

TOWN OF WAITSFIELD, VERMONT

AUDIT REPORT

JUNE 30, 2025

TOWN OF WAITSFIELD, VERMONT
AUDIT REPORT
TABLE OF CONTENTS
JUNE 30, 2025

	<u>Page #</u>
Independent Auditor's Report	1-3
Basic Financial Statements:	
Statement of Net Position - Modified Cash Basis	Exhibit A 4
Statement of Activities - Modified Cash Basis	Exhibit B 5
Governmental Funds:	
Statement of Modified Cash Basis Assets, Liabilities and Fund Balances	Exhibit C 6
Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances	Exhibit D 7
Proprietary Funds:	
Statement of Fund Net Position - Modified Cash Basis	Exhibit E 8
Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Net Position	Exhibit F 9
Fiduciary Funds:	
Statement of Fiduciary Modified Cash Basis Net Position	Exhibit G 10
Statement of Changes in Fiduciary Modified Cash Basis Net Position	Exhibit H 11
Notes to the Financial Statements	12-32

TOWN OF WAITSFIELD, VERMONT
 AUDIT REPORT
 TABLE OF CONTENTS
 JUNE 30, 2025

Page #

Other Information:

Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balance - Budget and Actual - Budgetary Basis - General Fund	Schedule 1	33-40
Combining Schedule of Modified Cash Basis Assets, Liabilities and Fund Balances - Non-Major Governmental Funds	Schedule 2	41
Combining Schedule of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances - Non-Major Governmental Funds	Schedule 3	42
Combining Schedule of Modified Cash Basis Assets, Liabilities and Fund Balances - Non-Major Special Revenue Funds	Schedule 4	43
Combining Schedule of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances - Non-Major Special Revenue Funds	Schedule 5	44
Combining Schedule of Modified Cash Basis Assets, Liabilities and Fund Balances - Non-Major Capital Projects Funds	Schedule 6	45-46
Combining Schedule of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances - Non-Major Capital Projects Funds	Schedule 7	47-48
Combining Schedule of Fiduciary Modified Cash Basis Net Position - Custodial Funds	Schedule 8	49
Combining Schedule of Changes in Fiduciary Modified Cash Basis Net Position - Custodial Funds	Schedule 9	50
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"		51-52

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Waitsfield, Vermont as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of Waitsfield, Vermont's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Waitsfield, Vermont, as of June 30, 2025, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting, as described in Note I.D.

Basis for Opinions

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

Emphasis of Matter - Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Information

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

Other Reporting Required by "Government Auditing Standards"

In accordance with "Government Auditing Standards", we have also issued our report dated March 4, 2026 on our consideration of the Town of Waitsfield, Vermont's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Waitsfield, Vermont's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the Town of Waitsfield, Vermont's internal control over financial reporting and compliance.

Sullivan, Powers & Co.

March 4, 2026
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF WAITSFIELD, VERMONT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash	\$ 2,776,045	\$ 196,463	\$ 2,972,508
Investments	360,389	336,488	696,877
Internal Balances	267,495	(267,495)	0
Total Assets	3,403,929	265,456	3,669,385
<u>LIABILITIES</u>			
Prepaid User Fees	0	15	15
Total Liabilities	0	15	15
<u>NET POSITION</u>			
Restricted:			
Records Restoration	46,943	0	46,943
Verdmont Grant	3,817	0	3,817
Joslin Library	1,848	0	1,848
Cemetery	436,169	0	436,169
Invasive Species	7,994	0	7,994
Riverside Park	43,355	0	43,355
Eligible ARPA Expenses	60,497	0	60,497
Unrestricted	2,803,306	265,441	3,068,747
Total Net Position	\$ 3,403,929	\$ 265,441	\$ 3,669,370

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, 2025

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	\$ 906,708	\$ 100,762	\$ 19,953	\$ 0	\$ (785,993)	\$ 0	\$ (785,993)
Public Safety	322,769	99,776	0	0	(222,993)	0	(222,993)
Highways and Streets	1,463,132	3,417	95,124	0	(1,364,591)	0	(1,364,591)
Culture and Recreation	130,766	6,775	53,732	0	(70,259)	0	(70,259)
Community Development	12,296	0	0	0	(12,296)	0	(12,296)
Cemetery	39,856	17,440	0	0	(22,416)	0	(22,416)
Debt Service	184,576	0	0	0	(184,576)	0	(184,576)
Total Governmental Activities	<u>3,060,103</u>	<u>228,170</u>	<u>168,809</u>	<u>0</u>	<u>(2,663,124)</u>	<u>0</u>	<u>(2,663,124)</u>
Business-type Activities							
Water	192,116	225,601	0	0	0	33,485	33,485
Wastewater	405,232	0	0	406,224	0	992	992
Wait House	57,617	17,442	0	11,626	0	(28,549)	(28,549)
Total Business-type Activities	<u>654,965</u>	<u>243,043</u>	<u>0</u>	<u>417,850</u>	<u>0</u>	<u>5,928</u>	<u>5,928</u>
Total Primary Government	<u>\$ 3,715,068</u>	<u>\$ 471,213</u>	<u>\$ 168,809</u>	<u>\$ 417,850</u>	<u>(2,663,124)</u>	<u>5,928</u>	<u>(2,657,196)</u>
General Receipts:							
Property Taxes					2,304,216	0	2,304,216
Penalties and Interest on Delinquent Taxes					26,443	0	26,443
General State Grants					142,148	0	142,148
Unrestricted Investment Earnings					164,928	17,994	182,922
Other					424	154	578
Transfers:					212,962	(212,962)	0
Total General Receipts and Transfers					<u>2,851,121</u>	<u>(194,814)</u>	<u>2,656,307</u>
Change in Net Position					187,997	(188,886)	(889)
Net Position - July 1, 2024					<u>3,215,932</u>	<u>454,327</u>	<u>3,670,259</u>
Net Position - June 30, 2025					<u>\$ 3,403,929</u>	<u>\$ 265,441</u>	<u>\$ 3,669,370</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, 2025

	General Fund	Bridge & Culvert Fund	Joslin Library Fund	Cemetery Trust Fund	Paving Reserve Fund	Wastewater Feasibility Study Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>									
Cash	\$ 1,120,584	\$ 320,326	\$ 911	\$ 37,083	\$ 176,237	\$ 0	\$ 0	\$ 1,120,904	\$ 2,776,045
Investments	0	0	0	360,389	0	0	0	0	360,389
Due from Other Funds	<u>171,543</u>	<u>0</u>	<u>937</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>60,497</u>	<u>46,943</u>	<u>279,920</u>
Total Assets	<u>\$ 1,292,127</u>	<u>\$ 320,326</u>	<u>\$ 1,848</u>	<u>\$ 397,472</u>	<u>\$ 176,237</u>	<u>\$ 0</u>	<u>\$ 60,497</u>	<u>\$ 1,167,847</u>	<u>\$ 3,416,354</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>12,425</u>	\$ <u>12,425</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>12,425</u>	<u>12,425</u>
Fund Balances:									
Restricted	0	0	1,848	397,472	0	0	60,497	140,806	600,623
Committed	312,000	320,326	0	0	176,237	0	0	841,889	1,650,452
Assigned	127,081	0	0	0	0	0	0	172,727	299,808
Unassigned	<u>853,046</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>853,046</u>
Total Fund Balances	<u>1,292,127</u>	<u>320,326</u>	<u>1,848</u>	<u>397,472</u>	<u>176,237</u>	<u>0</u>	<u>60,497</u>	<u>1,155,422</u>	<u>3,403,929</u>
Total Liabilities and Fund Balances	<u>\$ 1,292,127</u>	<u>\$ 320,326</u>	<u>\$ 1,848</u>	<u>\$ 397,472</u>	<u>\$ 176,237</u>	<u>\$ 0</u>	<u>\$ 60,497</u>	<u>\$ 1,167,847</u>	<u>\$ 3,416,354</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, 2025

