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January 6, 2012

Waitsfield School District
Att: Michelle Baker, Bus. Mgr.
1673 Main Street, Ste. A
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, 2011. In addition I will be mailing you 10 bound copies.

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, 2011

Waitsfield School District
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For The Year Ended June 30, 2011

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Independent Auditors' Report

To The School Board
Waitsfield School District

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, 2011, which collectively comprise the School District's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the School District's nonmajor governmental and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of Waitsfield School District's management. Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 Waitsfield School District, Vermont, as of June 30, 2011, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental and fiduciary fund of Waitsfield School District, as of June 30, 2011, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2011 on our consideration of Waitsfield School District'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* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 5 and 30 through 38 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. 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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Angolano & Company

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

December 29, 2011

WAITSFIELD SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2011

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, 2011 (FY 11). 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 \$739,407 and government-wide liabilities totaled \$109,959.
- Long-term debt (more than one year) totaled \$34,384 at year end.
- The District's general fund actual revenues were \$2,125,916 while the budgeted revenues were \$2,110,966 an increase of \$14,950 or .7%.
- The District's general fund actual expenditures were \$1,997,008, while the budgeted expenditures were \$2,053,176, a savings of \$56,168 or 2.7%.
- Special Revenue Funds totaling \$35,526 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 and Technology Fund. The respective fund balances at June 30, 2011 were \$4,825 and \$9,525. In addition there is a negative balance of \$6,866 associated with hook up fees for water which is anticipated to be funded through the DWSRF loan program in FY2012.
- Agency Funds totaling \$5,290 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 12-29.

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

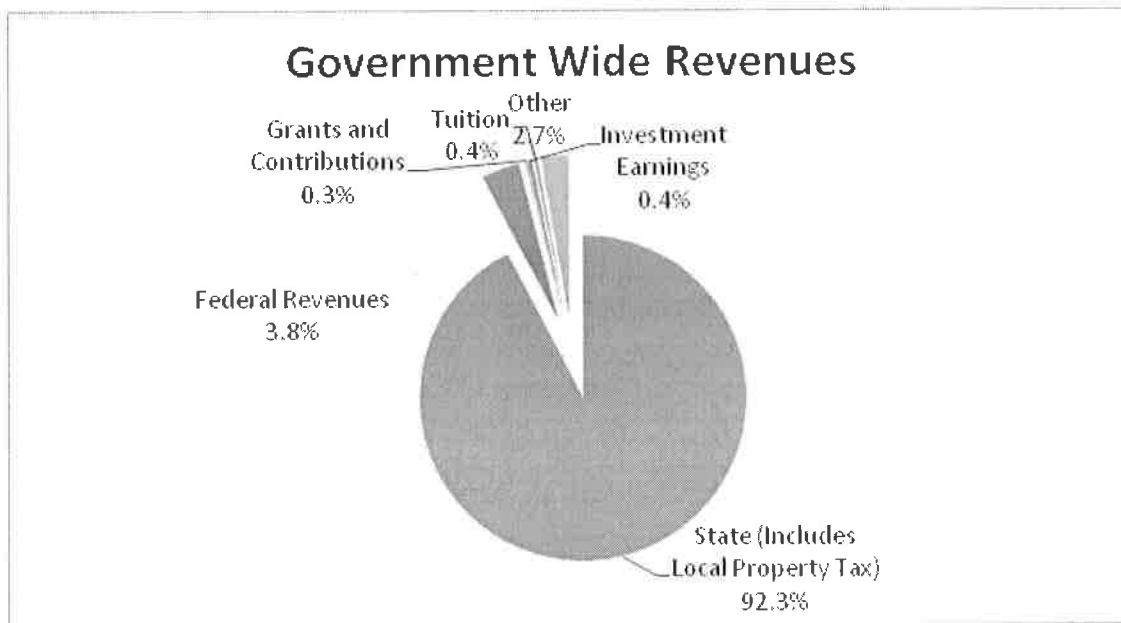
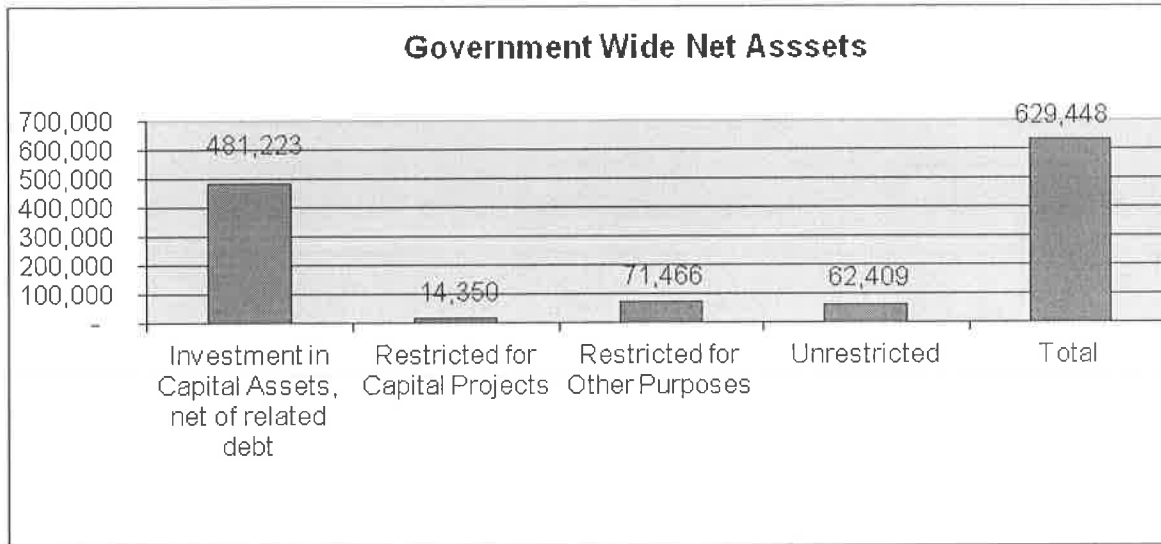
Our analysis of the District's major funds begins on Table 1. The fund financial statements provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, the District's Board of Directors 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.

