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[www.angolanoandcompany.com](http://www.angolanoandcompany.com)

March 9, 2015

Waitsfield School District  
Att: Michelle Baker, Bus. Mgr.  
340 Mad River Pk., Ste. 7  
Waitsfield, VT 05673

Dear Michelle:

I have electronically forwarded the final financial statements for Waitsfield School District as of and for the year ended June 30, 2014. In addition I will be mailing you 9 bound copies. We have also sent a pdf copy to the AOE on your behalf.

If you are thinking of putting our audit report into your Town Report, auditing standards provides you with three options:

- You may include the entire audit report from page one through the last page;
- You may include pages 1 through Schedule 1;
- You can put a statement in that you were audited and that the audit is available at \_\_\_\_\_ and omit our audit report completely.

If you have any questions or need assistance, please do not hesitate to call us.

Sincerely,

*Angolano & Company*

Angolano & Company

Enclosures

Waitsfield School District  
Financial Statements  
For The Year Ended June 30, 2014

Waitsfield School District  
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For The Year Ended June 30, 2014

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## INDEPENDENT AUDITOR'S REPORT

To the School Board  
Waitsfield School District, Vermont

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of Waitsfield School District, Vermont, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the Waitsfield School District, Vermont, as of June 30, 2014, and the respective changes in financial position, in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pensions and other post-employment benefit information on pages 5, 32-41, and 26-28 and 23 respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Waitsfield School District, Vermont's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain

additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2015, on our consideration of the Waitsfield School District, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Waitsfield School District, Vermont's internal control over financial reporting and compliance.

### ***Angolano & Company***

Angolano & Company  
Shelburne, Vermont  
Firm Registration Number 92-0000141

February 23, 2015

WAITSFIELD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2014

**Introduction**

The discussion and analysis of The Waitsfield School District's ("the District") financial performance provides a narrative introduction and overview of the school District's financial activities for the fiscal year ending June 30, 2014 (FY 14). The District is organized under the guidance of the Board of School Directors to provide public education for Waitsfield.

**Financial Highlights**

- Government-wide assets totaled \$596,622 and government-wide liabilities totaled \$76,156.
- Long-term debt (more than one year) totaled \$0 at year end.
- The District's general fund actual revenues were \$2,273,536 while the budgeted revenues were \$2,275,574 a decrease of \$2,238.
- The District's general fund actual expenditures were \$2,272,459 while the budgeted expenditures were \$2,275,774 a savings of \$3,315.
- Special Revenue Funds totaling \$133 are held in the District's accounts for various Federal, State and Private Grants.
- Capital Projects Funds represent amounts from prior years which have been set aside for Maintenance Reserve. The fund balances at June 30, 2014 was a deficit \$2,586. Based on the FY2015 approved budget, funds in the amount of \$21,953 will be transferred into the Maintenance Reserve in FY2015.
- Agency Funds totaling \$1,230 are held in the District's accounts for various student activities and projects.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Waitsfield School District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements** – The first two statements are government-wide financial statements that report information about the District as a whole using accrual accounting methods similar to those used by private sector companies.

The Statement of Net Assets presents information on all of the District assets and liabilities with the difference between the two reported as net assets. Over time increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing or related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and inter-governmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include programs and services such as instruction, support services, and building operation and maintenance.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories – governmental funds, proprietary funds and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four (4) governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Special Revenue, Capital Projects and Debt Service. The basic governmental funds financial statements can be found on pages 8-11.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12-31.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information including Budget to



Actual Reports for the General Fund and Combining Balance Sheets and Statements of Revenues, Expenditures and Changes in Fund Balances for the various Special Revenue Funds, and a Report on Compliance and Internal Control.

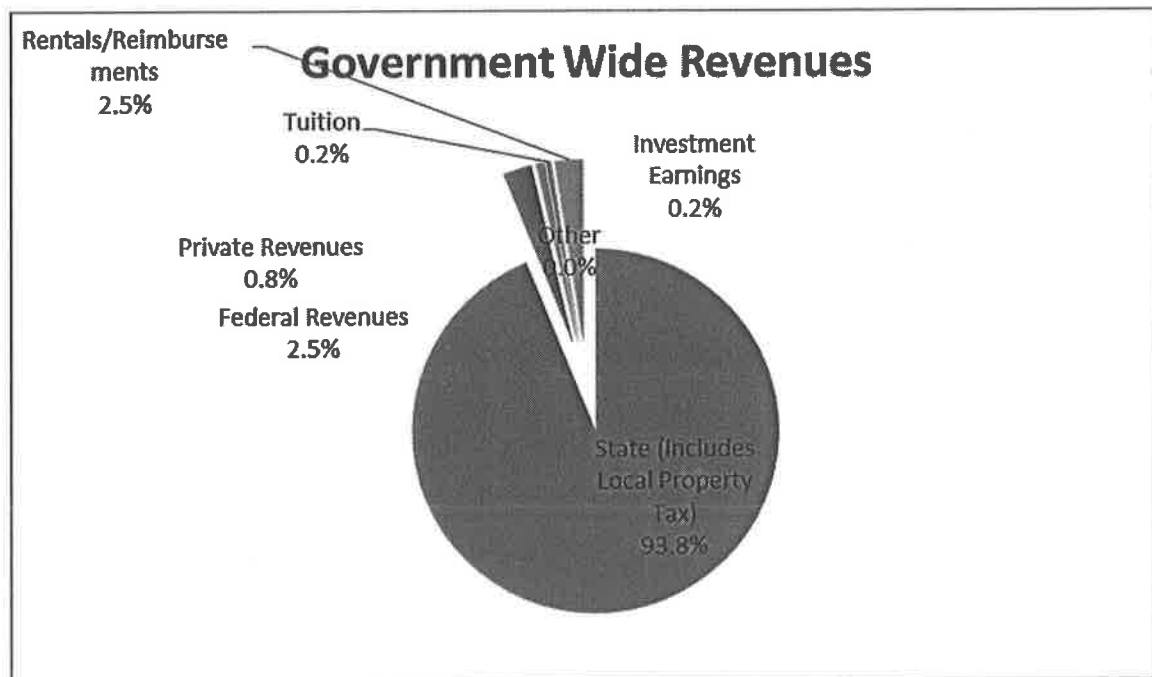
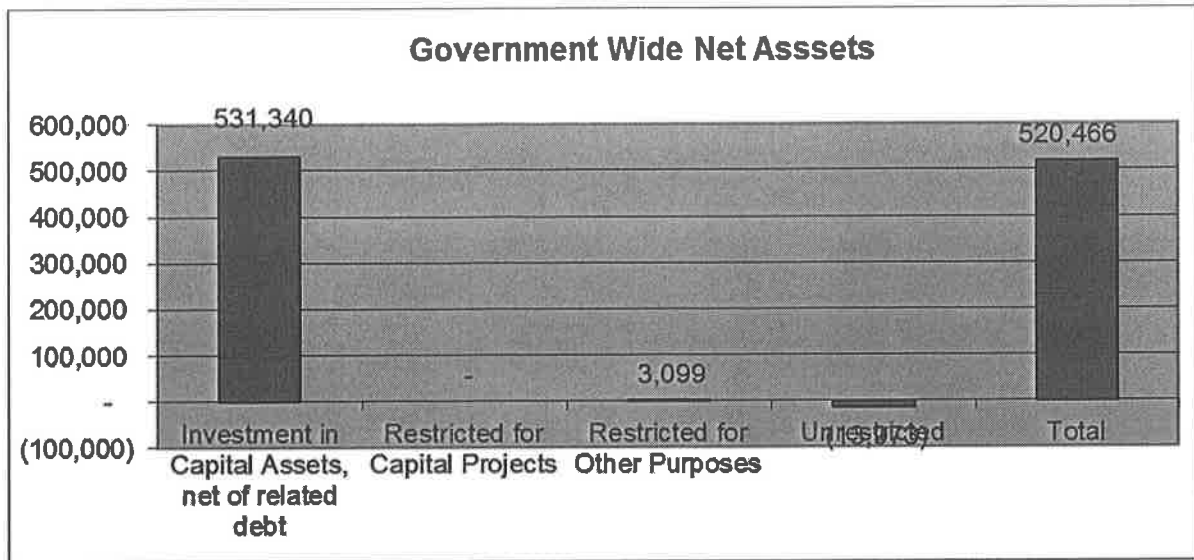
**Government-Wide Financial Analysis**

Our analysis of the District's major funds begins on Table 1. The fund financial statements provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, the District's Board of Directors establish many other funds to help them control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain grants, and other money.

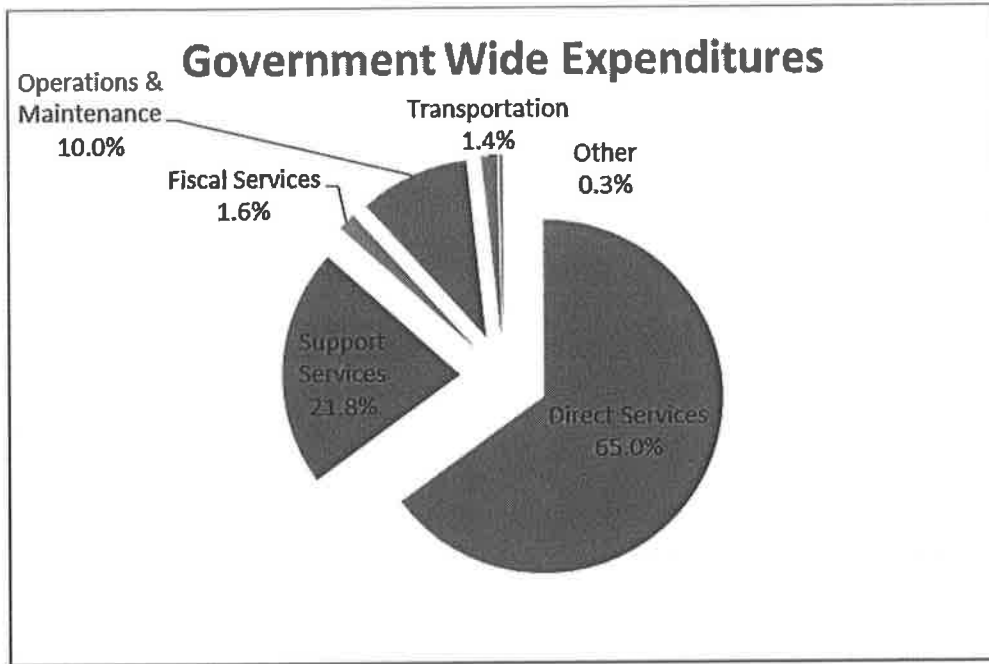
Amounts reported for governmental activities in this statement of net assets differ from the summary of financial operations because: capital (non-current) assets used in governmental activities are not financial resources and therefore, are deferred in the funds; non-current liabilities – consisting of bonds payable (early retirees) – are not due and payable in the current period and therefore are not reported in the funds. Inter-fund receivables and payables are reported in the fund statements, but not included in the amounts reported for governmental activities.