	General Fund	Bridge & Culvert Fund	Joslin Library Fund	Cemetery Trust Fund	Paving Reserve Fund	Wastewater Feasibility Study Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
Cash Receipts:									
Property Taxes	\$ 2,304,216	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,304,216
Penalties and Interest on Delinquent Taxes	26,443	0	0	0	0	0	0	0	26,443
Intergovernmental	257,225	0	1,034	0	0	0	0	44,628	302,887
Charges for Services	130,331	0	0	0	0	0	0	15,453	145,784
Permits, Licenses and Fees	34,167	0	0	0	0	0	0	9,650	43,817
Fines and Forfeits	6,446	0	0	0	0	0	0	0	6,446
Loan Repayments	28,706	0	0	0	0	0	0	0	28,706
Investment Income	70,563	7,556	4	33,274	22,804	0	0	30,727	164,928
Donations	0	0	8,070	0	0	0	0	0	8,070
Other	3,625	0	0	0	0	0	0	216	3,841
Total Cash Receipts	2,861,722	7,556	9,108	33,274	22,804	0	0	100,674	3,035,138
Cash Disbursements:									
General Government	842,309	0	0	0	0	0	17,386	47,184	906,879
Public Safety	282,385	0	0	0	0	0	0	0	282,385
Highways and Streets	728,471	4,195	0	0	0	0	0	4,000	736,666
Culture and Recreation	113,896	0	9,255	0	0	0	0	7,615	130,766
Community Development	0	0	0	0	0	0	0	12,296	12,296
Cemetery	0	0	0	3,274	0	0	0	36,582	39,856
Capital Outlay:									
Public Safety	0	0	0	0	0	0	0	40,384	40,384
Highway and Streets	112,210	0	0	0	673,025	0	0	12,540	797,775
Debt Service:									
Principal	160,723	0	0	0	0	0	0	0	160,723
Interest	23,853	0	0	0	0	0	0	0	23,853
Total Cash Disbursements	2,263,847	4,195	9,255	3,274	673,025	0	17,386	160,601	3,131,583
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	597,875	3,361	(147)	30,000	(650,221)	0	(17,386)	(59,927)	(96,445)
Other Financing Sources/(Uses):									
Insurance Proceeds	71,480	0	0	0	0	0	0	0	71,480
Transfers In	51,115	100,000	0	5,700	205,000	224,462	0	312,520	898,797
Transfers Out	(607,025)	0	0	(21,995)	0	0	0	(56,815)	(685,835)
Total Other Financing Sources/(Uses)	(484,430)	100,000	0	(16,295)	205,000	224,462	0	255,705	284,442
Net Change in Fund Balances	113,445	103,361	(147)	13,705	(445,221)	224,462	(17,386)	195,778	187,997
Fund Balances/(Deficit) - July 1, 2024	1,178,682	216,965	1,995	383,767	621,458	(224,462)	77,883	959,644	3,215,932
Fund Balances - June 30, 2025	\$ 1,292,127	\$ 320,326	\$ 1,848	\$ 397,472	\$ 176,237	\$ 0	\$ 60,497	\$ 1,155,422	\$ 3,403,929

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, 2025

	Water Fund	Wait House Fund	Wastewater Fund	Total
<u>ASSETS</u>				
Cash	\$ 148,880	\$ 47,583	\$ 0	\$ 196,463
Investments	336,488	0	0	336,488
Total Assets	485,368	47,583	0	532,951
<u>LIABILITIES</u>				
Due to Other Funds	18,242	25,783	223,470	267,495
Prepaid User Fees	15	0	0	15
Total Liabilities	18,257	25,783	223,470	267,510
<u>NET POSITION</u>				
Unrestricted/(Deficit)	467,111	21,800	(223,470)	265,441
Total Net Position	\$ 467,111	\$ 21,800	\$ (223,470)	\$ 265,441

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, 2025

	Water Fund	Wait House Fund	Wastewater Fund	Total
Operating Receipts:				
Charges for Services	\$ 225,601	\$ 17,442	\$ 0	\$ 243,043
Total Operating Receipts	<u>225,601</u>	<u>17,442</u>	<u>0</u>	<u>243,043</u>
Operating Disbursements:				
Administrative Charges	9,500	0	0	9,500
Administrative Supplies	450	103	0	553
Permits and Licenses	2,934	0	0	2,934
Insurance	871	0	0	871
Professional Services	29,132	5,880	0	35,012
Communications	1,252	0	0	1,252
Utilities	3,175	7,993	0	11,168
Maintenance	11,599	2,619	0	14,218
Other	207	448	0	655
Total Operating Disbursements	<u>59,120</u>	<u>17,043</u>	<u>0</u>	<u>76,163</u>
Operating Income	<u>166,481</u>	<u>399</u>	<u>0</u>	<u>166,880</u>
Non-Operating Receipts/(Disbursements)				
Investment Income	15,398	2,596	0	17,994
Grant Income	0	0	210,093	210,093
Other Income	154	0	0	154
Capital Contributions	0	11,626	0	11,626
Proceeds from Long-Term Debt	0	0	196,131	196,131
Capital Projects	0	(40,574)	(405,232)	(445,806)
Debt Service - Principal	(61,346)	0	0	(61,346)
Debt Service - Interest	(71,650)	0	0	(71,650)
Total Non-Operating Receipts/(Disbursements)	<u>(117,444)</u>	<u>(26,352)</u>	<u>992</u>	<u>(142,804)</u>
Net Income/(Loss) Before Transfers	<u>49,037</u>	<u>(25,953)</u>	<u>992</u>	<u>24,076</u>
Transfers:				
Transfers In	0	11,500	0	11,500
Transfers Out	0	0	(224,462)	(224,462)
Total Transfers	<u>0</u>	<u>11,500</u>	<u>(224,462)</u>	<u>(212,962)</u>
Change in Net Position	49,037	(14,453)	(223,470)	(188,886)
Net Position - July 1, 2024	<u>418,074</u>	<u>36,253</u>	<u>0</u>	<u>454,327</u>
Net Position/(Deficit) - June 30, 2025	<u>\$ 467,111</u>	<u>\$ 21,800</u>	<u>\$ (223,470)</u>	<u>\$ 265,441</u>

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

TOWN OF WAITSFIELD, VERMONT
STATEMENT OF FIDUCIARY MODIFIED CASH BASIS NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ <u>28,706</u>
Total Assets	<u>28,706</u>
<u>LIABILITIES</u>	
Escrow Liabilities	<u>28,706</u>
Total Liabilities	<u>28,706</u>
<u>NET POSITION</u>	
Net Position:	\$ <u><u>0</u></u>

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

TOWN OF WAITSFIELD, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY MODIFIED CASH BASIS NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Custodial Funds
Additions:	
Education Taxes Collected for Other Governments	\$ <u>7,584,466</u>
Total Additions	<u>7,584,466</u>
Deductions:	
Education Taxes Distributed to Other Governments	<u>7,584,466</u>
Total Deductions	<u>7,584,466</u>
Change in Net Position	0
Net Position - July 1, 2024	<u>0</u>
Net Position - June 30, 2025	\$ <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, 2025

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Financial Reporting Entity

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

B. Basis of Presentation

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

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

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

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

The Town reports on the following major governmental funds:

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

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

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

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

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

Wastewater Feasibility Study Fund – This fund accounts for the activity related to the Wastewater Feasibility Study. During the year, the Town began reporting the Wastewater Feasibility activities within the Wastewater Fund.

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

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

The Town reports on the following major proprietary funds:

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

Wastewater Fund – This Fund accounts for the maintenance and operations of the wastewater 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 and prepaid user fees as liabilities.

