2019 were as follows:

	<u>Residential</u>	<u>Non-Residential</u>
Town	.4112	.4112
Local Agreement	.0034	.0034
Education	<u>1.5846</u>	<u>1.5679</u>
Total	<u>1.9992</u>	<u>1.9825</u>

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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 2019.

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 of debt is expected to be repaid from proprietary fund revenue.

TOWN OF WAITSFIELD, VERMONT
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JUNE 30, 2019

Long-term debt outstanding as of June 30, 2019 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	\$ 539,750	\$ 0	\$ 31,750	\$ 508,000
Note Payable, People's United Bank, Road Improvements, Principal Payments of \$10,000 Plus Interest Payable on August 18 Annually, Interest at 2.5%, Due and Paid August, 2019	20,000	0	10,000	10,000
Bond Payable, State of Vermont Special Environmental Revolving Fund, Wastewater Improvements, Principal Payments of 36,484 Payable on May 1 Annually, Interest at 0%, Due May, 2027	328,358	0	36,484	291,874
Note Payable, Community Bank, Capital Improvements, Principal Payments of \$17,572 Plus Interest Payable on August 26 Annually, Interest at 2.4%, Due and Paid August, 2019	35,144	0	17,572	17,572
Note Payable, People's United Bank Refunding of the Town's Deficit, Principal Payments of \$60,000 Plus Interest Payable on June 23 Annually, Interest at 2.5%, Due June, 2020	120,000	0	60,000	60,000
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	346,666	0	26,667	319,999

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Note Payable, Community Bank, 2016 Paving, Principal Payments of \$48,000 Plus Interest Payable on September 14 Annually, Interest at 1.73%, Due September, 2020	\$ 144,000	\$ 0	\$ 48,000	\$ 96,000
Note Payable, People's United Bank, SCBA Equipment, Principal Payments of \$9,000 Plus Interest Payable on December 4, Interest at 2.1%, Due December, 2020	27,000	0	9,000	18,000
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	232,750	0	12,250	220,500
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	73,384	0	18,346	55,038
Bond Payable, State of Vermont Special Environmental Revolving Fund, Wastewater Improvements, The First Principal and Interest Payment of \$14,322 was Paid on November 1, Annual Principal and Interest Payments of \$26,681 are Due Annually Beginning November 1, 2019, Interest at 2%, Due November, 2037	416,358	11,598	9,638	418,318
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	115,000	0	23,000*	92,000

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
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	\$ 125,000	\$ 0	\$ 25,000	\$ 100,000
Note Payable, People's United Bank, Sidewalk Improvements, Principal Payments of \$19,325 Plus Interest Payable on September 26 Annually Interest at 2.15%, Due September, 2019	<u>38,650</u>	<u>0</u>	<u>19,325</u>	<u>19,325</u>
Total Governmental Activities	<u>\$2,562,060</u>	<u>\$ 11,598</u>	<u>\$ 347,032</u>	<u>\$2,226,626</u>

*The Water Fund Contributed \$8,050 towards the principal payment of the Water Main Break Note.

Business-type Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, United States Department of Agriculture, Water System Improvements Semi-Annual Principal Payments of \$48,946 Plus Interest Payable on March 17 and September 17, Interest at 2.75%, Due September, 2054	\$2,767,057	\$ 0	\$ 48,946	\$2,718,111
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, 2054	<u>188,249</u>	<u>0</u>	<u>3,120</u>	<u>185,129</u>
Total Business-type Activities	<u>\$2,955,306</u>	<u>\$ 0</u>	<u>\$ 52,066</u>	<u>\$2,903,240</u>

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Maturities are estimated to be as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 355,709	\$ 50,056	\$ 53,523	\$ 79,473
2021	249,178	42,645	55,005	77,991
2022	192,552	37,690	56,528	76,468
2023	174,587	33,644	58,093	74,903
2024	126,975	29,857	59,701	73,295
2025-2029	568,017	112,628	324,240	340,740
2030-2034	389,515	50,249	371,684	293,296
2035-2039	170,093	7,454	426,070	238,910
2040-2044	0	0	479,036	176,732
2045-2049	0	0	489,607	109,916
2050-2054	0	0	494,203	42,300
2055			35,550	489
Total	<u>\$ 2,226,626</u>	<u>\$ 364,223</u>	<u>\$ 2,903,240</u>	<u>\$ 1,584,513</u>