**Waitsfield School District**  
**Statement of Net Assets and Fund Balance Reconciliation**  
**June 30, 2014**

	Governmental Balance Sheet Fund Based	Governmental Activities Government-Wide	Difference
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash	9,135	9,135	-
<b>Accounts Receivable:</b>			
State	-	-	-
Supervisory Union	24,973	24,973	-
Other LEA's	3,447	3,447	-
Other	3,983	3,983	-
Prepaid Expenses	7,035	7,035	-
<b>Total Current Assets</b>	<b>48,573</b>	<b>48,573</b>	<b>-</b>
<b>Non-current Assets:</b>			
<b>Capital Assets:</b>			
Building & Equipment, net of Accum. Depr.	-	548,049	(548,049)
<b>Total Non-current Assets</b>	<b>-</b>	<b>548,049</b>	<b>(548,049)</b>
<b>TOTAL ASSETS</b>	<b>48,573</b>	<b>596,622</b>	<b>(548,049)</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Cash Overdraft	20,511	20,511	-
Accounts Payable - State	25,398	25,398	-
Accounts Payable - Supervisory Unio	17	17	-
Accounts Payable - Other LEA's	753	753	-
Accounts Payable - Other	12,768	12,768	-
Accrued Expenses	-	-	-
Capital Leases Payable	-	16,709	(16,709)
<b>Total Current Liabilities</b>	<b>59,447</b>	<b>76,156</b>	<b>(16,709)</b>
<b>Non-current Liabilities:</b>			
Bonds Payable	-	-	-
<b>Total Non-current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>59,447</b>	<b>76,156</b>	<b>(16,709)</b>
<b>NET ASSETS</b>			
Investment in Capital Assets, net of related Debt	-	531,340	(531,340)
Restricted for Capital Projects	-	-	-
Restricted for Other Purposes	3,099	3,099	-
Committed	-	-	-
Unrestricted	(13,973)	(13,973)	-
<b>TOTAL NET ASSETS</b>	<b>(10,874)</b>	<b>520,466</b>	<b>(531,340)</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>48,573</b>	<b>596,622</b>	<b>(548,049)</b>



In FY2014, Government-wide revenues consisted of \$57,707 in federal revenue, \$2,129,585 in state revenue, \$5,067 in investment earnings, \$17,588 in private revenue, \$3,432 in Pre-school tuition, \$56,006 in rental/reimbursements and \$83 other revenue.



In FY2014, Government-wide expenses (net of related program revenue) consist of \$1,492,783 in direct services, \$499,845 in support services, \$36,470 in fiscal services, \$229,463 in operations and maintenance, \$32,511 in transportation, and \$6,743 in other expenses.

*Governmental Activities:*

Governmental Activities revenues totaled \$2,269,468 and expenses totaled \$2,298,815 resulting in a deficiency of revenues over expense of \$28,347.

**Fund Financial Analysis**

	Governmental Balance Sheet Fund Based 6/30/2014	Governmental Balance Sheet Fund Based 6/30/2013	Governmental Balance Sheet Fund Based 6/30/2012	Governmental Balance Sheet Fund Based 6/30/2011	Governmental Balance Sheet Fund Based 6/30/2010
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash	9,135	78,032	156,132	193,427	214,111
Prepaid Expenses	7,035	300	6,659	4,231	3,162
<b>Accounts Receivable:</b>					
State	-	11,015	253	-	-
Supervisory Union	24,973	18,021	20,532	15,799	19,795
Other LEA's	3,447	15	411	-	-
Other	3,983	6,305	9,282	10,343	2,449
<b>Total Current Assets</b>	<b>48,573</b>	<b>113,688</b>	<b>193,269</b>	<b>223,800</b>	<b>239,517</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Cash Overdraft	20,511	-	-	-	66,739
Accounts Payable - State	25,398	-	6,902	15,821	8,182
Accounts Payable - Supervisory Union	17	-	91	-	-
Accounts Payable - Other LEA's	753	686	385	947	849
Accounts Payable - Other	12,768	76,757	41,170	57,497	47,235
Accrued Expenses	-	838	4,451	1,310	2,222
<b>Total Current Liabilities</b>	<b>59,447</b>	<b>78,281</b>	<b>52,999</b>	<b>75,575</b>	<b>125,227</b>
<b>NET ASSETS</b>					
Committed	-	39,425	79,556	48,409	86,841
Restricted	3,099	13,087	45,858	37,407	-
Unassigned	(13,973)	(17,105)	14,856	62,409	27,449
<b>TOTAL NET ASSETS</b>	<b>(10,874)</b>	<b>35,407</b>	<b>140,270</b>	<b>148,225</b>	<b>114,290</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>48,573</b>	<b>113,688</b>	<b>193,269</b>	<b>223,800</b>	<b>239,517</b>

*Governmental Fund Types:*

Fund balances in the Governmental Fund types decreased from \$35,407 to negative \$10,874, a decrease of \$46,281. This decrease was reflected in the General Fund by a decrease of \$21,003 a decrease of \$5,346 in the Special Revenue Funds, and a decrease in the Capital Projects Fund of \$19,932.

**Capital Assets**

As required under GASB34 the District is reporting its' capital assets as part of the financial statements. The District has researched and documented the historical costs of the various assets owned by the District and applied appropriate charges against the cost to record depreciation. Capital assets with a cost of \$5,000 or more are capitalized and depreciated.

Table VI summarizes the state of the District's capital assets.

			TABLE VI
<b>Waitsfield School District</b>			
<b>Capital Assets</b>			
<b>June 30, 2014</b>			
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Value</u>
<b>Governmental Activities:</b>			
Construction in Progress	-	-	-
Land Improvements	\$ 51,633	\$ 51,633	-
Buildings	\$ 187,654	\$ 187,654	-
Building Improvements	\$ 896,308	\$ 376,933	519,375
Infrastructure	\$ 11,251	\$ 900	10,351
Furniture and Equipment	95,159	76,836	18,323
<b>Total</b>	<b>\$ 1,242,005</b>	<b>\$ 693,956</b>	<b>\$ 548,049</b>

**Long-Term Debt**

The District had one category of long-term debt, defined as debt due and payable beyond one year. At June 30, 2013, the District had \$4,384 in outstanding principal and interest associated with the water project which was forgiven in FY2014. The district has no long term debt at June 30, 2014.

**Current Issues**

- Waitsfield Elementary School has developed a Capital Improvement Plan to identify long term and short-term capital needs.
- Act 153/156 requires transportation, special education, compensatory and remedial services to be provided by the Supervisory Union. It is anticipated special education teachers will be employed by the Supervisory Union, not the Waitsfield School District, in FY2017, or upon the conclusion of teacher contract negotiations. The financial effects on the Waitsfield School District associated with this legislation are unknown at this time.
- The Legislature is evaluating the Act 60/68 education funding formula and school governance. How any future legislation may affect the Waitsfield School District is unknown at this time; however it appears change is on the horizon.
- Waitsfield has budgeted \$6,000 towards the elimination of the general fund deficit in FY2015 and \$1,500 in FY2016.

**Contact for Further Information**

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Michelle J. Baker, Business Manager, Washington West Supervisory Union, 340 Mad River Park – Suite 7, Waitsfield, Vermont 05673 or at (802) 496-2272 ext. 117.

Waitsfield School District  
 District-Wide Statement of Net Position  
 June 30, 2014

EXHIBIT I

	Governmental Activities	Total
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 9,135	\$ 9,135
Accounts Receivable - Supervisory Union	24,973	24,973
Accounts Receivable - Other LEAs	3,447	3,447
Accounts Receivable - Other	3,983	3,983
Prepaid Expenses	7,035	7,035
Capital Assets, net	548,049	548,049
<b>TOTAL ASSETS</b>	<b>\$ 596,622</b>	<b>\$ 596,622</b>
<b>LIABILITIES</b>		
Cash Overdraft	\$ 20,511	\$ 20,511
Accounts Payable - State	25,398	25,398
Accounts Payable - Supervisory Union	17	17
Accounts Payable - Other LEAs	753	753
Accounts Payable - Other	12,768	12,768
Capital Leases Payable	16,709	16,709
TOTAL LIABILITIES	76,156	76,156
<b>NET POSITION</b>		
Net Investment in Capital Assets	531,340	531,340
Restricted For Other Purposes	3,099	3,099
Unrestricted (Deficit)	(13,973)	(13,973)
TOTAL NET POSITION	520,466	520,466
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b>\$ 596,622</b>	<b>\$ 596,622</b>

The accompanying notes are an integral part of these financial statements



Waitsfield School District  
 District-Wide Statement of Activities  
 For The Year Ended June 30, 2014

EXHIBIT II

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Total
<b>Governmental Activities:</b>						
Direct Services	\$ 1,514,082		\$ 21,299		\$ (1,492,783)	\$ (1,492,783)
Support Services:						
Student Services	258,369		18,030		(240,339)	(240,339)
Instructional Staff Services	43,855				(43,855)	(43,855)
General Administrative Services	60,091				(60,091)	(60,091)
Area Administrative Services	155,560				(155,560)	(155,560)
Fiscal Services	36,470				(36,470)	(36,470)
Building Operations and Maintenance	229,463				(229,463)	(229,463)
Transportation	56,360		23,849		(32,511)	(32,511)
Other Support Services	6,743	-	-	-	(6,743)	(6,743)
Total Governmental Activities	2,360,993	\$ -	63,178	\$ -	(2,297,815)	(2,297,815)
<b>General Revenues:</b>						
Tuition					3,432	3,432
State Revenues not Restricted to Specific Programs					2,129,585	2,129,585
Federal Revenues not Restricted to Specific Programs					57,707	57,707
Private Revenues not Restricted to Specific Programs					17,588	17,588
Investment Earnings					5,067	5,067
Refunds and Reimbursements					56,006	56,006
Miscellaneous					83	83
Total General Revenues					2,269,468	2,269,468
<b>Change in Net Position</b>					(28,347)	(28,347)
<b>Net Position - Beginning of Year</b>					548,813	548,813
<b>Net Position - Ending of Year</b>					\$ 520,466	\$ 520,466