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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

E. Assets, Liabilities and Equity

1. Cash

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

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

2. Investments

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

3. Fund Equity

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

4. Interfund Receivables/Payables

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

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 and the Planning Projects Fund that are included with the General Fund as they do not qualify to be reported as separate special revenue funds.

TOWN OF WAITSFIELD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2025

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2025, expenditures in the General Fund exceeded appropriations by \$101,281. These over-expenditures were funded by excess revenues.

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Town’s cash and investments as of June 30, 2025 consisted of the following:

Cash:

Deposits with Financial Institutions	\$2,964,131
Deposits with Investment Company	<u>37,083</u>
Total Cash	<u>3,001,214</u>

Investments:

Certificates of Deposit	336,488
Mutual Funds – Mixed Holdings	340,088
Exchange Traded Funds	<u>20,301</u>
Total Investments	<u>696,877</u>

Total Cash and Investments	<u>\$3,698,091</u>
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The Town has two (2) certificates of deposit with amounts ranging from \$163,135 to \$173,353, with interest rates ranging from 4.00% to 4.60% and both maturing in fiscal year 2026.

Fair Market Value

The Town maintains their investments at cost. As of June 30, 2025, the Town’s fair market value of their investments are as follows:

	Cost	Fair Market Value
Mutual Funds - Mixed Holdings	\$ 340,088	\$ 422,440
Exchange Traded Funds	<u>20,301</u>	<u>22,929</u>
Total	<u>\$ 360,389</u>	<u>\$ 445,369</u>

TOWN OF WAITSFIELD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2025

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 mutual funds and exchange traded funds 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 certificates of deposit.

	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC/SIPC Insured	\$ 690,974	\$ 691,071
Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution’s Agent	<u>2,646,728</u>	<u>3,398,605</u>
Total	<u>\$3,337,702</u>	<u>\$4,089,676</u>

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

The book balance is comprised of the following:

Cash – Deposits with Financial Institutions	\$2,964,131
Cash – Deposits with Investment Company	37,083
Investments – Certificates of Deposit	<u>336,488</u>
Total	<u>\$3,337,702</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 certificates of deposit, exchange traded funds and mutual funds are not subject to interest rate risk disclosure.

TOWN OF WAITSFIELD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2025

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 certificates of deposit and exchange traded funds are not subject to credit risk disclosure. The Town’s mutual funds are open-ended and are, therefore, not subject to credit risk disclosure.

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, 2025 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$171,543	\$ 0
Joslin Library Fund	937	0
ARPA Fund	60,497	0
Non-Major Governmental Funds	46,943	12,425
Water Fund	0	18,242
Wait House Fund	0	25,783
Wastewater Fund	<u>0</u>	<u>223,470</u>
Totals	<u>\$279,920</u>	<u>\$279,920</u>

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

Transfer From	Transfer To	Amount	Purpose
General Fund	Fire Department Truck Reserve Fund	\$ 76,605	Annual Contribution
General Fund	Equipment Fund	70,000	Annual Contribution
General Fund	Fire Department Building & Equipment Fund	30,420	Annual Contribution
General Fund	Bridge & Culvert Fund	100,000	Annual Contribution
General Fund	Route 100 Transportation Path Fund	14,000	Annual Contribution
General Fund	Paving Reserve Fund	205,000	Annual Contribution
General Fund	Heavy Equipment Fund	35,000	Annual Contribution
General Fund	Restroom, Recreation & Conservation Fund	20,000	Annual Contribution
General Fund	Lareau Park Improvement Fund	2,000	Annual Contribution
General Fund	Covered Bridge Repair Fund	2,500	Annual Contribution
General Fund	Planning Projects Fund *	12,000	Establish Fund
General Fund	Gravel Pit Reserve Fund	15,000	Establish Fund
General Fund	Wait House Fund	11,500	Annual Contribution
General Fund	Reappraisal Fund	10,000	Annual Contribution
General Fund	Street Trees Fund	5,000	Annual Contribution
General Fund	Invasive Species Reserve Fund	10,000	Annual Contribution
Wastewater Fund	Wastewater Feasibility Fund	224,462	Transfer Fund
Entrust Conservation Fund	Town Forest Stewardship Fund *	14,774	Close Fund
Scrag Mountain Forest Fund	Town Forest Stewardship Fund *	36,341	Close Fund
Cemetery Trust Fund	Cemetery Commission Fund	21,995	Annual Contribution
Cemetery Commission Fund	Cemetery Trust Fund	<u>5,700</u>	Perpetual Care
		<u>\$ 922,297</u>	

* The transfer from the Scrag Mountain Forest Fund to the Town Forest Stewardship Fund and the transfer from the General Fund to the Planning Projects Fund are netted within the General Fund as these funds are consolidated with the General Fund to comply with GASB Statement No. 54.

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.

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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

Joslin Library Fund:

Restricted for Joslin Library Capital Expenditures by Donations (Source of Revenue is Donations)	\$ <u>1,848</u>
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Cemetery Trust Fund:

Restricted for Cemetery Trust Fund by Trust Agreements	<u>397,472</u>
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ARPA Fund:

Restricted for Eligible Uses of the Coronavirus Local Fiscal Recovery Funding by Grant Agreement (Source of Revenue is Grant Revenue)	<u>60,497</u>
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TOWN OF WAITSFIELD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2025

Non-Major Funds

Special Revenue Funds:

Restricted for Records Restoration Fund Expenses by Statute (Source of Revenue is Restoration Fees)	\$ 46,943
Restricted for Cemetery Commission Fund Expenses by Lot Sales (Source of Revenue is Lot Sales)	38,697
Restricted for Invasive Species Expenses by Grant Agreement (Source of Revenue is Grant Revenue)	7,994
Restricted for Community Development by Grant Agreement (Source of Revenue is Grant Revenue)	3,817
Restricted for Farley Riverside Park Stewardship Reserve Fund Expenses (Source of Revenue is Donations)	<u>43,355</u>
Total Special Revenue Funds	<u>140,806</u>
Total Restricted Fund Balances	<u>\$ 600,623</u>

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

Major Funds

General Fund:

Committed for Planning Projects Expenditures by the Voters	\$ 12,000
Committed to Establish the Town Garage Fund in Fiscal Year 2026 by the Voters	100,000
Committed for Paving Fund Transfer in Fiscal Year 2026 by the Voters	100,000
Committed for Wait House Capital Transfer in Fiscal Year 2026 by the Voters	<u>100,000</u>
Total General Fund	312,000
Committed for Bridge and Culvert Expenditures by the Voters	320,326
Committed for Paving Expenditures by the Voters	<u>176,237</u>
Total Major Funds	<u>808,563</u>

Non-Major Funds

Special Revenue Funds:

Committed for Agricultural Support by the Voters	<u>10,915</u>
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TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

Capital Projects Funds:	
Committed for Route 100 Path Expenditures by the Voters	\$ 71,875
Committed for Fire Department Equipment Expenditures by the Voters	264,878
Committed for Street Trees Expenditures by the Voters	26,070
Committed for Equipment Expenditures by the Voters	159,706
Committed for Fire Department Building and Equipment Expenditures by the Voters	43,915
Committed for Heavy Equipment Expenditures by the Voters	148,482
Committed for Covered Bridge Repair Expenditures by the Voters	2,782
Committed for Restroom and Recreation Expenditures by the Voters	98,266
Committed for Gravel Pit Expenditures by the Voters	<u>15,000</u>
 Total Capital Projects Funds	 <u>830,974</u>
 Total Non-Major Funds	 <u>841,889</u>
 Total Committed Fund Balances	 <u>\$1,650,452</u>

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

Major Funds

General Fund:	
Assigned for Town Forest Stewardship Expenditures	\$ <u>127,081</u>

Non-Major Funds

Special Revenue Funds:	
Assigned for Reappraisal Expenses	<u>139,184</u>
Capital Projects Funds:	
Assigned for Town Clock Expenditures	2,058
Assigned for Lareau Park Improvement Expenditures	21,865
Assigned for Energy Projects Expenditures	<u>9,620</u>
 Total Capital Projects Funds	 <u>33,543</u>
 Total Non-Major Funds	 <u>172,727</u>
 Total Assigned Fund Balances	 <u>\$299,808</u>

The deficit of \$223,470 in the Wastewater Fund will be funded with future debt proceeds and grant revenue.