E. SHORT-TERM DEBT

Short-term debt activity during the year ended June 30, 2019 was as follows:

Governmental Activities:

	Beginning Balance	Additions	Deletions	Ending Balance
Current Expense Note, People's United Bank, Fire Truck Purchase, Interest at 2.95%, Due and Paid June, 2019	\$69,000	\$ 0	\$69,000	\$ 0
Current Expense Note, People's United Bank, Fire Truck Purchase, Interest at 2.95% Due June, 2020	<u>0</u>	<u>46,000</u>	<u>0</u>	<u>46,000</u>
Total Governmental Activities	<u>\$69,000</u>	<u>\$46,000</u>	<u>\$69,000</u>	<u>\$46,000</u>

TOWN OF WAITSFIELD, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Receipts:			
Property Taxes	\$ 1,532,318	\$ 1,529,920	\$ (2,398)
Delinquent Tax Interest	15,000	16,580	1,580
Delinquent Tax Penalties	15,000	12,495	(2,505)
Act 60 Annual Support	10,000	10,659	659
Town Clerk Fees	30,000	21,128	(8,872)
Investment Income	1,000	5,442	4,442
Liquor Licenses	4,000	4,120	120
Zoning Fees	7,000	7,817	817
Highway State Aid	69,000	69,197	197
Road Department - Grants	0	7,500	7,500
Emergency Relief and Assistance Funds	0	9,021	9,021
Road Department - Miscellaneous	750	1,770	1,020
Fire Department Income (Fayston)	38,762	30,084	(8,678)
Traffic Control Income	5,500	4,205	(1,295)
Dog Fines & Impoundment Fees	150	76	(74)
PILOT	5,000	5,806	806
Current Use	85,000	85,427	427
Waitsfield Elementary School Solar Payment	12,000	8,675	(3,325)
Solar Array Credits	9,000	9,600	600
Library Insurance Reimbursement	2,500	0	(2,500)
Wait House Insurance Reimbursement	2,500	2,500	0
Water Admin. Reimbursement	500	1,500	1,000
Miscellaneous	0	2,032	2,032
Wastewater Loan Repayments - Phase 1 and 2	38,704	39,286	582
Insurance Proceeds	0	7,049	7,049
	<u>1,883,684</u>	<u>1,891,889</u>	<u>8,205</u>
Total Cash Receipts			
Cash Disbursements:			
Town Meeting:			
Elections Expense	2,250	1,581	669
Town Report	2,500	1,275	1,225
	<u>4,750</u>	<u>2,856</u>	<u>1,894</u>
Total Town Meeting			
Legal and Auditing:			
Legal	15,000	3,730	11,270
Auditing	16,100	15,300	800
	<u>31,100</u>	<u>19,030</u>	<u>12,070</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, 2019