The accompanying notes are an integral part of these financial statements

Waitsfield School District  
 Combined Balance Sheet  
 All Fund Types - Fund Base  
 June 30, 2014

EXHIBIT III

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General Fund	Special Revenue Fund	Capital Projects Fund	Agency Funds	
<b>ASSETS:</b>					
<b>Current Assets:</b>					
Cash	\$ 8,134		\$ 1,001	\$ 1,230	\$ 10,365
Due From Other Funds	1,903	\$ 3,099			5,002
Accounts Receivable - Supervisory Union	23,752	1,221			24,973
Accounts Receivable - Other LEAs	3,447				3,447
Accounts Receivable - Other	3,983				3,983
Prepaid Expenses	7,035	-	-	-	7,035
Total Current Assets	<u>48,254</u>	<u>4,320</u>	<u>1,001</u>	<u>1,230</u>	<u>54,805</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 48,254</u></b>	<b><u>\$ 4,320</u></b>	<b><u>\$ 1,001</u></b>	<b><u>\$ 1,230</u></b>	<b><u>\$ 54,805</u></b>
<b>LIABILITIES AND FUND EQUITIES:</b>					
<b>Liabilities:</b>					
Cash Overdraft	\$ 20,511				\$ 20,511
Due To Other Funds		\$ 1,416	\$ 3,587		5,003
Accounts Payable - State	23,525	1,873			25,398
Accounts Payable - Supervisory Union	17				17
Accounts Payable - Other LEAs	753				753
Accounts Payable - Other	11,869	898			12,767
Amount Held for Agency Funds	-	-	-	\$ 1,230	1,230
Total Liabilities	<u>56,675</u>	<u>4,187</u>	<u>3,587</u>	<u>1,230</u>	<u>65,679</u>
<b>Fund Equity:</b>					
<b>Fund Balances:</b>					
Unassigned	(8,421)	(2,966)	(2,586)		(13,973)
Restricted	-	3,099	-	-	3,099
Total Fund Equities	<u>(8,421)</u>	<u>133</u>	<u>(2,586)</u>	<u>-</u>	<u>(10,874)</u>
<b>TOTAL LIABILITIES AND FUND EQUITIES</b>	<b><u>\$ 48,254</u></b>	<b><u>\$ 4,320</u></b>	<b><u>\$ 1,001</u></b>	<b><u>\$ 1,230</u></b>	<b><u>\$ 54,805</u></b>

The accompanying notes are an integral part of these financial statements

Waitsfield School District  
Reconciliation of the Balance Sheet to the Statement of Net Position  
Governmental Funds  
June 30, 2014

Fund Balances – total governmental funds \$ (10,874)

Amounts reported for governmental activities in the Statement of  
Net Position are different because:

Capital assets used in governmental activities are not financial  
resources and therefore are not reported in the  
governmental funds:

Governmental capital assets	1,242,005
Less accumulated depreciation	(693,956)

Bonds payable and contractual obligations have not been  
included in the governmental fund financial statements.

Capital Lease Obligations	<u>(16,709)</u>
---------------------------	-----------------

Net Position of Governmental Activities \$ 520,466

Waitsfield School District  
 Combined Statement of Revenues, Expenditures and  
 Changes in Fund Balances  
 All Governmental Fund Types - Fund Base  
 For The Year Ended June 30, 2014

EXHIBIT IV

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals (Memorandum Only)
<b>REVENUES:</b>				
Tuition	\$ 3,432			\$ 3,432
Interest on Investments	5,051		\$ 16	5,067
Refunds and Reimbursements	56,006			56,006
Miscellaneous	83			83
Private/Local/Other	6,700	\$ 29,825		36,525
State	2,153,434			2,153,434
Federal	<u>48,830</u>	<u>-</u>	<u>-</u>	<u>48,830</u>
<b>TOTAL REVENUES</b>	<u>2,273,536</u>	<u>29,825</u>	<u>16</u>	<u>2,303,377</u>
<b>EXPENDITURES:</b>				
Direct Services	1,486,044	13,360		1,499,404
Support Services:				
Students	229,744	28,625		258,369
Instructional Staff	43,855			43,855
General Administration	60,091			60,091
Area Administration	155,560			155,560
Fiscal Services	36,470			36,470
Operation & Maintenance of Building	197,645		42,211	239,856
Transportation	56,360			56,360
Food Services	6,690	53		6,743
Construction	<u>-</u>	<u>17,835</u>	<u>-</u>	<u>17,835</u>
<b>TOTAL EXPENDITURES</b>	<u>2,272,459</u>	<u>59,873</u>	<u>42,211</u>	<u>2,374,543</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,077	(30,048)	(42,195)	(71,166)
<b>OTHER FINANCING SOURCES (USES):</b>				
Loan Proceeds		24,885		24,885
Transfers In		176	22,263	22,439
Transfers Out	<u>(22,080)</u>	<u>(359)</u>	<u>-</u>	<u>(22,439)</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	(21,003)	(5,346)	(19,932)	(46,281)
<b>FUND BALANCE, JULY 1, 2013</b>	<u>12,582</u>	<u>5,479</u>	<u>17,346</u>	<u>35,407</u>
<b>FUND BALANCE, JUNE 30, 2014</b>	<u>\$ (8,421)</u>	<u>\$ 133</u>	<u>\$ (2,586)</u>	<u>\$ (10,874)</u>

The accompanying notes are an integral part of these financial statements

Waitsfield School District  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of  
 Governmental Funds to the Statement of Activities  
 For The Year Ended June 30, 2014

Net Changes in fund Balances – total governmental funds \$(46,281)

Amount reported for governmental activities in the Statement of  
 Activities are different because:

Governmental funds report capital outlays as expenditures. However,  
 in the Statement of Activities, the cost of those assets is  
 depreciated over their estimated useful lives:

Expenditures for capital assets	31,156
Less current year depreciation	(25,136)

Bond proceeds provide current financial resources to governmental  
 funds, but issuing debt increases long-term liabilities in the  
 statement of Net Position. Repayment of bond principal is an  
 expenditure in the governmental funds, but the repayment  
 reduces long-term liabilities in the Statement of Net Position.

Bond proceeds	(24,855)
Repayment of bonds	29,239
Repayment of capital lease obligation	<u>7,530</u>

Change in Net Position of Governmental Funds \$(28,347)

Waitsfield School District  
Notes to Financial Statements  
For The Year Ended June 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Waitsfield School District ("School District") is organized as a public educational district under the applicable laws and regulations of the State of Vermont. It is governed by a Board of School Directors elected by registered voters of the District to provide public education to the residents of the Town. Except where noted, the accounting policies conform to generally accepted accounting principles, as applicable to governmental units.

The School District financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the School District are discussed below. School District also complies with the requirements of the Vermont Department of Education's Handbook for Financial Accounting of Vermont School Systems (The Handbook).

Reporting Entity:

The reporting entity for the School District is based upon criteria set forth by the Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity. The financial reporting entity consists of (1) organizations for which the standalone government is financially accountable and (2) the standalone government that is controlled by a separately elected governing body that is legally separate and is fiscally independent. All of the accounts of the School District comprise the standalone government.

The school board is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, School District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14. There are no component units included within the reporting entity.

Basic Financial Statements - District-wide:

The School District's basic financial statements include both District-wide (reporting School District as a whole) and fund financial statements (reporting School Districts major funds). Both the District-wide and fund financial statements categorized primary activities as either governmental or business type.

In the District-wide Statement of Net Position reports all of the non-fiduciary activities of School District. Both the governmental and business-type activities are presented on a

Waitsfield School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The District-wide Statement of Activity demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include fees paid by recipients or goods or services provided by a function, and grants that are restricted to a particular function. General State Support and other revenues not identified with a function are presented as general revenues.

This District-wide focus is more on the sustainability of the School District as an entity and the change in the School District's net position resulting from the current year's activities.

**Basic Financial Statements – Fund Financial Statements:**

The financial transactions of the School District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB No. 34 sets forth minimum criteria for the determination of major funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The School District reports major governmental funds as follows:

**Governmental Fund Types:**

- General Fund – The general fund is the School District's primary operating fund and is always classified as a major fund which accounts for typical general government revenues and a wide variety of activities that benefit the School District's as a whole. It accounts for all financial resources except those required to be accounted for in another fund.
- Special Revenue Funds – The special revenue funds focus on revenues that are restricted or committed to expenditures for specific purposes (other than major capital projects or expendable trusts). The School District accounts for resources restricted to, or committed for, specific purposes by the School District or a grantor in a special revenue fund. Most federal, some State financial assistance and voter committed funds are accounted for in a Special Revenue Fund and sometimes unused balances must be returned to the grantor or the voters at the close of specified project periods.

Waitsfield School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- Capital Project Fund – The capital projects funds are required when the acquisition or construction of capital assets is financed with general obligation debt. Capital project funds are permitted to be used for accounting and reporting whenever the School District has financial resources that are restricted, committed, or assigned to expenditures for capital outlays for general capital assets, including purchasing or constructing any type of general capital asset.

Fiduciary Funds, (Not included in District-wide Statements):

Fiduciary Funds are used to report resources held for individuals, private organizations or other governments. The School District reports the following fiduciary funds:

- Agency funds are custodial in nature and do not involve measurements of results of operations.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation:**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Both District-wide and business-type activity statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred regardless of when related cash flows take place. Grant revenues are recognized when eligibility requirements are satisfied. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when both measurable and available. “Available” means collectible within the current period or within 60 days after year end. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recorded when a liability is incurred except for early retirement, and compensated absences, which are recognized to the extent they have matured. When both restricted and unrestricted resources are available for use, restricted resources are used first.

**Other Accounting Policies:**

Cash and Cash Equivalents:

For purposes of the statement of cash flows for proprietary and similar fund-types, the School



Waitsfield School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

District considers highly liquid investments to be cash equivalents if they have a maturity of twelve months or less when purchased.

**Interfund Receivables and Payables:**

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Activities between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. All other outstanding balances between funds are also reported as “due to/from other funds”. As a general rule, the effect of interfund activity has been eliminated from the government wide financial statements.