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

D. Restricted Net Position

The restricted net position in the Governmental Activities consists of the restricted fund balances of \$600,623.

IV. OTHER INFORMATION

A. Pension Plan

Defined Benefit Plan

The Vermont Municipal Employees' Retirement System (VMERS)

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, 2024, the measurement date selected by the State of Vermont, the retirement system consisted of 362 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, 2025

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

As of June 30, 2024, the measurement date selected by the State of Vermont, VMERS was funded at 75.22% and had a plan fiduciary net position of \$1,008,504,817 and a total pension liability of \$1,340,652,483 resulting in a net position liability of \$332,147,666. The Town's proportionate share of this was 0.1041% resulting in a net pension liability of \$345,709. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. 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 0.1041% was an increase of 0.0064 from its proportion measured as of the prior year.

Summary of Plan 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.

Normal Retirement Eligibility – Group A – Earlier of age 65 with five (5) years of service or age 55 with thirty-five (35) years of service. Group B – 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.

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

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

TOWN OF WAITSFIELD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2025

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

Disability Retirement Amount – All Groups – 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 – All Groups – Death after five (5) years of service.

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

Post-Retirement Adjustments – Group A – Allowances in pay status for at least one (1) year increased on each January 1 by one-half of the percentage increase in Consumer Price Index, but not more than 2%. If receiving an Early Retirement benefit, no increases until after attaining Normal Retirement eligibility. If receiving a Disability Retirement benefit, no increases until after attaining age 62. Groups B, C and D – Allowances in payment for at least one (1) year increased on each January 1 by one-half of the percentage increase in Consumer Price Index, but not more than 3%. If receiving an Early Retirement benefit, no increases until after attaining Normal Retirement eligibility. If receiving a Disability Retirement benefit, no increases until after attaining age 62 (age 55 for Group C).

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

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

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

Member Contribution Rates:

<u>Effective</u>	<u>Group A</u>	<u>Group B</u>	<u>Group C</u>	<u>Group D</u>
July 1, 2024	4.00%	6.375%	11.50%	12.85%
July 1, 2025	4.25%	6.625%	11.75%	13.10%
July 1, 2026	4.50%	6.875%	12.00%	13.35%
July 1, 2027	4.75%	7.125%	12.25%	13.60%
July 1, 2028	5.00%	7.375%	12.50%	13.85%
July 1, 2029	5.25%	7.625%	12.75%	14.10%

TOWN OF WAITSFIELD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2025

Employer Contribution Rates:

<u>Effective</u>	<u>Group A</u>	<u>Group B</u>	<u>Group C</u>	<u>Group D</u>
July 1, 2024	5.50%	7.00%	8.75%	11.35%
July 1, 2025	5.75%	7.25%	9.00%	11.60%
July 1, 2026	6.00%	7.50%	9.25%	11.85%
July 1, 2027	6.25%	7.75%	9.50%	12.10%
July 1, 2028	6.50%	8.00%	9.75%	12.35%
July 1, 2029	6.75%	8.25%	10.00%	12.60%

Significant Actuarial Assumptions and Methods

Inflation Rate – 2.30% per year.

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

Salary Increases – Ranging from 4.07% to 6.21% based on service.

Cost-of-Living Adjustments (COLA) – Assumed to occur on January 1 following one (1) year of retirement at the rate of 1.10% per annum for Group A members and 1.20% per annum for Groups B, C and D members (beginning at Normal Retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Groups A, B and D who receive a disability retirement benefit, and at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2025 COLA is expected to be 1.90% for all groups. The January 1, 2024 COLA was 1.10% for all groups.

Mortality:

Pre-Retirement Participants – Groups A and B – 60% PubG-2010 General Employee Amount-Weighted Below Median and 40% of PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2021. Group C – PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2021. Group D – PubS-2010 Public Safety Employee Amount-Weighted Below Median, with generational projection using scale MP-2021.

Healthy Post-Retirement – Retirees – Groups A and B – PubG-2010 General Healthy Retiree Amount-Weighted Below Median Table with credibility adjustments of 90% and 87% for the Male and Female tables, respectively, with generational projection using scale MP-2021. Group C – PubG-2010 General Healthy Retiree Amount-Weighted Table, with generational projection using scale MP-2021. Group D – PubS-2010 Public Safety Retiree Amount-Weighted Below Median Table, with generational projection using scale MP-2021.

Healthy Post-Retirement – Beneficiaries – All Groups – Pub-2010 Contingent Survivor Amount-Weighted Below Median Table, with generational projection using scale MP-2021.

TOWN OF WAITSFIELD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2025

Disabled Post-Retirement – Groups A, B and C – PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Table, with generational projection using scale MP-2021.
 Group D – PubS-2010 Safety Disabled Retiree Amount-Weighted Table, with generational projection using scale MP-2021.

Age of Spouse – Females three (3) years younger than males.

Actuarial Cost Method – Entry Age Actuarial Cost Method. Entry Age is the age at date of employment or, if date is unknown, current age minus years of service. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by salary, with Normal Cost determined using the plan of benefits applicable to each participant.

Determination of Discount Rate and Investment Rates of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns 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 adding expected inflation. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Agg Fixed Income	19%	1.70%
TIPS	2%	1.70%
Large/Mid Cap US Equity	4%	4.20%
Small Cap US Equity	3%	4.70%
Developed Large/Mid Cap International Equity	5%	5.95%
Global Equity	32%	5.25%
Core Real Estate	3%	3.45%
Non-Core Real Estate	4%	5.70%
Private Credit	11%	5.70%
Private Equity	11%	7.45%
Private Core Infrastructure	4%	4.95%
Agriculture/Farmland	2%	3.95%

Discount Rate – The long-term expected rate of return on pension plan investments is 7.00%. The high quality tax-exempt general obligation municipal bond rate (20-Bond GO Index) as of the closest date prior to the valuation date of June 30, 2024, is 3.93%, as published by The Bond Buyer.

TOWN OF WAITSFIELD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2025

The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2024. 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). 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. 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 as of June 30, 2024.

Discount Rate Sensitivity

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the Town's proportionate share of the net pension liability as of June 30, 2024, calculated using the discount rate of 7.00%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$528,538	\$345,709	\$195,647

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 2025 were as follows:

	<u>Homestead</u>	<u>Non-Homestead</u>
Town	.5825	.5825
Local Agreement	.0040	.0040
Education	<u>2.1713</u>	<u>2.0808</u>
Total	<u>2.7578</u>	<u>2.6673</u>

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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 2025.

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.