	Budget	Actual	Variance Favorable/ (Unfavorable)
Town Office Operations:			
Insurance and Bonds	\$ 22,000	\$ 16,886	\$ 5,114
Office Rent	5,000	4,638	362
Town Office Repairs and Maintenance	5,620	9,241	(3,621)
Postage	4,500	4,011	489
Supplies	7,000	5,880	1,120
Computer Services	2,000	1,444	556
Training	1,000	553	447
Cleaning	7,800	9,303	(1,503)
Equipment Maintenance & Contracts	8,500	7,341	1,159
Telephone	4,100	4,404	(304)
Office Equipment	4,000	1,706	2,294
Public Notice Expense	4,500	2,172	2,328
Special Services	1,000	459	541
	<u>77,020</u>	<u>68,038</u>	<u>8,982</u>
Total Town Office Operations			
Town Clerk and Treasurer:			
Clerk/Treasurer & Assistant Salary	67,964	71,031	(3,067)
Ballot Clerks	750	947	(197)
	<u>68,714</u>	<u>71,978</u>	<u>(3,264)</u>
Total Town Clerk and Treasurer			
Selectboard:			
Selectboard Reimbursement	3,250	3,250	0
Town Website	750	0	750
Town Administrator	69,779	70,272	(493)
Training	450	70	380
Mileage Reimbursement	100	0	100
Selectboard Recording Secretary	3,000	1,413	1,587
Communications	200	0	200
	<u>77,529</u>	<u>75,005</u>	<u>2,524</u>
Total Selectboard			
Planning and Zoning:			
Minute Taker	800	166	634
Special Planning Projects	3,500	174	3,326
Zoning Administrator/Planning Director Salary	42,470	33,844	8,626
Training	450	110	340
Computer Equipment Services	1,000	671	329
Mileage Reimbursement	250	24	226
	<u>48,470</u>	<u>34,989</u>	<u>13,481</u>
Total Planning and Zoning			

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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, 2019

	Budget	Actual	Variance Favorable/ (Unfavorable)
Board of Listers:			
Assessor Services	\$ 18,000	\$ 18,671	\$ (671)
Computer Equipment Services	500	0	500
Property Map Maintenance	500	500	0
Training and Meetings	200	60	140
	<u>19,200</u>	<u>19,231</u>	<u>(31)</u>
Collector of Delinquent Taxes:	<u>15,000</u>	<u>11,885</u>	<u>3,115</u>
Conservation Committee:	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Highway Department Labor:	<u>160,329</u>	<u>168,840</u>	<u>(8,511)</u>
Equipment Operation and Repairs:			
Road Department Insurance	8,500	9,536	(1,036)
Gas, Oil, Grease and Filters	6,500	7,560	(1,060)
Diesel	30,000	26,356	3,644
2008 Pick-up Truck	700	0	700
2013 International Dump Truck	5,000	10,476	(5,476)
2016 GMC Pickup Truck	1,700	1,359	341
2010 Low Pro Truck	2,000	657	1,343
1997 International Dump Truck	150	58	92
2009 John Deere Loader	1,500	1,029	471
2015 Tandem	4,000	5,173	(1,173)
1998 Galion Grader	1,500	1,058	442
2008 CAT Backhoe	1,000	854	146
Roadside Mower	500	856	(356)
Steel Pole Saw/Chainsaw	300	103	197
Garage Repairs	1,500	4,307	(2,807)
Garage Trash Removal	1,700	1,648	52
Garage Uniforms	3,200	4,359	(1,159)
Garage Heat	2,500	2,784	(284)
Garage Telephone	1,200	1,350	(150)
Garage Electricity	1,500	1,682	(182)
Garage Supplies/Hardware	3,000	2,189	811
Garage Miscellaneous	1,200	1,157	43
Chipper/Rake	500	359	141
Garage Alarm System	500	960	(460)
Water Service	655	656	(1)
Plow Blades and Shoes	5,000	5,429	(429)
	<u>85,805</u>	<u>91,955</u>	<u>(6,150)</u>
Total Equipment Operation and Repairs	<u>85,805</u>	<u>91,955</u>	<u>(6,150)</u>

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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, 2019