**Transfers:**

Advances between funds that are not expected to be repaid are accounted for as transfers.

**Deposits and Investments:**

Resources from each fund are pooled for deposit and investment purposes. A separate accounting is maintained for each fund. Deposits and Investments are stated at fair value and are managed in accordance with any legal constraints.

**Accounts Receivable:**

All receivables are reported net of estimated uncollectible amounts. The accounts receivable balances at year end are from governmental entities, no allowance for doubtful accounts is considered necessary.

**Prepaid Items:**

Certain payments to vendors reflect costs applicable to future periods. In the fund based financial statements, the cost of prepaid items is recorded as expenditures when the payments are made. In the District-wide financial statements and the proprietary funds, these items are recorded as prepaid items.

**Deferred Inflows of Resources:**

The School District recognizes differences between the receipt of funds and the recognition of revenues through the use of deferred revenue accounts. These deferred revenue accounts represent funds that will be recognized as revenues in some future period when the conditions have been met.

**Capital Assets:**

Capital assets, which include land, construction in progress, buildings, improvements, furniture,

Waitsfield School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

equipment, infrastructure, and vehicles, are reported in the applicable governmental activities column in the governmental wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets, except for land and construction in progress are depreciated using the straight line method over the estimated useful lives with a full year of depreciation taken in the year acquired and none taken in the year of disposal. Land and construction in progress are not depreciated.

Long-term Obligations:

In the District-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. The face amount of obligations issued is reported as other financing sources.

Budgetary Data:

The School District is required by state law to adopt a budget for the General Fund. The budget is prepared on the modified accrual basis of accounting which is consistent with generally accepted accounting principles ("GAAP"). Annual appropriations lapse at the end of each fiscal year with the exception of restricted programs indicated as a fund balance restricted or committed. The following procedures are used to establish a budget:

- The School Board with assistance from the Supervisory Union and the School District's Administration drafts a budget. The operating budget includes proposed expenditures by line item and the means of financing them.
- The budget is adopted by the School Board for presentation to the voters as a warning or article in the annual report.
- The voters vote on the total expense amount and not the individual line items at the School District's annual meeting or subsequent special meetings.

Encumbrances:

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration and project control in the General Fund, Special Revenue Funds, and Capital Projects Fund. Encumbrances are not liabilities and should be recorded as a reservation of fund balance at year end. For budgetary

Waitsfield School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

purposes, appropriations lapse at fiscal year-end. The School District has elected to treat its encumbrances as liabilities for budgetary control purposes.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Net Resources and Fund Balance:

District-wide Financial Statements:

When the School District incurs an expense for which it may use either restricted or unrestricted net assets, it generally uses restricted net assets first. Net assets on the Statement of Net Assets include the following:

Net Investment in Capital Assets, net of Related Debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted For Other Purposes – It consist of assets that are restricted by the School District’s creditors, by the state enabling legislation, by grantors and by other contributors.

Restricted For Capital Projects – The component of net assets that reports the amount of revenue from bond proceeds, grants, and special assessments in excess of expenditures. These funds are restricted for the construction or acquisition of capital assets.

Unrestricted – All other net assets that do not meet the definition of “Restricted For Other Purposes” or “Net Investment in Capital Assets, net of Related Debt”.

Fund Based Financial Statements:

In the fund financial statements, governmental funds report fund balances as unassigned, assigned, restricted, committed, spendable, or non-spendable fund balance.

Unassigned Fund Balance – That portion of the general fund, fund balance that contains all spendable amounts not contained in the other classifications. It is used in other funds only to report a deficit.

Waitsfield School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Assigned Fund Balance – Includes amounts intended to be used by the government for specific purposes, as determined by the Board, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

Restricted Fund Balance – Includes amounts constrained to specific purposes stipulated by constitution, external resource providers (grantors and contributors), or through enabling legislation.

Committed Fund Balance – Includes amounts constrained for the specific purposes determined by a formal action of the government's highest level of decision-making authority, generally the voters.

Spendable Fund Balance – The portion of the permanent fund balance that is available to be spent on the designated purpose of the fund.

Non-spendable Fund Balance – The portion of the permanent fund balance that has to be maintained, and cannot be spent, or an asset such as inventory or prepaid that are not expected to be converted to cash.

Function and Object Codes:

Function and object codes refer to the account code structure prescribed by the Vermont Department of Education. The Vermont Department of Education requires School District to use these codes in order to insure accuracy in building and maintaining a statewide database for policy development and funding plans.

Memorandum Only Columns:

The total columns are captioned "memorandum only" because they do not represent consolidated financial information and are presented only to make financial analysis easier. Data in these columns do not present financial position, results of operations, or cash flows in accordance with GAAP. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 2 – CASH, CASH EQUIVALENTS, AND REPURCHASE AGREEMENTS**

Cash and cash equivalent deposits with financial institutions at June 30th amounted to \$10,365. As major revenues are received during the year bank deposits may temporarily exceed insured limits.

Waitsfield School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 2 – CASH, CASH EQUIVALENTS, AND REPURCHASE AGREEMENTS  
(CONTINUED)**

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of any investments. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The School District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the School District would 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.

FDIC insures all accounts held by the same financial institution up to a combined total of \$250,000. There are some special provisions which increase this limit.

Concentration of Credit Risk

The policy of the School District contains no limitations on the amount that can be on deposit in any one financial institution.

The cash deposits held at financial institutions and cash on hand can be categorized according to four levels of risk.

These four levels of risk are as follows:

- Category 1    Repurchase Agreements - Deposits which are invested in government securities held by the School District or by its agent in the School District's name.
- Category 2    Collateralized Accounts - Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the Bank's name.
- Category 3    Letter of Credit - Private commercial insurance protection or letter of credit issued by the financial institution to cover funds in excess of FDIC limits.
- Category 4    Deposits which are not collateralized or insured. (includes cash on hand)

Waitsfield School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 2 – CASH, CASH EQUIVALENTS, AND REPURCHASE AGREEMENTS  
(CONTINUED)**

The School District uses collateralization agreements to protect deposits not otherwise insured by the FDIC and/or SIPC.

Balances held in each area are as follows:

	Carrying Amount	Bank Balance
- Insured (FDIC) and/or (SIPC)	\$10,119	\$97,636
- Category 1	0	0
- Category 2	246	246
- Category 3	0	0
- Category 4	<u>0</u>	<u>0</u>
Total deposits	<u>\$10,365</u>	<u>\$97,882</u>

The difference between the book balance and bank balance is due to reconciling items such as deposits in transit and outstanding checks. Due to higher cash flows at certain times during the year, the amount of uninsured and not collateralized cash could have been much higher than at year end.

Collateralization agreements of \$246 are securities held by the bank's trust department or agent in the School District's name. Securities consist of municipal bonds, U.S. Government obligations and U.S. Government Agency Bonds.

The School District holds a letter of credit to cover uninsured deposits. The letter of credit is drawn on the Federal Home Loan Bank of Pittsburgh .

**NOTE 3 - INTERFUND RECEIVABLES**

In compliance with GASB 1300.109 School District does not maintain separate bank accounts for each fund, unless it is required by law, or grant agreement. The composition of amounts due to and from other funds as of June 30, 2014 is as follows:

Fund Financial Statements:		Amount
Receivable Fund	Payable Fund	
	Special Revenue Fund:	
General Fund	Medicaid	<u>\$ 1,416</u>

Waitsfield School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 3 - INTERFUND RECEIVABLES (CONTINUED)**

Fund Financial Statements:		
Receivable Fund	Payable Fund	Amount
Special Revenue Fund:		
FEED	General Fund	\$ 120
Bridge St. Art Fair	General Fund	923
Food Service	General Fund	50
Class of 2014	General Fund	1,163
Class of 2015	General Fund	<u>843</u>
Total Special Revenue Fund		<u>\$ 3,099</u>
	Capital Project Fund:	
General Fund	Maintenance Reserve	<u>\$ 3,587</u>

**NOTE 4 – CAPITAL ASSETS**

Capital activity for the School District for the year ended June 30, 2014 was as follows:

	<u>Primary Government</u>			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital Assets being depreciated:				
Land Improvements	\$ 51,633	\$ 0	\$ 0	\$ 51,633
Buildings	187,654	0	0	187,654
Building Improvements	865,152	31,156	0	896,308
Infrastructure	11,251	0	0	11,251
Furniture and Equipment	<u>95,159</u>	<u>0</u>	<u>0</u>	<u>95,159</u>
Total other capital assets at historical costs	<u>1,210,849</u>	<u>31,156</u>	<u>0</u>	<u>1,242,005</u>
Less accumulated depreciation:				
Land Improvements	51,633	0	0	51,633
Buildings	187,654	0	0	187,654
Building Improvements	358,355	18,578	0	376,933
Infrastructure	450	450	0	900
Furniture and Equipment	<u>70,728</u>	<u>6,108</u>	<u>0</u>	<u>76,836</u>
Total accum. Depr.	<u>668,820</u>	<u>25,136</u>	<u>0</u>	<u>693,956</u>
Governmental activities Capital Assets, Net	<u>\$ 515,685</u>	<u>\$ 6,020</u>	<u>\$ 0</u>	<u>\$ 548,049</u>

Waitsfield School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 4 – CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions as follows:

Governmental activities:		
Direct Services		\$22,208
Support Services:		
Students		0
Instructional Staff		0
General Administration		0
Area Administration		0
Fiscal Services		0
Operation and Maintenance of Plant		2,928
Transportation		0
Other Support Services		<u>0</u>
Total governmental activities depreciation expense		<u>\$25,136</u>

**NOTE 5 – SHORT-TERM DEBT**

Short-term debt activity consisted of the following for the year ended June 30, 2014:

	Balance July 1, 2013	Borrowings	Retirements	Balance June 30, 2014
Tax Anticipation note, issued July 1, 2013. Interest at 1.24%, due June 30, 2014	<u>\$300,000</u>	<u>\$ 0</u>	<u>\$300,000</u>	<u>\$ 0</u>

**NOTE 6 - SICK LEAVE**

It is the School District's policy to permit employees to earn varying amounts of sick pay benefits. Such sick leave benefits do not vest under the School District's policy, accordingly benefits must be used during employment. Since the employees' accumulating rights to receive compensation for future absences are contingent upon the absences being caused by future illnesses and such amounts cannot be reasonably estimated, a liability for unused sick leave is not recorded in the financial statements.