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

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

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

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

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

Long-term debt activity during the year ended June 30, 2025 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	\$ 349,250	\$ 0	\$ 31,750	\$ 317,500
Bond Payable, State of Vermont Special Environmental Revolving Fund, Wastewater Improvements, Principal Payments of 36,486 Payable on May 1 Annually, Interest at 0%, Due May, 2027	109,454	0	36,486	72,968
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	186,664	0	26,667	159,997
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	159,250	0	12,250	147,000
Bond Payable, State of Vermont Special Environmental Revolving Fund, Wastewater Improvements, Minimum Annual Principal and Administrative Fee Payments of \$25,282 are Due Annually on November 1, Administrative Fee of 2%, Due November, 2037	196,040	0	21,361	174,679

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Financed Purchase, Deere Credit Annual Principal and Interest Payments of \$34,199, beginning November 3, 2022, Interest at 2%, Due November, 2026	\$ <u>98,591</u>	\$ <u>0</u>	\$ <u>32,209</u>	\$ <u>66,382</u>
Total Governmental Activities	\$ <u>1,099,249</u>	\$ <u>0</u>	\$ <u>160,723</u>	\$ <u>938,526</u>

Business-type Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, United States Department of Agriculture, Water System Improvements Semi-Annual Principal Payments of \$48,946 Plus Interest Payable on March 17 and September 17, Interest at 2.75%, Due September, 2052	\$2,452,249	\$ 0	\$ 57,670	\$2,394,579
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	168,183	0	3,676	164,507
Bond Payable, State of Vermont Special Environmental Revolving Fund, Authorized Up to \$381,766 for a New Community Wastewater System, but Eligible for 92.5% Subsidy. The Town Recognized \$181,400 Of Subsidy during the Year.	<u>8,041</u>	<u>196,131</u>	<u>181,400*</u>	<u>22,772</u>
Total Business-type Activities	\$ <u>2,628,473</u>	\$ <u>196,131</u>	\$ <u>242,746</u>	\$ <u>2,581,858</u>

During the year, the Town transferred \$8,041 of long-term debt related to the Community Wastewater System from the governmental activities to the business-type activities.

TOWN OF WAITSFIELD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

Maturities are estimated to be as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 161,798	\$ 23,841	\$ 63,054	\$ 69,942
2027	162,898	20,671	64,800	68,196
2028	93,334	17,431	66,594	66,402
2029	93,788	14,824	68,438	69,942
2030	94,250	12,181	76,067	63,564
2031-2035	307,958	26,339	399,014	289,176
2036-2040	24,500	1,130	437,868	234,187
2041-2045	0	0	484,174	171,493
2046-2050	0	0	490,536	104,528
2051-2055	0	0	431,313	37,062
Total	\$ 938,526	\$ 116,417	\$ 2,581,858	\$ 1,174,492

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, 2025

	Original & Final Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Receipts:			
Property Taxes	\$ 2,319,800	\$ 2,304,216	\$ (15,584)
Town Clerk Fees	30,000	19,886	(10,114)
FD Administrative Services	5,607	5,607	0
Interest Income	17,500	66,237	48,737
Permit Revenue	0	25	25
Dept of Liquor Control Revenue	4,000	3,195	(805)
Zoning Income	11,000	11,036	36
Spaulding Fine	0	2,000	2,000
Act 60 Annual Support	10,500	10,953	453
Penalty Budget Year	15,000	10,860	(4,140)
Conservation Income	0	300	300
Highway State Aid	74,000	78,624	4,624
Road Department Grants	0	16,500	16,500
Road Department - Miscellaneous	1,000	3,417	2,417
Insurance Claims	0	71,309	71,309
Insurance Audit Refund	0	171	171
Fire Department Income (Fayston)	76,659	89,723	13,064
Traffic Control Income	5,000	4,446	(554)
Dog Fines & Impoundment Fees	150	25	(125)
PILOT	6,000	6,786	786
Current Use	110,000	135,362	25,362
Delinquent Tax Interest	18,000	15,583	(2,417)
Library Insurance Reimbursement	2,894	2,612	(282)
Wait House Insurance Reimbursement	3,000	0	(3,000)
Water OP Reimbursement	5,150	6,750	1,600
Miscellaneous	0	208	208
Wastewater Loan Repayments - Phase 1 and 2	36,484	28,706	(7,778)
Waitsfield Elementary Solar	10,000	10,431	431
Solar Array Credits	10,000	7,512	(2,488)
Waitsfield Elementary Plowing	5,000	850	(4,150)
Waitsfield Elementary Hydrant	2,600	0	(2,600)
Energy Efficiency Grant	0	4,000	4,000
Other Grant Proceeds	0	5,000	5,000
	<u>2,779,344</u>	<u>2,922,330</u>	<u>142,986</u>
Cash Disbursements:			
Elections and Town Meeting:			
Elections Expense	3,000	59	2,941
Town Report	1,500	2,902	(1,402)
Ballot Clerks	2,000	406	1,594
	<u>6,500</u>	<u>3,367</u>	<u>3,133</u>
Legal and Auditing:			
Legal	16,000	16,788	(788)
Auditing	19,500	19,500	0
	<u>35,500</u>	<u>36,288</u>	<u>(788)</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, 2025

	Original & Final Budget	Actual	Variance Favorable/ (Unfavorable)
Town Office Operations:			
Insurance and Bonds	\$ 21,989	\$ 19,614	\$ 2,375
Office Utilities	5,000	3,640	1,360
Town Office Repairs and Maintenance	9,000	7,586	1,414
Postage	5,000	3,224	1,776
Supplies	7,500	6,105	1,395
Computer Services	9,000	6,601	2,399
Training	750	60	690
Cleaning	10,000	11,250	(1,250)
Equipment Maintenance & Contracts	15,500	11,356	4,144
Telephone	5,250	5,430	(180)
Office Equipment	4,000	838	3,162
Public Notice Expense	4,500	5,543	(1,043)
Special Services	5,000	0	5,000
	<u>102,489</u>	<u>81,247</u>	<u>21,242</u>
Town Clerk and Treasurer:			
Clerk/Treasurer & Assistant Salary	128,866	125,748	3,118
Admin and Board Assistant	62,000	0	62,000
Borrowing Interest	250	0	250
	<u>191,116</u>	<u>125,748</u>	<u>65,368</u>
Selectboard:			
Selectboard Reimbursement	3,250	3,250	0
Town Website	2,000	1,928	72
Town Administrator	83,555	49,528	34,027
Training	500	88	412
Selectboard Recording Secretary	2,520	1,250	1,270
Wastewater Project Support	5,000	0	5,000
	<u>96,825</u>	<u>56,044</u>	<u>40,781</u>
Planning and Zoning:			
Minute Taker	1,680	1,288	392
Special Planning Projects	0	852	(852)
Town Plan/Irasville Plan	0	43,192	(43,192)
Zoning Administrator/Planning Director Salary	65,940	65,943	(3)
Training	500	181	319
Computer Equipment Services	1,250	1,054	196
Mileage Reimbursement	250	0	250
	<u>69,620</u>	<u>112,510</u>	<u>(42,890)</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, 2025

	Original & Final Budget	Actual	Variance Favorable/ (Unfavorable)
Board of Listers:			
Assessor Services	\$ 23,000	\$ 22,292	\$ 708
Computer Equipment Services	4,000	2,133	1,867
Property Map Maintenance	1,800	3,300	(1,500)
Training and Meetings	200	0	200
Listers & Other Prof Serv.	1,000	0	1,000
	<u>30,000</u>	<u>27,725</u>	<u>2,275</u>
Total Board of Listers			
Collector of Delinquent Taxes:	<u>15,000</u>	<u>16,211</u>	<u>(1,211)</u>
Conservation Committee:	<u>5,000</u>	<u>4,428</u>	<u>572</u>
Road Department Labor:			
Labor	245,858	234,425	11,433
Overtime	30,732	35,739	(5,007)
	<u>276,590</u>	<u>270,164</u>	<u>6,426</u>
Total Road Department Labor			
Equipment Operation and Repairs:			
Road Department Insurance	10,673	9,172	1,501
Fuel	3,000	3,992	(992)
Gas, Oil, Grease and Filters	5,000	3,122	1,878
Diesel	32,000	29,941	2,059
2020 International Dump Truck	1,500	2,821	(1,321)
2021 Tandem Dump Truck	1,500	2,696	(1,196)
2021 GMC 3500	2,000	2,201	(201)
2009 John Deere Loader	3,500	2,657	843
Ford Chloride Truck	1,500	0	1,500
2021 John Deere Grader	1,500	0	1,500
2021 CAT Backhoe	1,000	0	1,000
2018 HV Truck	2,500	14,322	(11,822)
Roadside Mower	3,000	874	2,126
Steel Pole Saw/Chainsaw	1,200	97	1,103
Garage Repairs	2,500	2,122	378
Garage Trash Removal	2,244	2,043	201
Garage Uniforms	3,500	6,499	(2,999)
Garage Heat	4,000	4,683	(683)
Garage Telephone	2,600	2,553	47
Garage Electricity	1,900	2,485	(585)
Garage Supplies/Hardware	4,500	5,514	(1,014)
Garage Uniform Materials	2,500	522	1,978
Chipper/Rake	2,500	476	2,024
Ventrac Repairs	1,000	955	45
Garage Alarm System	1,000	968	32
Water Service	630	590	40
Plow Blades and Shoes	8,500	6,634	1,866
	<u>107,247</u>	<u>107,939</u>	<u>(692)</u>
Total Equipment Operation and Repairs			