	Budget	Actual	Variance Favorable/ (Unfavorable)
Road Hired Equipment and Labor:			
Sidewalk Mowing	\$ 1,000	\$ 0	\$ 1,000
Sidewalk Plowing	28,500	28,500	0
Other Equipment Rental	500	0	500
Contracted Plowing	5,000	3,518	1,482
Grading	350	450	(100)
	<u>35,350</u>	<u>32,468</u>	<u>2,882</u>
Road Department Materials:			
Salt	36,500	56,536	(20,036)
Sand	37,000	52,933	(15,933)
Chloride	13,000	11,748	1,252
Stone	7,000	4,914	2,086
Culverts	5,000	4,524	476
Guardrails	1,000	56	944
Tools	5,000	4,055	945
Signs	1,500	1,262	238
Cold Patch, Hay and Seed	4,000	2,429	1,571
	<u>110,000</u>	<u>138,457</u>	<u>(28,457)</u>
Road Department Miscellaneous			
Fayston Winter Agreement	8,200	8,140	60
Sidewalk Maintenance and Repairs	500	0	500
Tree Cutting	0	1,580	(1,580)
Bridge Repairs	1,000	0	1,000
Gravel Pit Management	1,000	160	840
Pavement Sealing	5,000	5,400	(400)
Line Painting	3,500	0	3,500
Street Lights	4,700	4,253	447
Bridge Lights	250	236	14
Radios and Pagers	900	1,947	(1,047)
Road Department Training	250	45	205
MRGP/State Roads Permit	2,640	1,990	650
	<u>27,940</u>	<u>23,751</u>	<u>4,189</u>
Employee Benefits:			
FICA	24,957	21,589	3,368
Medicare	2,602	5,049	(2,447)
Retirement	19,738	17,929	1,809
Unemployment	550	212	338
Workers Compensation	14,000	12,930	1,070
Health Insurance	88,301	80,586	7,715
Life and Disability Insurance	2,500	2,190	310
Vision	1,250	0	1,250
	<u>153,898</u>	<u>140,485</u>	<u>13,413</u>

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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, 2019

	Budget	Actual	Variance Favorable/ (Unfavorable)
Fire Department:			
Gas, Oil and Grease	\$ 3,500	\$ 2,232	\$ 1,268
Insurance	9,500	11,612	(2,112)
Telecommunication	27,000	29,737	(2,737)
Electricity	1,800	2,155	(355)
Heat	4,000	5,906	(1,906)
Water	655	656	(1)
Building Repair and Maintenance	2,000	880	1,120
Alarm	350	20	330
Truck Repairs	8,000	16,233	(8,233)
Equipment Repairs	3,000	1,279	1,721
Bottled Gas	400	0	400
Training	3,400	980	2,420
Hose and Equipment	3,200	4,488	(1,288)
Gear	4,500	15	4,485
Fire Prevention	400	416	(16)
Miscellaneous	500	132	368
Physical Exams	500	0	500
Labor	20,000	20,893	(893)
FICA and Medicare	1,700	1,506	194
Ladder/Hose Testing	2,500	0	2,500
	<u>96,905</u>	<u>99,140</u>	<u>(2,235)</u>
Total Fire Department			
Public Safety:			
Sheriff Department Billing	28,000	21,291	6,709
Dog Warden Salary and Fees	750	720	30
Dog Pound Fees	150	210	(60)
Emergency Management	500	0	500
Fire Warden	250	0	250
Fire Protection Contribution	28,820	28,864	(44)
Generator Expense	850	1,221	(371)
Insurance	2,541	0	2,541
Training	500	603	(103)
Town Health Officer	250	400	(150)
	<u>62,611</u>	<u>53,309</u>	<u>9,302</u>
Total Public Safety			
Dues and Assessments:			
Central Vermont Regional Planning	1,980	1,942	38
Joslin Memorial Library	60,795	60,795	0
Mad River Resource Management Alliance	10,314	10,529	(215)
Mad River Valley Planning District	44,000	44,067	(67)
Mad River Valley Recreation District	15,000	15,000	0
Vermont League of Cities and Towns	3,003	3,003	0
Washington County Tax	29,362	29,362	0
	<u>164,454</u>	<u>164,698</u>	<u>(244)</u>
Total Dues and Assessments			

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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, 2019