Teaching staff earn 20 sick days per year, and may accumulate a maximum of 90 days. Non-teaching staff earn varying amounts of sick days per year, as there is no support staff agreement.



Waitsfield School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 7 – OPEB AND TERMINATION BENEFITS**

The Governmental Accounting Standards Board (GASB) issued Statement #45 requiring the entire liability for Other Post Employment Benefits (post-employment health care benefits) to be accrued. The School District does not offer any OPEB plans and has no liability under GASB #45.

Voluntary termination benefits are governed by GASB Statement #47 and are recognized to the extent they become payable in the current year. The School District offers:

Per the Master Teacher Agreement, on an annual basis the board may offer an early retirement incentive. This incentive was offered during the fiscal year 2013-2014; however, no teacher accepted the incentive. In fiscal year 2011-2012, one teacher did receive a special buyout. The rules of the buyout are as follows:

The District will reimburse the employee for a two-person health insurance coverage to be purchased through the Vermont Teacher Retirement system for a thirty (30) month period from January 1, 2012, through June 30, 2014. The employee shall provide proof of payment twice yearly for reimbursement. Total payments by the District shall not exceed \$18,691.41.

The District will purchase retirement credit on behalf of the employee through the Vermont Teacher Retirement system in order for the employee to retire with the full 50% retirement benefit. The first payment is to be made on or before December 31, 2011. Total payments by the District over the course of four (4) years shall not exceed \$37,712.28.

**NOTE 8 - LONG-TERM OBLIGATIONS**

The School District issues general obligation bonds and notes to finance the acquisition and construction of major capital facilities, renovations, and equipment purchases. General obligation bonds are direct obligations and pledge the full faith and credit of the issuing entity. These bonds are generally issued as 5 to 20-year serial bonds with equal amounts of principal maturing each year.

The following is a summary of general obligation bonds & notes:

	Balance			Balance
	July 1, 2013	Borrowings	Retirements	June 30, 2014

**NOTES:**

Environmental Protection Agency,  
Water planning note payable, interest

Waitsfield School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 8 - LONG-TERM OBLIGATIONS (CONTINUED)**

	Balance July 1, 2013	Borrowings	Retirements	Balance June 30, 2014
at 0% principal of \$877 due on November 1 <sup>st</sup> of each year starting in 2011 until 2015, approved borrowings of \$4,384 for a water project. Debt forgiveness was given.	<u>\$4,384</u>	<u>\$ 0</u>	<u>\$4,384</u>	<u>\$ 0</u>
	Balance July 1, 2013	Increases	Retirements	Balance June 30, 2014
<b>OTHER LONG-TERM OBLIGATIONS:</b>				
Obligations Under Capital Lease	<u>\$24,239</u>	<u>\$ 0</u>	<u>\$7,530</u>	<u>\$16,709</u>

**NOTE 9 - CAPITAL LEASES**

On July 9, 2013, the Waitsfield School District entered into a noncancellable lease agreement with Apple Financial Services for the lease of personal computers, servers, and networking equipment. This lease agreement qualifies as a capital lease, for accounting purposes and thus, has been recorded at the present value of the future minimum lease payments at the inception of the lease in the general long-term debt account group. The total amount due is \$25,926, to be paid in yearly installments of \$8,642 over three (3) years with a buyout at the end of \$1.

The future minimum lease obligations and the net present value of these minimum lease payments are as follows:

During the year ended June 30, 2015	\$ 8,642
2016	8,642
Thereafter	<u>0</u>
Total minimum lease payments	17,284
Less amount representing interest	<u>575</u>
Present value of minimum lease payments	<u>\$16,709</u>

Interest rate on the capitalized lease is approximately 6.91 percent.

Waitsfield School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 10 – RESTRICTED, COMMITTED AND ASSIGNED FUND BALANCES (Fund Financial Statements)**

Restricted, committed and assigned fund balances represent amounts that must be used for specific purposes within that fund and cannot be spent otherwise without prior approval of funding source. A more detailed explanation is provided in Note 1. Reservations at year end are for the following:

Special Revenue Fund:	
Bridge St. Art Fair	\$ 923
FEED-Garden Fund	120
Class of 2014	1,163
Class of 2015	843
Food Service	<u>50</u>
Total	<u>\$ 3,099</u>

**NOTE 11 – NET RESOURCES RESTRICTED (District-wide Financial Statements)**

Restricted net resource balances represent amounts that must be used for specific purposes and cannot be spent otherwise without prior approval of the funding source. Restrictions at year end are for the following:

Net Resources Restricted For Other Purposes:	
Bridge St. Art Fair	\$ 923
FEED-Garden Fund	120
Class of 2014	1,163
Class of 2015	843
Food Service	<u>50</u>
Total	<u>\$ 3,099</u>

**NOTE 12 – TRANSFERS IN THE FUND BASED FINANCIAL STATEMENTS**

The School District transfers funds to cover expenditures made in one fund for which the revenues are in another fund, or at the request of the voters. The following transfers were made during the year.

Funds of \$22,080 were transferred from the General Fund to the Capital Project Fund – Maintenance Reserve as per article passed by voters.

Waitsfield School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 12 – TRANSFERS IN THE FUND BASED FINANCIAL STATEMENTS  
(CONTINUED)**

Funds of \$184 were transferred from the special Revenue Fund – Water System Improvements to the Capital Project Fund – Maintenance Reserve for the purpose of closing the Water System Maintenance Fund.

Funds of \$115 were transferred from the Special Revenue Fund – Class of 2013 to the Special Revenue Fund – Backpack Program for the purpose of closing the Class of 2013.

Funds of \$61 were transferred from the Special Revenue Fund – Class of 2013 to the Special Revenue Fund – Bridge St. Art Fair for the purpose of closing the Class of 2013.

**NOTE 13 - PENSIONS**

**VERMONT TEACHERS' RETIREMENT SYSTEM**

All of the teachers employed by School District participate in the Vermont Teachers' Retirement System ("TRS"), a statewide multiple-employer public employee retirement system covering all teachers in local school districts within the State of Vermont. The Vermont State statutes provide the authority under which benefit provisions and the State's obligation to contribute are established. The State Legislature has sole authority to amend benefit provisions.

Required contributions to the system are made by the State of Vermont based upon a valuation report prepared by the System's actuary. TRS is a cost sharing public employee retirement system with one exception: all risks and costs are not shared by the School District but are the liability of the State of Vermont. TRS is funded through state and employee contributions and the School District has no legal obligation for paying benefits. The Vermont State Teachers Retirement System estimates the contributions on behalf of the School District's employees included in the teacher's retirement plan as required by Government Accounting Standards Board (GASB) Statement 24 to be 8.45% or approximately \$91,578.

Vesting occurs upon reaching five years of creditable service. Normal retirement requires the employee to be either 62 years of age or have 30 years of service. A member may receive a reduced benefit at age 55 with 10 or more years of service. A member that has 10 or more years of service and leaves teaching before age 55 is entitled to a vested retirement benefit payable at age 62 or a reduced amount at age 55.

Waitsfield School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 13 – PENSIONS (CONTINUED)**

**VERMONT TEACHERS' RETIREMENT SYSTEM (CONTINUED)**

Contributions by the employees are 5% of gross earnings and are withheld pre income tax by the School District. Such withholdings totaled \$54,188 during the year and were paid by the School District to the State of Vermont. The School District has no other liability under the plan. The School District's total payroll for all employees during the year was \$1,329,941, with \$1,083,766 of such amount related to employees covered by the retirement plan.

Additional information and ten-year historical trend information can be obtained from the separately issued Vermont State Teachers' Retirement System Comprehensive Annual Financial Report.

**VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (Cost sharing pension plan)**

Employees other than Teachers are eligible to participate in the Vermont Municipal Employees' Retirement System ("VMERS") providing they work a minimum of 30 hours per week for the school year employee or a minimum of 24 hours per week for a calendar year employee. There are three levels of contributions and benefits in the System called Group A, Group B, Group C and Group D. The School District participates in Group B. Normal retirement for Group A members is age 65 and the completion of 5 years of creditable service, or age 55 and completion of 35 years of creditable service. Normal retirement for Group B members is age 62 and the completion of 5 years of creditable service, or age 55 and completion of 30 years of creditable service. Normal retirement for Group C and D members is age 55 and the completion of 5 years of creditable service. A member may receive reduced benefits at age 55 if they have 5 years of service and have made contributions for at least 2.5 years.

The System is an actuarial reserve, joint-contributory program. The State Legislature has sole authority to amend benefit provisions. Both the members and the School District make contributions to the fund according to the following schedule:

	Group A	Group B	Group C	Group D
Employees' Contributions (% of gross wages)	2.500%	4.625%	9.500%	11.125%
The School District's contributions (% of gross wages)	4.000%	5.125%	6.750%	9.625%

There is a municipal defined contribution plan option with a 5% withholding and a 5.125% match.

Waitsfield School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 13 – PENSIONS (CONTINUED)**

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (Cost sharing pension plan) (CONTINUED)

Employee contributions are withheld pre income tax by the School District and are remitted to the State of Vermont. Such withholdings totaled \$6,435 during the year. The School District contributed \$7,132 during the year. The School District's total payroll for all employees during the year was \$1,329,941 , with \$139,131 of such amount related to employees covered by the Vermont Municipal Employees' Retirement System. The plan had 5 members at June 30, 2014.

Additional information and ten-year historical trend information can be obtained from the separately issued Vermont State Municipal Retirement System Comprehensive Annual Financial Report.

**NOTE 14 - RISK MANAGEMENT**

The School District is exposed to various risks of loss related to limited torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, students and guests; as well as natural disasters. School District uses risk sharing pools and carries commercial insurance to cover these risks. There have been no significant reductions in coverage from the prior year. Management believes such coverage is sufficient to preclude any significant uninsured losses to the School District.

In addition, Waitsfield School District as a member of Vermont School Boards Association (Association), participates in that entity's public entity risk pools. The Association has set up two insurance trusts; Vermont School Board Insurance Trust, Inc. (VSBIT) for Workers Compensation , Multi-Line Intermunicipal School Program, and Unemployment Compensation Program, and the Vermont Education Health Initiative (VEHI) for Medical Benefits. VSBIT and VEHI are nonprofit corporations formed to provide insurance and risk management programs for Vermont school districts and are owned by the participating districts. The Trusts are not licensed insurance carriers and members are not protected by the Vermont Insurance Guaranty Association.