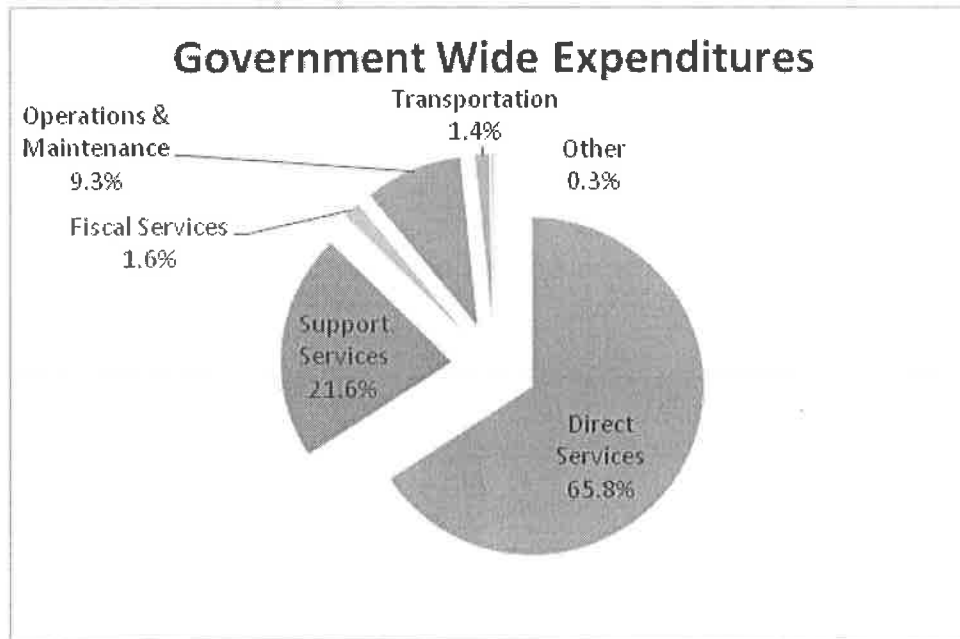
TABLE I

Waitsfield School District
Statement of Net Assets and Fund Balance Reconciliation
June 30, 2011