	Budget	Actual	Variance Favorable/ (Unfavorable)
Special Appropriations:			
Circle	\$ 175	\$ 175	\$ 0
Central Vermont Adult Basic Education	300	300	0
Capstone (Central Vermont Community Action Council)	150	150	0
Downstreet (Central Vermont Community Land Trust)	500	500	0
Central Vermont Council on Aging	700	700	0
Central Vermont Economic Development	400	400	0
Central Vermont Home Health & Hospice	1,725	1,725	0
Everybody Wins!	500	500	0
Family Center of Washington County	250	250	0
Good Beginnings of Central Vermont	150	150	0
Green Up Vermont	50	50	0
Green Mountain Transit Agency	462	462	0
Home Share Now	400	400	0
Mad River Valley Health Center	3,000	3,000	0
Mad River Valley Seniors	7,000	7,000	0
Peoples Health and Wellness	250	250	0
Retired Senior Voluntary Program	150	150	0
Sexual Assault Crisis Team	125	125	0
Center for Independent Living	310	310	0
Washington County Mental Health	1,600	1,600	0
Washington County Youth Service	375	375	0
Total Special Appropriations	<u>18,572</u>	<u>18,572</u>	<u>0</u>
Miscellaneous:			
Fire Warden	0	750	(750)
Maintenance of Parks	11,500	11,384	116
Trail Maintenance	1,500	1,500	0
Solar Array Maintenance	1,000	532	468
Membership and Dues	185	115	70
Cemetery Veteran's Flags	100	100	0
Mad River Valley Television Hearing Coverage	3,400	3,400	0
Other	0	505	(505)
Paving Project Expense	0	790	(790)
Village West Sidewalk	0	1,300	(1,300)
Total Miscellaneous	<u>17,685</u>	<u>20,376</u>	<u>(2,691)</u>
Debt Service:			
Town Office/Solar Array Bond	48,915	48,915	0
Town Office Bond	17,955	17,955	0
Bridge Street/Covered Bridge Bond	35,334	35,390	(56)
Flood Expenses Debt Service	27,500	28,746	(1,246)
Wastewater Loan - RF1-058	36,484	36,484	0
Wastewater Loan - RF1-164/208	31,000	14,322	16,678
2014 Paving Loan	10,500	10,500	0

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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, 2019

	Budget	Actual	Variance Favorable/ (Unfavorable)
Debt Service/(Cont.):			
2015 Paving Loan	\$ 50,491	\$ 50,484	\$ 7
2016 Paving Loan	19,755	19,746	9
Tremblay Road Culvert Loan	18,500	18,406	94
Fiscal Year Transition Loan	63,000	62,987	13
Fire Dept. SCBA Equipment Loan	9,600	9,565	35
Sidewalk Line of Credit Interest	19,900	20,159	(259)
Water Main Break Loan	17,995	17,158	837
Total Debt Service	406,929	390,817	16,112
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	40,000	40,000	0
Heavy Equipment Reserve Fund	15,000	15,000	0
Fire Department Equipment Reserve Fund	20,000	20,000	0
Fire Department Building Reserve Fund	6,000	6,000	0
Conservation Fund	10,000	10,000	0
Route 100 Transportation Path Fund	35,000	35,000	0
Paving Reserve Fund	50,000	50,000	0
Covered Bridge Repair Fund	10,000	10,000	0
Equipment Reserve Fund - Lo-Pro Truck Purchase	8,923	25,398	(16,475)
Total Contribution to Reserves	194,923	211,398	(16,475)
Total Cash Disbursements	1,883,684	1,863,778	19,906
Excess of Cash Receipts			
Over Cash Disbursements	\$ 0	28,111	\$ 28,111
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Cash Basis of Accounting:			
Town Forest Stewardship Fund Investment Income		88	
Town Forest Stewardship Fund Expenses		(8,564)	
Town Forest Stewardship Transfer Out		(65,389)	
Net Change in Fund Balance		(45,754)	
Fund Balance - July 1, 2018		391,752	
Fund Balance - June 30, 2019		\$ 345,998	

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, 2019

	Special Revenue Funds	Capital Projects Funds	Total
<u>ASSETS</u>	<u> </u>	<u> </u>	<u> </u>
Cash	\$ 136,622	\$ 328,847	\$ 465,469
Investments	0	66,863	66,863
Due from Other Funds	<u>33,536</u>	<u>0</u>	<u>33,536</u>
 Total Assets	 <u>\$ 170,158</u>	 <u>\$ 395,710</u>	 <u>\$ 565,868</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Due to Other Funds	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
 Total Liabilities	 <u>0</u>	 <u>0</u>	 <u>0</u>
Fund Balances:			
Restricted	86,906	130,766	217,672
Committed	10,063	248,690	258,753
Assigned	<u>73,189</u>	<u>16,254</u>	<u>89,443</u>
 Total Fund Balances	 <u>170,158</u>	 <u>395,710</u>	 <u>565,868</u>
 Total Liabilities and and Fund Balances	 <u>\$ 170,158</u>	 <u>\$ 395,710</u>	 <u>\$ 565,868</u>