To provide insurance coverage, VEHI has established a self-funded fully insured program in conjunction with Blue Cross and Blue Shield (BCBS). A portion of member contributions is used to purchase reinsurance and to fund a reserve required by the reinsurance. Contributions in excess of claims requirements, reserve fund requirements, reinsurance and administrative costs

Waitsfield School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 14 - RISK MANAGEMENT (CONTINUED)**

are returned to participants. The pooling agreement does not permit the pool to make additional assessments to its members.

To provide unemployment coverage, VSBIT has established a separate trust of funds from member contributions to pay administrative costs, unemployment claims, and to provide excess reinsurance protection. Contributions are based on payroll expense and the previous two year unemployment compensation experience. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and VSBIT is unable to meet its required obligations, the Program will be terminated with each members assessed their proportionate share of the deficit.

To provide worker's compensation coverage, VSBIT has established a separate trust of funds from member contributions to pay administrative costs and workers compensation coverage. Contributions are based upon formulas applied to payroll expense. At the end of the coverage period, the members will be assessed or refunded any difference between estimated contributions and actual expenses.

Multi-Line Intermunicipal School Program provides coverage for Property; Inland Marine and Boiler & Machinery; Crime; Commercial General Liability; Automobile/Garagekeepers; and Educators legal Liability. Annual contributions are based upon appropriate rates applicable to each Member; such rates are set based on recommendations of a qualified actuary, plus a proportionate share of all operational and administrative cost including excess reinsurance premiums incurred by the trust. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and VSBIT is unable to meet its required obligations, the Program will be terminated with each members assessed their proportionate share of the deficit.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of asset and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 15 - OPERATING LEASES**

On October 10, 2013, Waitsfield School District entered into a lease agreement with LEAF Capital Funding, LLC for the lease of a copier. The total amount due is \$7,956, to be paid in

Waitsfield School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 15 - OPERATING LEASES (CONTINUED)**

annual installments of \$2,652 over three (3) years. The following is a schedule of future minimum lease payments under this lease.

During the year ended June 30, 2015	\$2,652
2016	2,652
Thereafter	<u>0</u>
Total	<u>\$5,304</u>

Total lease payments made this year were \$2,652.

**NOTE 16 - SUBSEQUENT EVENTS**

On July 1, 2014, the School District took out a Tax Anticipation Note with the People's United Bank for \$410,000 at 1.24% interest. The principal and interest are due at maturity on June 30, 2014.

**NOTE 17 - COMMITMENTS**

The School District participates in various state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money recovered may be required and the collectibility of any related receivable at June 30, 2014 may be impaired. It is the opinion of the School District, that there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

The School District is responsible for the withholding and paying over of certain payroll taxes and related items. At June 30, 2014, School District showed a liability for any taxes due and unpaid. These taxes are subject to audit by the State and federal government. It is the opinion of the School District, that there are no significant contingent liabilities relating to compliance with the rules and regulations governing these or other taxes.



Waitsfield School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2014

**NOTE 18 - RELATED PARTY**

As defined by GASB No. 14, paragraph 71, the School District is a participant in and as an ongoing financial responsibility to Washington West Supervisory Union. The School District's board is responsible for appointing one member to the board of Washington West Supervisory Union. Washington West Supervisory Union assesses the School District annually for a share of the net projected expenses in excess of revenues, plus a share of other budgetary provisions. Washington West Supervisory Union also provides the busing for the District, the cost of which is billed by the busing company directly to the School District based on agreement with the Washington West Supervisory Union. Separate financial statements on Washington West Supervisory Union are available from Washington West Supervisory Union.

The School District is part of the Harwood Union School District. The Union District is not a component of Waitsfield School District. Separate financial statements on the Union School District are available from Washington West Supervisory Union.

**NOTE 19 - CONTINGENCY**

Annually, before November 1st, the Commissioner of the Vermont Department of Education notifies each school of its net cost per elementary and/or secondary pupil for the previous school year. If the School District received tuition students from other Vermont School Districts it must determine whether it overcharged the sending District. If it did, it must provide the overcharged District with a credit against current tuition or refund the overcharged amount.

The School District received State construction aid in the past for various projects. In the event that the school building was to be sold, this construction aid might have to be repaid out of the proceeds. The amount of State construction aid received since July 1970 is not available but can be calculated by the State of Vermont in the event that a repayment is sought.

Waitsfield School District  
Statement of Revenues, Expenditures and Changes  
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General Fund  
For The Year Ended June 30, 2014

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Tuition		\$ -	\$ 3,432	\$ 3,432
Interest on Investments		9,000	5,051	(3,949)
Town Reimbursement		56,000	56,006	6
Miscellaneous		-	83	83
Private/Local:				
Hapco Subgrant		6,700	6,700	-
State:				
Education Spending Grant		1,897,287	1,897,287	-
Transportation Aid		23,882	23,849	(33)
Mainstream Block Grant		47,290	47,290	-
SPED Expenditure Reimbursement		173,420	165,713	(7,707)
Essential Early Education		19,295	19,295	-
Federal:				
School Wide Program		15,000	16,292	1,292
IDEA-B		25,900	30,538	4,638
IDEA-B Preschool		<u>2,000</u>	<u>2,000</u>	<u>-</u>
<b>TOTAL REVENUES</b>		<u><b>2,275,774</b></u>	<u><b>2,273,536</b></u>	<u><b>(2,238)</b></u>
<b>EXPENDITURES:</b>				
Regular Education 1100:				
Salaries	110	486,496	518,597	(32,101)
Per Diem Salaries	110	1,200	2,206	(1,006)
Mentoring Salaries	110	3,000	3,000	-
Temporary Salaries	120	13,000	10,970	2,030
Personal Day Reimbursement	125	1,500	1,305	195
Health Insurance	210	151,161	146,057	5,104
Section 125	211	500	355	145
Social Security	220	33,716	38,657	(4,941)
Life Insurance	230	2,660	2,453	207
Workers Compensation	250	4,154	3,038	1,116
Unemployment Insurance	260	180	307	(127)
Tuition Reimbursement	270	15,000	16,892	(1,892)
Dental Insurance	280	8,252	9,131	(879)
Purchased Services	330	4,000	3,086	914
Copier Lease	410	5,000	4,948	52
Travel	580	-	50	(50)
Supplies	610	15,000	15,515	(515)

The accompanying notes are an integral part of these financial statements

Waitsfield School District  
Statement of Revenues, Expenditures and Changes  
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Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Books and Periodicals	640	\$ 10,000	\$ 13,745	\$ (3,745)
Audio Visual Materials	650	-	425	(425)
Equipment	730	3,000	1,017	1,983
Field Trips	810	2,250	2,113	137
Subtotal		<u>760,069</u>	<u>793,867</u>	<u>(33,798)</u>
Early Education 1100:				
Salaries	110	36,117	35,698	419
Aide Salaries	115	10,618	12,671	(2,053)
Personal Day Reimbursement	125	-	90	(90)
Health Insurance	210	16,392	20,593	(4,201)
Social Security	220	3,575	2,659	916
Life Insurance	230	224	210	14
Retirement	240	531	649	(118)
Workers Compensation	250	407	270	137
Unemployment Insurance	260	36	29	7
Tuition Reimbursement	270	1,500	3,231	(1,731)
Dental Insurance	280	1,537	909	628
Purchased Services	330	9,813	9,332	481
Supplies	610	1,000	1,307	(307)
Testing Materials	611	270	209	61
Books and Periodicals	640	300	-	300
Equipment	730	450	-	450
Subtotal		<u>82,770</u>	<u>87,857</u>	<u>(5,087)</u>
English as a Second Language 1101:				
Purchased Services	330	-	228	(228)
Subtotal		<u>-</u>	<u>228</u>	<u>(228)</u>
Art 1102:				
Salaries	110	17,175	18,118	(943)
Personal Day Reimbursement	125	-	14	(14)
Insurance Compensation	212	280	280	-
Social Security	220	1,314	1,332	(18)
Life Insurance	230	153	106	47
Workers Compensation	250	149	99	50
Unemployment Insurance	260	20	11	9
Supplies	610	1,200	732	468
Books and Periodicals	640	80	-	80
Subtotal		<u>20,371</u>	<u>20,692</u>	<u>(321)</u>

The accompanying notes are an integral part of these financial statements

Waitsfield School District  
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Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Foreign Language 1106:				
Salaries	110	\$ 24,167	\$ 19,308	\$ 4,859
Personal Day Reimbursement	125	-	30	(30)
Insurance Compensation	212	280	-	280
Social Security	220	1,849	1,479	370
Life Insurance	230	179	(28)	207
Workers Compensation	250	210	139	71
Unemployment Insurance	260	20	15	5
Dental Insurance	280	154	-	154
Supplies	610	250	6,304	(6,054)
Books and Periodicals	640	200	-	200
Subtotal		27,309	27,247	62
Physical Education 1108:				
Salaries	110	24,795	25,440	(645)
Insurance Compensation	212	350	350	-
Social Security	220	1,897	1,961	(64)
Life Insurance	230	181	137	44
Workers Compensation	250	216	143	73
Unemployment Insurance	260	20	15	5
Dental Insurance	280	512	590	(78)
Supplies	610	800	1,216	(416)
Subtotal		28,771	29,852	(1,081)
Music 1112:				
Salaries	110	50,783	50,783	-
Health Insurance	210	13,187	13,206	(19)
Social Security	220	3,885	3,734	151
Life Insurance	230	276	263	13
Workers Compensation	250	442	293	149
Unemployment Insurance	260	20	32	(12)
Dental Insurance	280	1,025	567	458
Supplies	610	600	395	205
Books and Periodicals	640	300	-	300
Subtotal		70,518	69,273	1,245
Computer Technology 1123:				
Salaries	110	49,343	20,563	28,780
Personal Day Reimbursement	125	-	43	(43)
Health Insurance	210	5,369	6,603	(1,234)
Social Security	220	3,775	1,500	2,275