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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, 2025

	Original & Final Budget	Actual	Variance Favorable/ (Unfavorable)
Road Hired Equipment and Labor:			
Grading	\$ 300	\$ 0	\$ 300
Contracted Services	12,000	21,799	(9,799)
Total Road Hired Equipment and Labor	<u>12,300</u>	<u>21,799</u>	<u>(9,499)</u>
Road Department Materials:			
Salt	50,000	50,996	(996)
Sand	68,000	73,614	(5,614)
Chloride	16,000	10,784	5,216
Stone	12,000	6,391	5,609
Culverts	10,000	13,479	(3,479)
Guardrails	1,500	0	1,500
Tools	4,000	1,690	2,310
Signs	1,500	1,183	317
Fabric	1,000	0	1,000
Cold Patch, Hay & Seed	8,000	2,048	5,952
Waste Blocks	1,000	0	1,000
Total Road Department Materials	<u>173,000</u>	<u>160,185</u>	<u>12,815</u>
Road Department Miscellaneous			
Fayston Winter Agreement	11,848	24,345	(12,497)
Sidewalk Maintenance and Repairs	2,500	0	2,500
Tree Cutting	500	0	500
Bridge Repairs	1,000	70,770	(69,770)
Gravel Pit Management	1,000	160	840
Line Painting	4,000	1,200	2,800
July 2024 Flood	0	63,605	(63,605)
Street Lights	5,700	6,127	(427)
Bridge Lights	800	249	551
Radios and Pagers	350	578	(228)
MRGP/State Roads Permit	1,850	1,350	500
Total Road Department Miscellaneous	<u>29,548</u>	<u>168,384</u>	<u>(138,836)</u>
Employee Benefits:			
Child Care Contribution	2,307	2,399	(92)
FICA/Medicare	42,454	39,543	2,911
Retirement	37,459	32,282	5,177
Unemployment	700	547	153
Workers Compensation	18,660	21,943	(3,283)
Health Insurance	122,420	102,954	19,466
Dental Insurance	4,000	2,892	1,108
Life and Disability Insurance	4,000	2,170	1,830
Vision	1,500	261	1,239
Total Employee Benefits	<u>233,500</u>	<u>204,991</u>	<u>28,509</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, 2025

	Original & Final Budget	Actual	Variance Favorable/ (Unfavorable)
Fire Department:			
Gas, Oil and Grease	\$ 4,200	\$ 2,685	\$ 1,515
Insurance	12,171	14,124	(1,953)
Administrative Time	5,607	5,607	0
Capital West Reserve Cont	0	9,654	(9,654)
Telecommunication	29,000	24,003	4,997
Electricity	2,575	2,549	26
Heat	6,300	6,687	(387)
Water	660	590	70
Building Repair and Maintenance	11,300	10,836	464
Alarm	446	0	446
Truck Repairs	25,000	26,855	(1,855)
Equipment Repairs	7,875	3,305	4,570
Radio and Repairs	10,000	1,409	8,591
Bottled Gas	400	16	384
Training	9,450	21,744	(12,294)
Hose and Equipment	6,489	4,351	2,138
Gear	10,500	9,451	1,049
Fire Prevention	900	0	900
Miscellaneous	500	426	74
Dues	500	400	100
Physical Exams	1,500	0	1,500
Labor	39,865	50,922	(11,057)
FICA and Medicare	3,050	5,202	(2,152)
Ladder/Hose Testing	3,360	1,910	1,450
Total Fire Department	191,648	202,726	(11,078)
Public Safety:			
Sheriff Department Billing	31,824	31,101	723
Dog Warden Salary and Fees	775	0	775
Dog Pound Fees	150	25	125
Emergency Management	1,200	660	540
Fire Warden	250	250	0
Constable	6,558	0	6,558
Fire Protection Contribution	25,960	25,960	0
Generator Expense	1,000	2,174	(1,174)
Insurance	2,772	0	2,772
Training	500	0	500
Town Health Officer	775	775	0
Miscellaneous	250	477	(227)
Total Public Safety	72,014	61,422	10,592
Dues and Assessments:			
Central Vermont Regional Planning	2,453	2,453	0
Joslin Memorial Library	69,149	69,149	0
Mad River Resource Management Alliance	12,908	12,908	0
Mad River Valley Ambulance	15,000	15,000	0
Mad River Valley Planning District	53,962	61,148	(7,186)
Mad River Valley Recreation District	40,000	40,000	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, 2025

	Original & Final Budget	Actual	Variance Favorable/ (Unfavorable)
Dues and Assessments/(Cont.):			
Vermont League of Cities and Towns	\$ 3,638	\$ 7,356	\$ (3,718)
Green Mountain Transit	33,000	33,456	(456)
Washington County Tax	2,131	2,131	0
Total Dues and Assessments	232,241	243,601	(11,360)
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)	3,500	3,500	0
Central Vermont Council on Aging	1,050	1,050	0
Central Vermont Economic Development	450	450	0
Central Vermont Home Health & Hospice	4,500	4,500	0
Family Center of Washington County	500	500	0
Good Beginnings of Central Vermont	300	300	0
Green Up Vermont	100	100	0
Mad River Valley Seniors	10,000	10,000	0
Peoples Health and Wellness	500	500	0
Rural Fire Protection	100	100	0
MOSAIC	250	250	0
Center for Independent Living	620	620	0
The Children's Room	500	500	0
VT Association For The Blind	250	250	0
VT Family Network	250	250	0
Washington County Youth Service	750	750	0
Everybody Wins	500	500	0
Washington County Mental Health	1,600	1,600	0
Community Harvest	400	400	0
Good Samaritan	1,000	1,000	0
Total Special Appropriations	28,220	28,220	0
Miscellaneous:			
Town Pond Maintenance	2,000	0	2,000
Maintenance of Parks	6,000	0	6,000
Trail Maintenance	3,000	2,500	500
Solar Array Maintenance	1,500	1,369	131
Steward Mad River Valley	7,500	7,500	0
Membership and Dues	100	220	(120)
Cemetery Veteran's Flags	0	216	(216)
Mad River Valley Television Hearing Coverage	3,400	3,400	0
Other	0	873	(873)
CTCL Grant Expense	0	5,000	(5,000)
Emergency Management Grant Expense	0	3,237	(3,237)
Total Miscellaneous	23,500	24,315	(815)

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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, 2025