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TOWN OF WAITSFIELD, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND
 CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds	Capital Projects Funds	Total
Cash Receipts:			
Charges for Services	\$ 6,975	\$ 0	\$ 6,975
Permits, Licenses and Fees	3,428	0	3,428
Investment Income	176	1,890	2,066
Other	100	0	100
	<u>10,679</u>	<u>1,890</u>	<u>12,569</u>
Cash Disbursements:			
General Government	3,817	0	3,817
Highways and Streets	0	1,510	1,510
Cemetery	27,590	0	27,590
Capital Outlay:			
Highways and Streets	0	156,380	156,380
Debt Service:			
Principal	0	23,000	23,000
Interest	0	2,030	2,030
	<u>31,407</u>	<u>182,920</u>	<u>214,327</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>(20,728)</u>	<u>(181,030)</u>	<u>(201,758)</u>
Other Financing Sources/(Uses):			
Transfers In	24,586	276,787	301,373
Transfers Out	(1,300)	(97)	(1,397)
	<u>23,286</u>	<u>276,690</u>	<u>299,976</u>
Net Change in Fund Balances	2,558	95,660	98,218
Fund Balances - July 1, 2018	<u>167,600</u>	<u>300,050</u>	<u>467,650</u>
Fund Balances - June 30, 2019	<u>\$ 170,158</u>	<u>\$ 395,710</u>	<u>\$ 565,868</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF WAITSFIELD, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2019

	Records Restoration Fund	Reappraisal Fund	Entrust Conservation Fund	Agricultural Support Fund	Cemetery Commission Fund	Total
<u>ASSETS</u>						
Cash	\$ 0	\$ 73,189	\$ 14,202	\$ 10,063	\$ 39,168	\$ 136,622
Due from Other Funds	<u>33,536</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>33,536</u>
Total Assets	<u>\$ 33,536</u>	<u>\$ 73,189</u>	<u>\$ 14,202</u>	<u>\$ 10,063</u>	<u>\$ 39,168</u>	<u>\$ 170,158</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Due to Other Funds	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:						
Restricted	33,536	0	14,202	0	39,168	86,906
Committed	0	0	0	10,063	0	10,063
Assigned	<u>0</u>	<u>73,189</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>73,189</u>
Total Fund Balances	<u>33,536</u>	<u>73,189</u>	<u>14,202</u>	<u>10,063</u>	<u>39,168</u>	<u>170,158</u>
Total Liabilities and Fund Balances	<u>\$ 33,536</u>	<u>\$ 73,189</u>	<u>\$ 14,202</u>	<u>\$ 10,063</u>	<u>\$ 39,168</u>	<u>\$ 170,158</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, 2019

	Records Restoration Fund	Reappraisal Fund	Entrust Conservation Fund	Agricultural Support Fund	Cemetery Commission Fund	Total
Cash Receipts:						
Charges for Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,975	\$ 6,975
Permits, Licenses and Fees	3,428	0	0	0	0	3,428
Investment Income	0	110	21	15	30	176
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100</u>	<u>100</u>
Total Cash Receipts	<u>3,428</u>	<u>110</u>	<u>21</u>	<u>15</u>	<u>7,105</u>	<u>10,679</u>
Cash Disbursements:						
General Government	2,817	1,000	0	0	0	3,817
Cemetery	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,590</u>	<u>27,590</u>
Total Cash Disbursements	<u>2,817</u>	<u>1,000</u>	<u>0</u>	<u>0</u>	<u>27,590</u>	<u>31,407</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>611</u>	<u>(890)</u>	<u>21</u>	<u>15</u>	<u>(20,485)</u>	<u>(20,728)</u>
Other Financing Sources/(Uses):						
Transfers In	0	0	0	0	24,586	24,586
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>0</u>	<u>0</u>	<u>0</u>	<u>23,286</u>	<u>23,286</u>
Net Change in Fund Balances	611	(890)	21	15	2,801	2,558
Fund Balances - July 1, 2018	<u>32,925</u>	<u>74,079</u>	<u>14,181</u>	<u>10,048</u>	<u>36,367</u>	<u>167,600</u>
Fund Balances - June 30, 2019	<u>\$ 33,536</u>	<u>\$ 73,189</u>	<u>\$ 14,202</u>	<u>\$ 10,063</u>	<u>\$ 39,168</u>	<u>\$ 170,158</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, 2019