| | Summary of Financial Operations and Fund Balance | Governmental Activities Government-Wide | Difference |
|---|---|---|------------------|
| ASSETS | | | |
| <u>Current Assets:</u> | | | |
| Cash | 193,427 | 193,427 | - |
| Prepaid Expenses | 4,231 | 4,231 | - |
| Accounts Receivable: | | | |
| Supervisory Union | 15,799 | 15,799 | - |
| Other | 10,343 | 10,343 | - |
| Total Current Assets | 223,800 | 223,800 | - |
| <u>Non-current Assets:</u> | | | |
| <u>Capital Assets:</u> | | | |
| Building & Equipment, net of Accum. Depr. | - | 515,607 | (515,607) |
| Total Non-current Assets | - | 515,607 | (515,607) |
| TOTAL ASSETS | 223,800 | 739,407 | (515,607) |
| LIABILITIES | | | |
| <u>Current Liabilities:</u> | | | |
| Cash Overdraft | - | - | - |
| Accounts Payable - State | 15,821 | 15,821 | - |
| Accounts Payable - Other LEA's | 947 | 947 | - |
| Accounts Payable - Other | 57,497 | 57,497 | - |
| Accrued Expenses | 1,310 | 1,310 | - |
| Current Portion of Long-Term Obligations | - | 30,877 | (30,877) |
| Total Current Liabilities | 75,575 | 106,452 | (30,877) |
| <u>Non-current Liabilities:</u> | | | |
| Bonds Payable | - | 3,507 | (3,507) |
| Total Non-current Liabilities | - | 3,507 | (3,507) |
| TOTAL LIABILITIES | 75,575 | 109,959 | (34,384) |
| NET ASSETS | | | |
| Investment in Capital Assets, net of related Debt | - | 481,223 | (481,223) |
| Restricted for Capital Projects | 14,350 | 14,350 | - |
| Restricted for Other Purposes | 23,057 | 71,466 | (48,409) |
| Committed | 48,409 | - | 48,409 |
| Unrestricted | 62,409 | 62,409 | - |
| TOTAL NET ASSETS | 148,225 | 629,448 | (481,223) |
| TOTAL LIABILITIES AND NET ASSETS | 223,800 | 739,407 | (515,607) |



In FY2011, Government-wide revenues consisted of \$78,855 in federal revenue, \$1,902,317 in state revenue, \$8,754 in investment earnings, \$6,085 in grant revenue, \$8,010 in Pre-school tuition and \$56,000 in other revenues.



In FY2011, Government-wide expenses (net of related program revenue) consist of \$1,289,576 in direct services, \$422,413 in support services, \$31,845 in fiscal services, \$231,613 in operations and maintenance, \$26,908 in transportation, and \$5,116 in other expenses with an offset of a \$49,000 grant in construction services.

Governmental Activities:

Governmental Activities revenues totaled \$2,060,021 and expenses totaled \$1,958,471 resulting in an increase in net assets of \$101,550.

Fund Financial Analysis

| | Summary of Financial Operations and Fund Balance 6/30/2011 | Summary of Financial Operations and Fund Balance 6/30/2010 | Summary of Financial Operations and Fund Balance 6/30/2009 |
|---|--|--|--|
| ASSETS | | | |
| <u>Current Assets:</u> | | | |
| Cash | 193,427 | 214,111 | 242,018 |
| Prepaid Expenses | 4,231 | 3,162 | 3,173 |
| Accounts Receivable: | | | |
| Supervisory Union | 15,799 | 19,795 | 7,093 |
| Other LEA's | - | - | 26,640 |
| Other | 10,343 | 2,449 | 20,301 |
| Total Current Assets | 223,800 | 239,517 | 299,225 |
| LIABILITIES | | | |
| <u>Current Liabilities:</u> | | | |
| Cash Overdraft | - | 66,739 | 131,216 |
| Accounts Payable - State | 15,821 | 8,182 | 22,299 |
| Accounts Payable - Other LEA's | 947 | 849 | |
| Accounts Payable - Other | 57,497 | 47,235 | 5,634 |
| Accrued Expenses | 1,310 | 2,222 | 378 |
| Total Current Liabilities | 75,575 | 125,227 | 159,527 |
| NET ASSETS | | | |
| Committed | 48,409 | 86,841 | 140,522 |
| Restricted | 37,407 | | |
| Unassigned | 62,409 | 27,449 | (824) |
| TOTAL NET ASSETS | 148,225 | 114,290 | 139,698 |
| TOTAL LIABILITIES AND NET ASSETS | 223,800 | 239,517 | 299,225 |