	Original & Final Budget	Actual	Variance Favorable/ (Unfavorable)
Capital Improvement:			
MRGP Project Match	\$ 10,000	\$ 0	\$ 10,000
Town Garage Improvements	15,000	0	15,000
Crosswalk Grant Expense	0	7,154	(7,154)
Hydraulic Press	8,300	8,983	(683)
Town Office Printer	7,500	7,500	0
Dodge Ram 3500	0	96,073	(96,073)
	<u>40,800</u>	<u>119,710</u>	<u>(78,910)</u>
Total Capital Improvement			
Contribution to Reserves:			
Equipment Reserve Fund	70,000	70,000	0
Heavy Equipment Reserve Fund	35,000	35,000	0
Fire Department Equipment Reserve Fund	76,605	76,605	0
Fire Department Building Reserve Fund	30,420	30,420	0
Restrm/Conserv/Rec Reserv	20,000	20,000	0
Lareau Park Reserve	2,000	2,000	0
Sidewalk/Transportation Path Reserve	14,000	14,000	0
Gravel Reserve Pit Fund	15,000	15,000	0
Bridge and Culvert Repair	100,000	100,000	0
Paving Reserve Fund	205,000	205,000	0
Reappraisal Reserve	10,000	10,000	0
Covered Bridge Repair Restoration	2,500	2,500	0
Street Tree Reserve	5,000	5,000	0
Invasive Species Reserve	10,000	10,000	0
Planning Projects Reserve	12,000	12,000	0
	<u>607,525</u>	<u>607,525</u>	<u>0</u>
Total Contribution to Reserves			
Debt Service:			
Town Office/Solar Array Bond	43,984	40,838	3,146
Town Office Bond	16,538	16,538	0
Wastewater Loan - RF1-058	36,484	36,484	0
Wastewater Loan - RF1-164/208	25,282	25,282	0
Bridge Street Bond	31,174	31,235	(61)
Grader Lease	34,199	34,199	0
	<u>187,661</u>	<u>184,576</u>	<u>3,085</u>
Total Debt Service			
Wait House:			
Wait House Operations	4,000	4,000	0
Wait House Capital Reserve	7,500	7,500	0
	<u>11,500</u>	<u>11,500</u>	<u>0</u>
Total Wait House			
Total Cash Disbursements	<u>2,779,344</u>	<u>2,880,625</u>	<u>(101,281)</u>
Excess of Cash Receipts Over Cash Disbursements	<u>\$ 0</u>	41,705	<u>\$ 41,705</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, 2025

Adjustments to Reconcile from the Budgetary Basis of Accounting
to the Modified Cash Basis of Accounting:

Town Forest Stewardship Fund Investment Income	\$	4,326
Town Forest Stewardship Fund Income		6,546
Town Forest Stewardship Transfer In		51,115
Town Forest Stewardship Fund Expenses		(2,247)
Planning Projects Fund Transfer In		<u>12,000</u>
Net Change in Fund Balance		113,445
Fund Balance - July 1, 2024		<u>1,178,682</u>
Fund Balance - June 30, 2025	\$	<u><u>1,292,127</u></u>

The reconciling items are due to combining two (2) funds, the Town Forest Stewardship Fund and the Planning Projects Fund with the General Fund in order to comply with GASB Statement No. 54

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, 2025

	Special Revenue Funds	Capital Projects Funds	Total
Cash Receipts:			
Intergovernmental	\$ 44,628	\$ 0	\$ 44,628
Charges for Services	15,453	0	15,453
Permits, Licenses and Fees	9,650	0	9,650
Investment Income	7,824	22,903	30,727
Other	216	0	216
	<u>77,771</u>	<u>22,903</u>	<u>100,674</u>
Total Cash Receipts			
Cash Disbursements:			
General Government	47,184	0	47,184
Highways and Streets	0	4,000	4,000
Culture and Recreation	7,615	0	7,615
Community Development	12,296	0	12,296
Cemetery	36,582	0	36,582
Capital Outlay:			
Public Safety	0	40,384	40,384
Highways and Streets	0	12,540	12,540
	<u>103,677</u>	<u>56,924</u>	<u>160,601</u>
Total Cash Disbursements			
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>(25,906)</u>	<u>(34,021)</u>	<u>(59,927)</u>
Other Financing Sources/(Uses):			
Transfers In	41,995	270,525	312,520
Transfers Out	(20,474)	(36,341)	(56,815)
	<u>21,521</u>	<u>234,184</u>	<u>255,705</u>
Total Other Financing Sources/(Uses)			
Net Change in Fund Balances	(4,385)	200,163	195,778
Fund Balances - July 1, 2024	<u>295,290</u>	<u>664,354</u>	<u>959,644</u>
Fund Balances - June 30, 2025	<u>\$ 290,905</u>	<u>\$ 864,517</u>	<u>\$ 1,155,422</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, 2025

	Records Restoration Fund	Reappraisal Fund	Entrust Conservation Fund	Agricultural Support Fund	Cemetery Commission Fund	Invasive Species Reserve Fund	Vermont Grant Fund	Farley Riverside Park Stewardship Reserve Fund	Total
<u>ASSETS</u>									
Cash	\$ 0	\$ 139,184	\$ 0	\$ 10,915	\$ 38,697	\$ 20,419	\$ 3,817	\$ 43,355	\$ 256,387
Due from Other Funds	<u>46,943</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>46,943</u>
Total Assets	<u>\$ 46,943</u>	<u>\$ 139,184</u>	<u>\$ 0</u>	<u>\$ 10,915</u>	<u>\$ 38,697</u>	<u>\$ 20,419</u>	<u>\$ 3,817</u>	<u>\$ 43,355</u>	<u>\$ 303,330</u>
<u>LIABILITIES AND FUND BALANCES</u>									
Due to Other Funds	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ 12,425	\$ <u>0</u>	\$ <u>0</u>	\$ <u>12,425</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,425</u>	<u>0</u>	<u>0</u>	<u>12,425</u>
Fund Balances:									
Restricted	46,943	0	0	0	38,697	7,994	3,817	43,355	140,806
Committed	0	0	0	10,915	0	0	0	0	10,915
Assigned	<u>0</u>	<u>139,184</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>139,184</u>
Total Fund Balances	<u>46,943</u>	<u>139,184</u>	<u>0</u>	<u>10,915</u>	<u>38,697</u>	<u>7,994</u>	<u>3,817</u>	<u>43,355</u>	<u>290,905</u>
Total Liabilities and Fund Balances	<u>\$ 46,943</u>	<u>\$ 139,184</u>	<u>\$ 0</u>	<u>\$ 10,915</u>	<u>\$ 38,697</u>	<u>\$ 20,419</u>	<u>\$ 3,817</u>	<u>\$ 43,355</u>	<u>\$ 303,330</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, 2025

	Records Restoration Fund	Reappraisal Fund	Entrust Conservation Fund	Agricultural Support Fund	Cemetery Commission Fund	Invasive Species Reserve Fund	Vermont Grant Fund	Farley Riverside Park Stewardship Reserve Fund	Total
Cash Receipts:									
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 44,628	\$ 0	\$ 0	\$ 44,628
Charges for Services	0	0	0	0	11,590	3,863	0	0	15,453
Permits, Licenses and Fees	3,800	0	0	0	5,850	0	0	0	9,650
Investment Income	0	4,573	0	387	669	383	8	1,804	7,824
Other	0	0	0	0	216	0	0	0	216
Total Cash Receipts	3,800	4,573	0	387	18,325	48,874	8	1,804	77,771
Cash Disbursements:									
General Government	181	0	0	0	0	47,003	0	0	47,184
Culture and Recreation	0	0	0	0	0	0	0	7,615	7,615
Community Development	0	0	0	0	0	0	12,296	0	12,296
Cemetery	0	0	0	0	36,582	0	0	0	36,582
Total Cash Disbursements	181	0	0	0	36,582	47,003	12,296	7,615	103,677
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	3,619	4,573	0	387	(18,257)	1,871	(12,288)	(5,811)	(25,906)
Other Financing Sources/(Uses):									
Transfers In	0	10,000	0	0	21,995	10,000	0	0	41,995
Transfers Out	0	0	(14,774)	0	(5,700)	0	0	0	(20,474)
Total Other Financing Sources/(Uses)	0	10,000	(14,774)	0	16,295	10,000	0	0	21,521
Net Change in Fund Balances	3,619	14,573	(14,774)	387	(1,962)	11,871	(12,288)	(5,811)	(4,385)
Fund Balances/(Deficit) - July 1, 2024	43,324	124,611	14,774	10,528	40,659	(3,877)	16,105	49,166	295,290
Fund Balances - June 30, 2025	\$ 46,943	\$ 139,184	\$ 0	\$ 10,915	\$ 38,697	\$ 7,994	\$ 3,817	\$ 43,355	\$ 290,905