	Fire Department Equipment Fund	Belden Fund	Lareau Park Improvement Fund	Street Trees Fund	Equipment Fund	Fire Department Building & Equipment Fund	Bridge & Culvert Fund	Energy Projects Fund
<u>ASSETS</u>								
Cash	\$ 2	\$ 1,908	\$ 5,476	\$ 3,484	\$ 56	\$ 17,770	\$ 32,358	\$ 8,870
Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 2</u>	<u>\$ 1,908</u>	<u>\$ 5,476</u>	<u>\$ 3,484</u>	<u>\$ 56</u>	<u>\$ 17,770</u>	<u>\$ 32,358</u>	<u>\$ 8,870</u>
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Due to Other Funds	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:								
Restricted	0	0	0	0	0	0	0	0
Committed	2	0	0	3,484	56	17,770	32,358	0
Assigned	<u>0</u>	<u>1,908</u>	<u>5,476</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,870</u>
Total Fund Balances	<u>2</u>	<u>1,908</u>	<u>5,476</u>	<u>3,484</u>	<u>56</u>	<u>17,770</u>	<u>32,358</u>	<u>8,870</u>
Total Liabilities and Fund Balances	<u>\$ 2</u>	<u>\$ 1,908</u>	<u>\$ 5,476</u>	<u>\$ 3,484</u>	<u>\$ 56</u>	<u>\$ 17,770</u>	<u>\$ 32,358</u>	<u>\$ 8,870</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, 2019

	Route 100 Transportation Path Fund	Paving Reserve Fund	Covered Bridge Repair Fund	Heavy Equipment Fund	Water Main Break Fund	Scrag Mountain Forest Fund	Restroom, Recreation & Conservation Fund	Total
<u>ASSETS</u>								
Cash	\$ 63,903	\$ 60,023	\$ 5,009	\$ 110,563	\$ 0	\$ 0	\$ 19,425	\$ 328,847
Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>66,863</u>	<u>0</u>	<u>66,863</u>
Total Assets	<u>\$ 63,903</u>	<u>\$ 60,023</u>	<u>\$ 5,009</u>	<u>\$ 110,563</u>	<u>\$ 0</u>	<u>\$ 66,863</u>	<u>\$ 19,425</u>	<u>\$ 395,710</u>
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Due to Other Funds	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:								
Restricted	63,903	0	0	0	0	66,863	0	130,766
Committed	0	60,023	5,009	110,563	0	0	19,425	248,690
Assigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,254</u>
Total Fund Balances	<u>63,903</u>	<u>60,023</u>	<u>5,009</u>	<u>110,563</u>	<u>0</u>	<u>66,863</u>	<u>19,425</u>	<u>395,710</u>
Total Liabilities and Fund Balances	<u>\$ 63,903</u>	<u>\$ 60,023</u>	<u>\$ 5,009</u>	<u>\$ 110,563</u>	<u>\$ 0</u>	<u>\$ 66,863</u>	<u>\$ 19,425</u>	<u>\$ 395,710</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, 2019