The accompanying notes are an integral part of these financial statements

Waitsfield School District  
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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Life Insurance	230	\$ 254	\$ 71	\$ 183
Workers Compensation	250	383	285	98
Unemployment Insurance	260	20	31	(11)
Dental Insurance	280	308	399	(91)
Tech Contracted Services	330	-	19,387	(19,387)
Contracted Services	331	2,200	2,145	55
Equipment Repair	430	2,000	-	2,000
Supplies	610	1,500	978	522
Computer Software	650	4,000	1,645	2,355
Equipment	730	<u>12,000</u>	<u>13,145</u>	<u>(1,145)</u>
Subtotal		<u>81,152</u>	<u>66,795</u>	<u>14,357</u>
Special Education 1200:				
Salaries	110	100,257	103,243	(2,986)
Tutor Salaries	112	3,300	2,986	314
Aide Salaries	115	61,596	59,060	2,536
Temporary Salaries	120	3,500	5,445	(1,945)
Personal Day Reimbursement	125	280	140	140
Health Insurance	210	37,908	34,669	3,239
Social Security	220	12,634	12,821	(187)
Life Insurance	230	378	510	(132)
Municipal Retirement	240	3,080	2,930	150
Workers Compensation	250	1,408	974	434
Unemployment Insurance	260	103	105	(2)
Tuition Reimbursement	270	3,500	1,808	1,692
Dental Insurance	280	2,117	2,204	(87)
WCMH Services	335	66,000	73,260	(7,260)
Testing Materials	605	500	30	470
Supplies	610	2,000	2,847	(847)
Books and Periodicals	640	<u>350</u>	<u>154</u>	<u>196</u>
Subtotal		<u>298,911</u>	<u>303,186</u>	<u>(4,275)</u>
Essential Early Education 1200:				
Salaries	110	13,382	13,382	-
Summer Salaries	112	720	-	720
Aide Salaries	115	10,933	12,443	(1,510)
Health Insurance	210	9,260	9,957	(697)
Social Security	220	1,915	1,408	507
Life Insurance	230	22	68	(46)
Retirement	240	-	197	(197)

The accompanying notes are an integral part of these financial statements

Waitsfield School District  
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Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Workers Compensation	250	\$ 212	\$ -	\$ 212
Unemployment Insurance	260	32	4	28
Dental Insurance	280	430	564	(134)
Transportation	519	-	11	(11)
Supplies	610	150	397	(247)
Subtotal		37,056	38,431	(1,375)
IDEA-B - Special Education 1230:				
Aide Salaries	115	-	3,500	(3,500)
Social Security	220	-	324	(324)
Retirement	240	-	276	(276)
Subtotal		-	4,100	(4,100)
Compensatory Education 1250:				
Aide Salaries	115	14,608	13,621	987
Health Insurance	210	3,587	(490)	4,077
Social Security	220	1,118	1,039	79
Municipal Retirement	240	730	698	32
Workers Compensation	250	127	84	43
Unemployment Insurance	260	27	9	18
Dental Insurance	280	193	46	147
Subtotal		20,390	15,007	5,383
Title I SCW 1270:				
Salaries	110	24,302	23,623	679
Personal Day Reimbursement	125	-	42	(42)
Health Insurance	210	3,355	3,629	(274)
Social Security	220	1,859	1,733	126
Life Insurance	230	131	105	26
Workers Compensation	250	211	140	71
Unemployment Insurance	260	20	15	5
Dental Insurance	280	195	222	(27)
Subtotal		30,073	29,509	564
Guidance Services 2120:				
Salaries	110	29,162	28,824	338
Personal Day Reimbursement	125	-	45	(45)
Health Insurance	210	10,610	10,622	(12)
Social Security	220	2,231	1,277	954
Life Insurance	230	197	186	11
Workers Compensation	250	254	168	86

The accompanying notes are an integral part of these financial statements

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	Object	Budget	Actual	Variance Favorable (Unfavorable)
Unemployment Insurance	260	\$ 12	\$ 18	\$ (6)
Dental Insurance	280	615	707	(92)
Supplies	610	155	207	(52)
Books and Periodicals	640	50	-	50
Equipment	730	200	-	200
Dues	810	125	-	125
Subtotal		<u>43,611</u>	<u>42,054</u>	<u>1,557</u>
Health Services 2130:				
Salaries	110	49,975	53,900	(3,925)
Per Diem Salaries	110	-	253	(253)
Personal Day Reimbursement	125	-	94	(94)
Insurance Compensation	212	700	763	(63)
Social Security	220	3,823	4,182	(359)
Life Insurance	230	180	316	(136)
Workers Compensation	250	435	288	147
Unemployment Insurance	260	40	31	9
Supplies	610	575	589	(14)
Books and Periodicals	640	75	-	75
Subtotal		<u>55,803</u>	<u>60,416</u>	<u>(4,613)</u>
Psychological Services 2140:				
Purchased Services	320	14,125	15,295	(1,170)
Equipment	739	-	4,325	(4,325)
Subtotal		<u>14,125</u>	<u>19,620</u>	<u>(5,495)</u>
EEE Psychological Services 2140:				
Purchased Services	320	7,000	2,853	4,147
Subtotal		<u>7,000</u>	<u>2,853</u>	<u>4,147</u>
Special Education Speech 2150:				
Salaries	110	55,353	58,230	(2,877)
Health Insurance	210	11,868	11,886	(18)
Social Security	220	4,235	4,317	(82)
Life Insurance	230	294	281	13
Workers Compensation	250	230	401	(171)
Unemployment Insurance	260	20	43	(23)
Professional Development	270	1,000	574	426
Dental Insurance	280	625	719	(94)
Purchased Services	320	-	1,609	(1,609)
Summer Services	332	5,100	1,513	3,587

The accompanying notes are an integral part of these financial statements

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Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Supplies	610	\$ 250	\$ 259	\$ (9)
Books and Periodicals	640	<u>500</u>	<u>-</u>	<u>500</u>
Subtotal		<u>79,475</u>	<u>79,832</u>	<u>(357)</u>
EEE Speech Services 2150:				
Salaries	110	6,150	6,470	(320)
Summer Salaries	112	820	-	820
Health Insurance	210	1,319	1,321	(2)
Social Security	220	471	480	(9)
Life Insurance	230	114	31	83
Workers Compensation	250	54	-	54
Unemployment Insurance	260	14	-	14
Dental Insurance	280	<u>69</u>	<u>80</u>	<u>(11)</u>
Subtotal		<u>9,011</u>	<u>8,382</u>	<u>629</u>
Occupational Therapy 2160:				
Purchased Services	320	<u>14,400</u>	<u>11,183</u>	<u>3,217</u>
Subtotal		<u>14,400</u>	<u>11,183</u>	<u>3,217</u>
EEE Occupational Therapy 2160:				
Purchased Services	320	<u>1,520</u>	<u>490</u>	<u>1,030</u>
Subtotal		<u>1,520</u>	<u>490</u>	<u>1,030</u>
Physical Therapy 2190:				
Purchased Services	320	<u>6,000</u>	<u>4,074</u>	<u>1,926</u>
Subtotal		<u>6,000</u>	<u>4,074</u>	<u>1,926</u>
EEE Physical Therapy 2190:				
Purchased Services	320	<u>2,520</u>	<u>840</u>	<u>1,680</u>
Subtotal		<u>2,520</u>	<u>840</u>	<u>1,680</u>
Improvement of Instruction 2210:				
Professional Development	270	2,000	276	1,724
Action Planning	290	5,000	4,283	717
PBIS Initiative	295	<u>1,000</u>	<u>1,155</u>	<u>(155)</u>
Subtotal		<u>8,000</u>	<u>5,714</u>	<u>2,286</u>
Media Center 2220:				
Salaries	110	26,465	20,563	5,902
Aide Salaries	115	2,757	2,692	65
Personal Day Reimbursement	125	-	43	(43)
Health Insurance	210	1,477	7,817	(6,340)
Social Security	220	2,235	1,544	691

The accompanying notes are an integral part of these financial statements



Waitsfield School District  
Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual  
General Fund  
For The Year Ended June 30, 2014

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Life Insurance	230	\$ 187	\$ 91	\$ 96
Retirement	240	138	138	-
Workers Compensation	250	254	169	85
Unemployment Insurance	260	20	18	2
Dental Insurance	280	656	516	140
Purchased Services	331	1,000	175	825
Supplies	610	750	179	571
Books and Periodicals	640	4,500	3,446	1,054
Software	650	-	750	(750)
Equipment	730	800	-	800
Subtotal		<u>41,239</u>	<u>38,141</u>	<u>3,098</u>
Board of Education 2310:				
Stipends	118	1,500	1,500	-
Social Security	220	-	115	(115)
Legal Services	360	5,000	762	4,238
Insurance	523	2,500	2,789	(289)
Advertising	540	500	848	(348)
Miscellaneous	550	-	379	(379)
Dues	810	1,100	1,361	(261)
Subtotal		<u>10,600</u>	<u>7,754</u>	<u>2,846</u>
Treasurer Services 2313:				
Salaries	110	1,200	-	1,200
Social Security	220	71	-	71
Subtotal		<u>1,271</u>	<u>-</u>	<u>1,271</u>
WWSU Assessment 2321:				
Assessment	331	52,337	52,337	-
Subtotal		<u>52,337</u>	<u>52,337</u>	<u>-</u>
Administration 2400:				
Salaries	110	87,645	87,645	-
Support Staff	111	30,915	30,915	-
Health Insurance	210	18,384	18,784	(400)
Insurance Compensation	212	1,000	1,000	-
Social Security	220	9,070	8,683	387
Life Insurance	230	707	475	232
Municipal Retirement	240	1,546	1,636	(90)
Workers Compensation	250	1,031	684	347
Unemployment Insurance	260	40	74	(34)

The accompanying notes are an integral part of these financial statements

Waitsfield School District  
Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual  
General Fund  
For The Year Ended June 30, 2014

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Tuition Reimbursement	270	\$ 1,000	\$ 575	\$ 425
Dental Insurance	280	1,025	1,224	(199)
Postage	531	1,000	1,264	(264)
Supplies	610	1,500	1,862	(362)
Equipment	730	500	284	216
Dues	810	550	455	95
Subtotal		<u>155,913</u>	<u>155,560</u>	<u>353</u>
Arbitrage Borrowing 2520:				
Current Interest	830	6,000	4,158	1,842
Subtotal		<u>6,000</u>	<u>4,158</u>	<u>1,842</u>
Fiscal Services 2521:				
Business Manager Assessment	331	9,179	9,179	-
Accounting Assessment	331	19,040	19,040	-
Audit	370	3,700	3,700	-
Bank Analysis Fees	890	-	393	(393)
Subtotal		<u>31,919</u>	<u>32,312</u>	<u>(393)</u>
Building Maintenance & Operation 2600:				
Salaries	110	48,969	49,040	(71)
Assistant Salaries	111	29,886	30,058	(172)
Temporary Salaries	120	750	1,530	(780)
Overtime Salaries	130	-	1,421	(1,421)
Health Insurance	210	18,903	20,197	(1,294)
Social Security	220	6,032	6,248	(216)
Life Insurance	230	-	255	(255)
Municipal Retirement	240	3,943	2,586	1,357
Workers Compensation	250	5,423	484	4,939
Unemployment Insurance	260	44	50	(6)
Dental Insurance	280	1,441	1,776	(335)
Water	411	12,000	11,562	438
Trash Removal	421	2,500	2,241	259
Grounds Maintenance	424	4,400	5,416	(1,016)
Equipment Repair	430	11,000	14,657	(3,657)
Property Insurance	521	5,250	5,923	(673)
Telephone	530	3,650	4,037	(387)
Supplies	610	7,665	5,356	2,309
Electricity	622	19,231	14,758	4,473
Oil	624	28,000	19,455	8,545