Governmental Fund Types:

Fund balances in the Governmental Fund types increased from \$114,290 to \$148,225, an increase of \$33,935. This increase was reflected in the General Fund by a decrease of \$66,258, a decrease of \$1,642 in the Special Revenue Funds, and a decrease in the Capital Projects Fund of \$30,681.

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

| Waitsfield School District Capital Assets June 30, 2011 | | | |
|--|---------------------|-------------------------------------|-------------------|
| | <u>Cost</u> | <u>Accumulated Depreciation</u> | <u>Net Value</u> |
| Governmental Activities: | | | |
| Construction in Progress | 11,251 | - | 11,251 |
| Land Improvements | 51,633 | 50,996 | 637 |
| Buildings and Improvements | \$ 1,014,634 | \$ 510,915 | \$ 503,719 |
| Furniture and Equipment | 64,620 | 64,620 | - |
| Total | <u>\$ 1,142,138</u> | <u>\$ 626,531</u> | <u>\$ 515,607</u> |

Long-Term Debt

The District has one category of long-term debt, defined as debt due and payable beyond one year. At June 30, 2011, the District had \$34,384 in outstanding principal and interest. Bond principal and interest are being paid from the General Fund. The final payment of the municipal bond will be made in FY12. It is anticipated that the debt of \$4,384 associated with the water project will be forgiven.

Current Issues

- Waitsfield Elementary School has developed a Capital Improvement Plan to identify long term and short-term capital needs.
- Waitsfield's student enrollment is declining and that trend is projected to continue.
- Act 153 requires special education, compensatory and remedial services to be provided by the Supervisory Union by July 1, 2013. The SU does not currently believe centralizing all special education services at the SU level will result in financial savings for the overall SU. In addition, no implementation guidance or instructions to apply for a waiver has been received from the VT DOE regarding the new legislation. The financial effects on the Waitsfield School District associated with this legislation are unknown at this time.

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, 1673 Main Street – Suite A, Waitsfield, Vermont 05673 or at (802) 496-2272 ext. 117.

Waitsfield School District
Statement of Net Assets
Government-Wide
June 30, 2011

EXHIBIT I

| | Governmental Activities | Total |
|---|----------------------------|-------------------|
| ASSETS: | | |
| Cash and Cash Equivalents | \$ 193,427 | \$ 193,427 |
| Accounts Receivable - Supervisory Union | 15,799 | 15,799 |
| Accounts Receivable - Other | 10,343 | 10,343 |
| Prepaid Expenses | 4,231 | 4,231 |
| Capital Assets, net (Note 4) | <u>515,607</u> | <u>515,607</u> |
| Total Assets | <u>739,407</u> | <u>739,407</u> |
| LIABILITIES: | | |
| Accounts Payable - State | 15,821 | 15,821 |
| Accounts Payable - Other LEAs | 947 | 947 |
| Accounts Payable - Other | 57,497 | 57,497 |
| Accrued Expenses | 1,310 | 1,310 |
| Long-Term Liabilities (Note 6): | | |
| Due Within One Year | 30,877 | 30,877 |
| Due in More Than One Year | <u>3,507</u> | <u>3,507</u> |
| Total Liabilities | <u>109,959</u> | <u>109,959</u> |
| NET ASSETS: | | |
| Investment in Capital Assets, net of related debt | 481,223 | 481,223 |
| Restricted for Capital Projects | 14,350 | 14,350 |
| Restricted for Other Purposes | 71,466 | 71,466 |
| Unrestricted | <u>62,409</u> | <u>62,409</u> |
| Total Net Assets | <u>\$ 629,448</u> | <u>\$ 629,448</u> |