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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, 2025

	Fire Department Truck Reserve Fund	Belden Fund	Lareau Park Improvement Fund	Street Trees Fund	Equipment Fund	Fire Department Building & Equipment Fund	Heavy Equipment Fund
<u>ASSETS</u>							
Cash	\$ 264,878	\$ 2,058	\$ 21,865	\$ 26,070	\$ 159,706	\$ 43,915	\$ 148,482
Total Assets	<u>\$ 264,878</u>	<u>\$ 2,058</u>	<u>\$ 21,865</u>	<u>\$ 26,070</u>	<u>\$ 159,706</u>	<u>\$ 43,915</u>	<u>\$ 148,482</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balances:							
Committed	264,878	0	0	26,070	159,706	43,915	148,482
Assigned	<u>0</u>	<u>2,058</u>	<u>21,865</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>264,878</u>	<u>2,058</u>	<u>21,865</u>	<u>26,070</u>	<u>159,706</u>	<u>43,915</u>	<u>148,482</u>
Total Liabilities and Fund Balances	<u>\$ 264,878</u>	<u>\$ 2,058</u>	<u>\$ 21,865</u>	<u>\$ 26,070</u>	<u>\$ 159,706</u>	<u>\$ 43,915</u>	<u>\$ 148,482</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, 2025

	Energy Projects Fund	Route 100 Transportation Path Fund	Covered Bridge Repair Fund	Scrag Mountain Forest Fund	Restroom, Recreation & Conservation Fund	Gravel Pit Reserve Fund	Total
<u>ASSETS</u>							
Cash	\$ 9,620	\$ 71,875	\$ 2,782	\$ 0	\$ 98,266	\$ 15,000	\$ 864,517
Total Assets	<u>\$ 9,620</u>	<u>\$ 71,875</u>	<u>\$ 2,782</u>	<u>\$ 0</u>	<u>\$ 98,266</u>	<u>\$ 15,000</u>	<u>\$ 864,517</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balances:							
Committed	0	71,875	2,782	0	98,266	15,000	830,974
Assigned	<u>9,620</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>33,543</u>
Total Fund Balances	<u>9,620</u>	<u>71,875</u>	<u>2,782</u>	<u>0</u>	<u>98,266</u>	<u>15,000</u>	<u>864,517</u>
Total Liabilities and Fund Balances	<u>\$ 9,620</u>	<u>\$ 71,875</u>	<u>\$ 2,782</u>	<u>\$ 0</u>	<u>\$ 98,266</u>	<u>\$ 15,000</u>	<u>\$ 864,517</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, 2025

	Fire Department Truck Reserve Fund	Belden Fund	Lareau Park Improvement Fund	Street Trees Fund	Equipment Fund	Fire Department Building & Equipment Fund	Heavy Equipment Fund
Cash Receipts:							
Investment Income	\$ 6,664	\$ 73	\$ 703	\$ 746	\$ 3,175	\$ 1,733	\$ 4,017
Total Cash Receipts	6,664	73	703	746	3,175	1,733	4,017
Cash Disbursements:							
Highways and Streets	0	0	0	0	0	0	0
Capital Outlay:							
Public Safety	0	0	0	0	0	40,384	0
Highways and Streets	0	0	0	0	0	0	0
Total Cash Disbursements	0	0	0	0	0	40,384	0
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	6,664	73	703	746	3,175	(38,651)	4,017
Other Financing Sources:/(Uses)							
Transfers In	76,605	0	2,000	5,000	70,000	30,420	35,000
Transfers Out	0	0	0	0	0	0	0
Total Other Financing Sources/(Uses)	76,605	0	2,000	5,000	70,000	30,420	35,000
Net Change in Fund Balances	83,269	73	2,703	5,746	73,175	(8,231)	39,017
Fund Balances - July 1, 2024	181,609	1,985	19,162	20,324	86,531	52,146	109,465
Fund Balances - June 30, 2025	\$ 264,878	\$ 2,058	\$ 21,865	\$ 26,070	\$ 159,706	\$ 43,915	\$ 148,482

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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, 2025

	Energy Projects Fund	Route 100 Transportation Path Fund	Covered Bridge Repair Fund	Scrag Mountain Forest Fund	Restroom, Recreation & Conservation Fund	Gravel Pit Reserve Fund	Total
Cash Receipts:							
Investment Income	\$ 340	\$ 2,187	\$ 444	\$ 0	\$ 2,821	\$ 0	\$ 22,903
Total Cash Receipts	340	2,187	444	0	2,821	0	22,903
Cash Disbursements:							
Highways and Streets	0	4,000	0	0	0	0	4,000
Capital Outlay:							
Public Safety	0	0	0	0	0	0	40,384
Highways and Streets	0	0	12,540	0	0	0	12,540
Total Cash Disbursements	0	4,000	12,540	0	0	0	56,924
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	340	(1,813)	(12,096)	0	2,821	0	(34,021)
Other Financing Sources/(Uses):							
Transfers In	0	14,000	2,500	0	20,000	15,000	270,525
Transfers Out	0	0	0	(36,341)	0	0	(36,341)
Total Other Financing Source/(Uses)	0	14,000	2,500	(36,341)	20,000	15,000	234,184
Net Change in Fund Balances	340	12,187	(9,596)	(36,341)	22,821	15,000	200,163
Fund Balances - July 1, 2024	9,280	59,688	12,378	36,341	75,445	0	664,354
Fund Balances - June 30, 2025	\$ 9,620	\$ 71,875	\$ 2,782	\$ 0	\$ 98,266	\$ 15,000	\$ 864,517

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TOWN OF WAITSFIELD, VERMONT
 COMBINING SCHEDULE OF FIDUCIARY MODIFIED CASH BASIS NET POSITION
 CUSTODIAL FUNDS
 JUNE 30, 2025

	Sewer Escrow Fund	Education Tax Fund	Total
<u>ASSETS</u>			
Assets:			
Cash	\$ <u>28,706</u>	\$ <u>0</u>	\$ <u>28,706</u>
<u>LIABILITIES</u>			
Liabilities:			
Escrow Liabilities	<u>28,706</u>	<u>0</u>	<u>28,706</u>
Total Liabilities	<u>28,706</u>	<u>0</u>	<u>28,706</u>
<u>NET POSITION</u>			
Net Position:	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

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TOWN OF WAITSFIELD, VERMONT
 COMBINING SCHEDULE OF CHANGES IN FIDUCIARY MODIFIED CASH BASIS NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	Sewer Escrow Fund	Education Tax Fund	Total
<u>ADDITIONS</u>			
Education Taxes Collected for Other Governments	\$ <u>0</u>	\$ <u>7,584,466</u>	\$ <u>7,584,466</u>
Total Additions	<u>0</u>	<u>7,584,466</u>	<u>7,584,466</u>
<u>DEDUCTIONS</u>			
Education Taxes Distributed to Other Governments	<u>0</u>	<u>7,584,466</u>	<u>7,584,466</u>
Total Deductions	<u>0</u>	<u>7,584,466</u>	<u>7,584,466</u>
Change in Net Position	0	0	0
Net Position - July 1, 2024	<u>0</u>	<u>0</u>	<u>0</u>
Net Position - June 30, 2025	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	\$ <u><u>0</u></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, 2025, 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 March 4, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Sullivan, Powers & Co.

March 4, 2026
Montpelier, Vermont
VT Lic. #92-000180