The accompanying notes are an integral part of these financial statements

Waitsfield School District  
 Statement of Revenues, Expenditures and Changes  
 in Fund Balance - Budget and Actual  
 General Fund  
 For The Year Ended June 30, 2014

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Equipment	730	\$ 500	\$ 595	\$ (95)
Subtotal		<u>209,587</u>	<u>197,645</u>	<u>11,942</u>
SPED Transportation 2711:				
Contracted Transportation	519	-	56	(56)
Subtotal		<u>-</u>	<u>56</u>	<u>(56)</u>
Transportation 2710:				
Contracted Transportation	519	61,053	56,304	4,749
Subtotal		<u>61,053</u>	<u>56,304</u>	<u>4,749</u>
Food Services 3100:				
Contracted Services	500	7,000	6,690	310
Subtotal		<u>7,000</u>	<u>6,690</u>	<u>310</u>
 TOTAL EXPENDITURES		 <u>2,275,774</u>	 <u>2,272,459</u>	 <u>3,315</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		 -	 1,077	 1,077
 OTHER FINANCING SOURCES (USES):				
Transfer To Capital Project Fund		<u>(22,079)</u>	<u>(22,080)</u>	<u>(1)</u>
 EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		 (22,079)	 (21,003)	 1,076
 FUND BALANCE, JULY 1, 2013		 <u>22,079</u>	 <u>12,582</u>	 <u>(9,497)</u>
 FUND BALANCE, JUNE 30, 2014		 <u>\$ -</u>	 <u>\$ (8,421)</u>	 <u>\$ (8,421)</u>

The accompanying notes are an integral part of these financial statements

Waitsfield School District  
Combining Balance Sheet  
Special Revenue Funds  
June 30, 2014

Schedule 2

	Medicaid	Bridge Street Art Fair	F.E.E.D.	Food Service	Class of 2014	Class of 2015	State Placed Students	Totals
<b>ASSETS:</b>								
<b>Current Assets:</b>								
Due From Other Funds		\$ 923	\$ 120	\$ 50	\$ 1,163	\$ 843		\$ 3,099
Accounts Receivable - Supervisory Union	\$ 1,221	-	-	-	-	-	-	1,221
Total Current Assets	<u>1,221</u>	<u>923</u>	<u>120</u>	<u>50</u>	<u>1,163</u>	<u>843</u>	<u>\$ -</u>	<u>4,320</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,221</u></b>	<b><u>\$ 923</u></b>	<b><u>\$ 120</u></b>	<b><u>\$ 50</u></b>	<b><u>\$ 1,163</u></b>	<b><u>\$ 843</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,320</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>								
<b>Liabilities:</b>								
Due To Other Funds	\$ 1,416						\$ -	\$ 1,416
Accounts Payable - Other	898	-	-	-	-	-	1,873	2,771
Total Liabilities	<u>2,314</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,873</u>	<u>4,187</u>
<b>Fund Balances:</b>								
Unassigned	(1,093)						(1,873)	(2,966)
Restricted	-	923	120	50	1,163	843	-	3,099
Total Fund Balances	<u>(1,093)</u>	<u>923</u>	<u>120</u>	<u>50</u>	<u>1,163</u>	<u>843</u>	<u>(1,873)</u>	<u>133</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b><u>\$ 1,221</u></b>	<b><u>\$ 923</u></b>	<b><u>\$ 120</u></b>	<b><u>\$ 50</u></b>	<b><u>\$ 1,163</u></b>	<b><u>\$ 843</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,320</u></b>

The accompanying notes are an integral part of these financial statements

Waitsfield School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Special Revenue Funds  
For The Year Ended June 30, 2014

Schedule 3  
(page 1 of 2)

	Medicaid	Bridge Street Art Fair	F.E.E.D.	Water System Improvement	Field Project	Technology Fund	Subtotals
REVENUES:							
Private/Local/Other	\$ 18,030	\$ 1,050	-	-	-	-	\$ 19,080
TOTAL REVENUES	<u>18,030</u>	<u>1,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>19,080</u>
EXPENDITURES:							
Direct Services	426	907	1,086				2,419
Support Services:							
Students	28,625						28,625
Food Services							-
Construction Services	-	-	-	17,835	-	-	17,835
TOTAL EXPENDITURES	<u>29,051</u>	<u>907</u>	<u>1,086</u>	<u>17,835</u>	<u>-</u>	<u>-</u>	<u>48,879</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(11,021)	143	(1,086)	(17,835)	-	-	(29,799)
OTHER FINANCING SOURCES (USES):							
Loan Proceeds				24,885			24,885
Transfers In		61					61
Transfers Out	-	-	-	(184)	-	-	(184)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(11,021)	204	(1,086)	6,866	-	-	(5,037)
FUND BALANCES, JULY 1, 2013	<u>9,928</u>	<u>719</u>	<u>1,206</u>	<u>(6,866)</u>	<u>-</u>	<u>-</u>	<u>4,987</u>
FUND BALANCES, JUNE 30, 2014	<u>\$ (1,093)</u>	<u>\$ 923</u>	<u>\$ 120</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50)</u>

The accompanying notes are an integral part of these financial statements

Waitsfield School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Special Revenue Funds  
For The Year Ended June 30, 2014

Schedule 3  
(page 2 of 2)

	Food Service	Class of 2013	Class of 2014	Class of 2015	Backpack Program	State Placed Students	Subtotals	Totals
REVENUES:								
Private/Local/Other	-	-	\$ 9,835	\$ 910	-	-	\$ 10,745	\$ 29,825
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>9,835</u>	<u>910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>10,745</u>	<u>29,825</u>
EXPENDITURES:								
Direct Services			9,628	67		1,246	10,941	13,360
Support Services:								
Students							-	28,625
Food Services	53						53	53
Construction Services	-	-	-	-	-	-	-	17,835
TOTAL EXPENDITURES	<u>53</u>	<u>-</u>	<u>9,628</u>	<u>67</u>	<u>-</u>	<u>1,246</u>	<u>10,994</u>	<u>59,873</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(53)	-	207	843	-	(1,246)	(249)	(30,048)
OTHER FINANCING SOURCES (USES):								
Loan Proceeds							-	24,885
Transfers In					115		115	176
Transfers Out	-	(175)	-	-	-	-	(175)	(359)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(53)	(175)	207	843	115	(1,246)	(309)	(5,346)
FUND BALANCES, JULY 1, 2013	<u>103</u>	<u>175</u>	<u>956</u>	<u>-</u>	<u>(115)</u>	<u>(627)</u>	<u>492</u>	<u>5,479</u>
FUND BALANCES, JUNE 30, 2014	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 1,163</u>	<u>\$ 843</u>	<u>\$ -</u>	<u>\$ (1,873)</u>	<u>\$ 183</u>	<u>\$ 133</u>

The accompanying notes are an integral part of these financial statements

Waitsfield School District  
 Combining Statement of Changes in Assets and Liabilities  
 Fiduciary Fund Types - Agency Funds  
 For The Year Ended June 30, 2014

Schedule 4

	Balance July 1, 2013	Receipts	Disbursements	Transfers	Balance June 30, 2014
<b>Assets:</b>					
Cash - Activities	\$ 2,488	\$ 620	\$ 1,720	\$ (1,388)	\$ -
Cash - Petty Cash	455	7,197	8,542	1,699	809
Cash - Student Council	586	-	275	(311)	-
Cash - 6th Grade Trip	<u>1,009</u>	<u>3,000</u>	<u>3,588</u>	<u>-</u>	<u>421</u>
<b>Total Assets</b>	<b><u>\$ 4,538</u></b>	<b><u>\$ 10,817</u></b>	<b><u>\$ 14,125</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,230</u></b>
<b>Liabilities:</b>					
Amount Held for Agency Funds	<u>\$ 4,538</u>	<u>\$ 10,817</u>	<u>\$ 14,125</u>	<u>\$ -</u>	<u>\$ 1,230</u>
<b>Total Liabilities</b>	<b><u>\$ 4,538</u></b>	<b><u>\$ 10,817</u></b>	<b><u>\$ 14,125</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,230</u></b>

The accompanying notes are an integral part of these financial statements

**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**

To the School Board  
Waitsfield School District, Vermont

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 and the aggregate remaining fund information of Waitsfield School District, Vermont, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Waitsfield School District, Vermont's basic financial statements and have issued our report thereon dated February 23, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Waitsfield School District, Vermont's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Waitsfield School District, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of Waitsfield School District, 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 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 may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Waitsfield School District, Vermont's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance of 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

## ***Angolano & Company***

Angolano & Company  
Shelburne, Vermont  
Firm Registration Number 92-0000141

February 23, 2015



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August 22, 2014

To the School Board  
Waitsfield School District

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Waitsfield School District** for the year ended June 30, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, Government Auditing Standards and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 29, 2013. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Waitsfield School District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during June 30, 2014. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the lives of property, plant, and equipment is based on expected usefulness. We evaluated the key factors and assumptions used to develop the lives of property, plant, and equipment in determining that it is reasonable in relation to the financial statements taken as a whole.

Management estimates the final receivable or payable with the State of Vermont Department of Education for special education expense reimbursement.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of Fund Balances and Net Resources in Notes 10 and 11 to the financial statements as to how any surplus is to be used in future fiscal years.

The disclosure of Other Post Employment Benefits (OPEB) and Termination Benefits in Note 7 to the financial statements as to how it is being offered and any contingent and real liabilities that exist.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those

statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of School Board and management of Waitsfield School District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Angolano & Company*

Angolano & Company,  
Shelburne, Vermont  
Firm Registration Number 92-0000141