The accompanying notes are an integral part of these financial statements

Waitsfield School District
Statement of Activities
Government-Wide
For The Year Ended June 30, 2011

EXHIBIT II

| | | Program Revenues | | Net (Expense) Revenue and Changes in Net Assets | |
|--|---------------------|-------------------------|---------------------|--|--------------------|
| | Expenses | Charges for Services | Operating Grants | Governmental Activities | Total |
| Instructional: | | | | | |
| Direct Services | \$ 1,344,013 | | \$ 54,437 | \$ (1,289,576) | \$ (1,289,576) |
| Support Services: | | | | | |
| Student Services | 183,151 | | | (183,151) | (183,151) |
| Instructional Services | 44,153 | | | (44,153) | (44,153) |
| General Administrative Services | 52,921 | | | (52,921) | (52,921) |
| Area Administrative Services | 142,188 | | | (142,188) | (142,188) |
| Fiscal Services | 31,845 | | | (31,845) | (31,845) |
| Building Operations and Maintenance | 231,613 | | | (231,613) | (231,613) |
| Transportation | 68,149 | | 41,241 | (26,908) | (26,908) |
| Other Support Services | 5,116 | | | (5,116) | (5,116) |
| Construction Services | - | - | 49,000 | 49,000 | 49,000 |
| Total | <u>\$ 2,103,149</u> | <u>\$ -</u> | <u>\$ 144,678</u> | <u>(1,958,471)</u> | <u>(1,958,471)</u> |
| General Revenues: | | | | | |
| Tuition | | | | 8,010 | 8,010 |
| State Revenues not Restricted to Specific Programs | | | | 1,902,317 | 1,902,317 |
| Federal Revenues not Restricted to Specific Programs | | | | 78,855 | 78,855 |
| Private Revenues not Restricted to Specific Programs | | | | (5,915) | (5,915) |
| Investment Earnings | | | | 8,754 | 8,754 |
| Refunds and Reimbursements | | | | 56,000 | 56,000 |
| Miscellaneous | | | | 12,000 | 12,000 |
| Total General Revenues | | | | <u>2,060,021</u> | <u>2,060,021</u> |
| Excess (Deficiency) of Revenues Over Expenses | | | | 101,550 | 101,550 |
| Net Assets - Beginning | | | | <u>527,898</u> | <u>527,898</u> |
| Net Assets - Ending | | | | <u>\$ 629,448</u> | <u>\$ 629,448</u> |

The accompanying notes are an integral part of these financial statements

Waitsfield School District
Combined Balance Sheet
All Fund Types - Fund Base
June 30, 2011

EXHIBIT III

| | Governmental Fund Types | | | Fiduciary Fund Type | Totals (Memorandum Only) |
|---|-------------------------|----------------------------|-----------------------------|------------------------|--------------------------------|
| | General Fund | Special Revenue Fund | Capital Projects Fund | Agency Funds | |
| ASSETS: | | | | | |
| Current Assets: | | | | | |
| Cash | \$ 181,722 | | \$ 11,705 | \$ 5,290 | \$ 198,717 |
| Accounts Receivable - Supervisory Union | 8,790 | \$ 7,009 | | | 15,799 |
| Accounts Receivable - Other | 10,343 | | | | 10,343 |
| Due From Other Funds | | 35,654 | 9,575 | | 45,229 |
| Prepaid Expenses | 4,231 | - | - | - | 4,231 |
| Total Current Assets | <u>205,086</u> | <u>42,663</u> | <u>21,280</u> | <u>5,290</u> | <u>274,319</u> |
| TOTAL ASSETS | <u>\$ 205,086</u> | <u>\$ 42,663</u> | <u>\$ 21,280</u> | <u>\$ 5,290</u> | <u>\$ 274,319</u> |
| LIABILITIES AND FUND EQUITIES: | | | | | |
| Liabilities: | | | | | |
| Accounts Payable - State | \$ 15,821 | | | | \$ 15,821 |
| Accounts Payable - Other LEAs | 947 | | | | 947 |
| Accounts Payable - Other | 48,149 | \$ 2,418 | \$ 6,930 | | 57,497 |
| Accrued Expenses | 1,310 | | | | 1,310 |
| Due To Other Funds | 33,645 | 4,719 | 6,866 | | 45,230 |
| Amount Held for Agency Funds | - | - | - | \$ 5,290 | 5,290 |
| Total Liabilities | <u>99,872</u> | <u>7,137</u> | <u>13,796</u> | <u>5,290</u> | <u>126,095</u> |
| Fund Equity: | | | | | |
| Fund Balances: | | | | | |
| Unassigned | 71,155 | (1,881) | (6,866) | | 62,408 |
| Committed | 34,059 | | 14,350 | | 48,409 |
| Restricted | - | 37,407 | | - | 37,407 |
| Total Fund Equities | <u>105,214</u> | <u>35,526</u> | <u>7,484</u> | <u>-</u> | <u>148,224</u> |
| TOTAL LIABILITIES AND FUND EQUITIES | <u>\$ 205,086</u> | <u>\$ 42,663</u> | <u>\$ 21,280</u> | <u>\$ 5,290</u> | <u>\$ 274,319</u> |