	Fire Department Equipment Fund	Belden Fund	Lareau Park Improvement Fund	Street Trees Fund	Equipment Fund	Fire Department Building & Equipment Fund	Bridge & Culvert Fund	Energy Projects Fund
Cash Receipts:								
Investment Income	\$ 5	\$ 3	\$ 8	\$ 6	\$ 71	\$ 26	\$ 38	\$ 14
Total Cash Receipts	5	3	8	6	71	26	38	14
Cash Disbursements:								
Highways and Streets	0	0	0	1,510	0	0	0	0
Capital Outlay:								
Highways and Streets	0	0	0	0	123,917	0	6,284	0
Debt Service:								
Principal	18,400	0	0	0	0	4,600	0	0
Interest	1,522	0	0	0	0	508	0	0
Total Cash Disbursements	19,922	0	0	1,510	123,917	5,108	6,284	0
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	(19,917)	3	8	(1,504)	(123,846)	(5,082)	(6,246)	14
Other Financing Sources/(Uses):								
Transfers In	20,000	0	0	0	65,398	6,000	10,000	0
Transfers Out	0	0	0	0	0	0	0	0
Total Other Financing Sources/(Uses)	20,000	0	0	0	65,398	6,000	10,000	0
Net Change in Fund Balances	83	3	8	(1,504)	(58,448)	918	3,754	14
Fund Balances/(Deficit) - July 1, 2018	(81)	1,905	5,468	4,988	58,504	16,852	28,604	8,856
Fund Balances - June 30, 2019	\$ 2	\$ 1,908	\$ 5,476	\$ 3,484	\$ 56	\$ 17,770	\$ 32,358	\$ 8,870

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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, 2019

	Route 100 Transportation Path Fund	Paving Reserve Fund	Covered Bridge Repair Fund	Heavy Equipment Fund	Water Main Break	Scrag Mountain Forest Fund	Restroom, Recreation & Conservation Fund	Total
Cash Receipts:								
Investment Income	\$ 47	\$ 21	\$ 8	\$ 153	\$ 0	\$ 1,474	\$ 16	\$ 1,890
Total Cash Receipts	<u>47</u>	<u>21</u>	<u>8</u>	<u>153</u>	<u>0</u>	<u>1,474</u>	<u>16</u>	<u>1,890</u>
Cash Disbursements:								
Highways and Streets	0	0	0	0	0	0	0	1,510
Capital Outlay:								
Highways and Streets	0	0	0	26,179	0	0	0	156,380
Debt Service:								
Principal	0	0	0	0	0	0	0	23,000
Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,030</u>
Total Cash Disbursements	<u>0</u>	<u>0</u>	<u>0</u>	<u>26,179</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>182,920</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>47</u>	<u>21</u>	<u>8</u>	<u>(26,026)</u>	<u>0</u>	<u>1,474</u>	<u>16</u>	<u>(181,030)</u>
Other Financing Sources/(Uses):								
Transfers In	35,000	50,000	0	15,000	0	65,389	10,000	276,787
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(97)</u>	<u>0</u>	<u>0</u>	<u>(97)</u>
Total Other Financing Sources/(Uses)	<u>35,000</u>	<u>50,000</u>	<u>0</u>	<u>15,000</u>	<u>(97)</u>	<u>65,389</u>	<u>10,000</u>	<u>276,690</u>
Net Change in Fund Balances	35,047	50,021	8	(11,026)	(97)	66,863	10,016	95,660
Fund Balances/(Deficit) - July 1, 2018	<u>28,856</u>	<u>10,002</u>	<u>5,001</u>	<u>121,589</u>	<u>97</u>	<u>0</u>	<u>9,409</u>	<u>300,050</u>
Fund Balances - June 30, 2019	<u>\$ 63,903</u>	<u>\$ 60,023</u>	<u>\$ 5,009</u>	<u>\$ 110,563</u>	<u>\$ 0</u>	<u>\$ 66,863</u>	<u>\$ 19,425</u>	<u>\$ 395,710</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, 2019, and the related notes to the financial statements, which collectively comprise the Town of Waitsfield, Vermont's basic financial statements, and have issued our report thereon dated October 16, 2019.

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 October 16, 2019.

Purpose of this Report

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

October 16, 2019
Montpelier, Vermont
VT Lic. #92-000180