The accompanying notes are an integral part of these financial statements

Waitsfield School District
Reconciliation of the Balance Sheet to the Statement of Net Assets
Governmental Funds
June 30, 2011

| | |
|--|------------|
| Fund Balances – total governmental funds | \$ 148,224 |
|--|------------|

Amounts reported for governmental activities in the Statement of
Net Assets 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 | 1,142,138 |
| Less accumulated depreciation | (626,531) |

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

| | |
|---------------|-----------------|
| Bonds Payable | <u>(34,384)</u> |
|---------------|-----------------|

| | |
|---------------------------------------|-------------------|
| Net Assets of Governmental Activities | <u>\$ 629,448</u> |
|---------------------------------------|-------------------|

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, 2011

EXHIBIT IV

| | Governmental Fund Types | | | | Totals (Memorandum Only) |
|---|-------------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | |
| REVENUES: | | | | | |
| Tuition | \$ 8,010 | | | | \$ 8,010 |
| Interest on Investments | 8,713 | | \$ 41 | | 8,754 |
| Refunds and Reimbursements | 56,000 | | | | 56,000 |
| Miscellaneous | 10,801 | | 1,199 | | 12,000 |
| Private/Local/Other | | \$ 26,993 | | | 26,993 |
| State | 1,925,739 | 1,550 | | | 1,927,289 |
| Federal | 116,653 | - | 49,000 | - | 165,653 |
| TOTAL REVENUES | 2,125,916 | 28,543 | 50,240 | \$ - | 2,204,699 |
| EXPENDITURES: | | | | | |
| Direct Services | 1,300,382 | 19,970 | 557 | | 1,320,909 |
| Support Services: | | | | | |
| Students | 183,056 | | | | 183,056 |
| Instructional Staff | 43,838 | | | | 43,838 |
| General Administration | 52,921 | | | | 52,921 |
| Area Administration | 142,156 | | | | 142,156 |
| Fiscal Services | 31,845 | | | | 31,845 |
| Operation & Maintenance of Building | 179,760 | | 59,682 | | 239,442 |
| Transportation | 57,934 | 10,215 | | | 68,149 |
| Food Services | 5,116 | | | | 5,116 |
| Construction Services | | | 50,182 | | 50,182 |
| Debt Service: | | | | | |
| Interest Charges | | | | 3,150 | 3,150 |
| Principal Retirement | - | - | - | 30,000 | 30,000 |
| TOTAL EXPENDITURES | 1,997,008 | 30,185 | 110,421 | 33,150 | 2,170,764 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 128,908 | (1,642) | (60,181) | (33,150) | 33,935 |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfers In | | | 29,500 | 33,150 | 62,650 |
| Transfers Out | (62,650) | - | - | - | (62,650) |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 66,258 | (1,642) | (30,681) | - | 33,935 |
| FUND BALANCE, JULY 1, 2010 | 38,956 | 37,168 | 38,165 | - | 114,289 |
| FUND BALANCE, JUNE 30, 2011 | \$ 105,214 | \$ 35,526 | \$ 7,484 | \$ - | \$ 148,224 |

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, 2011

| | |
|---|-----------|
| Net Changes in fund Balances – total governmental funds | \$ 33,935 |
|---|-----------|

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 | 62,130 |
| Less current year depreciation | (24,515) |

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

| | |
|--------------------|---------------|
| Repayment of bonds | <u>30,000</u> |
|--------------------|---------------|

| | |
|--|------------------|
| Change in Net Assets of Governmental Funds | <u>\$101,550</u> |
|--|------------------|

Waitsfield School District
Notes to Financial Statements
For The Year Ended June 30, 2011

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 prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in the Statement on Auditing Standards No. 69 of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriated version of the Vermont Department of Education's Handbook for Financial Accounting of Vermont School Systems (The Handbook).

Reporting Entity:

The schoolboard 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.

Government -Wide and Fund Financial Statements:

The statement of net assets and the statement of activities are government -wide financial statements. They report information on all of the Waitsfield School District's non-fiduciary activities with most of the Interfund activities removed. *Governmental Activities* include programs supported primarily by Taxes (collected by the Town on behalf of the State), State funds, grants and other intergovernmental revenues.

The statement of activities demonstrates how other people or entities that participate in programs the School District operates have shared in the payment of the direct costs. The "charges for Services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the School District. The "grants and contributions" column includes amounts paid by organizations outside the School District to help meet the operational or capital requirements of a given function. If a revenue is not a program revenue, it is a general revenue used to support all of the School District's functions. Taxes are always general revenues.

Interfund activities between governmental funds and proprietary funds appear as due to/due from on the governmental fund balance sheet and proprietary fund statement of net assets and as other

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

resources and other uses on the governmental fund statement of revenues, expenditures and changes in fund balance and on the proprietary fund statement of revenues, expenses and changes in fund net assets. All Interfund transactions between governmental funds and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide statement of activities.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories – governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for School District operations, they are not included in the government-wide statements. The School District considers some governmental funds major and reports their financial condition and results of operations in a separate column. The major funds are:

Governmental Fund Types:

- General Fund – The general fund is the School District’s primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- Special Revenue Funds – The School District accounts for resources restricted to, or designated for, specific purposes by the School District or a grantor in a special revenue fund. Most federal and some State financial assistance is accounted for in a Special Revenue Fund and sometimes unused balances must be returned to the grantor at the close of specified project periods.
- Capital Project Fund – The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.
- Debt Service Fund – The School District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.

Fiduciary Funds (Agency Funds):

Agency Funds – The Agency Funds are used to account for assets held by the School District as an agent for individuals, private organizations, other funds and/or governmental units.

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

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases (revenues and other financing sources) and decreases (expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become available and measurable and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The School District considers all revenues available if they are collectible within 60 days after year end

Revenues received from the State are recognized under the susceptible -to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the School District to refund all or part of the unused amount.

The Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The School District applies all GASB pronouncements as well as the Financial Accounting Standards Board

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Assets. The fund equity is segregated into invested in capital assets net of related debt, restricted net assets, and unrestricted net assets.

Other Accounting Policies:

Cash and Cash Equivalents:

For purposes of the statement of cash flows for proprietary and similar fund-types, the School District considers highly liquid investments to be cash equivalents if they have a maturity of six months or less when purchased.

Interfund Receivables and Payables:

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".

Accounts Receivable:

The accounts receivable balances at year end are from governmental entities, and 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 an expenditure when the payments are made. In the government-wide financial statements and the proprietary funds, these items are recorded as prepaid items.

Capital Assets:

Capital assets, which include land, buildings, furniture, and equipment, 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. Land Improvements, buildings, furniture and equipments of the School District 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.

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Debt:

In the government-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 debt issued is reported as other financing sources.

Budgets:

The School District is required by state law to adopt a budget for the General Fund. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles ("GAAP"). The operating budget is prepared by the School District's administration with direction from the School Board and assistance from the Superintendent and Business Manager of the Washington West Supervisory Union and approved by the Waitsfield School District School Board at a properly warned meeting for presentation to the voters. The operating budget includes proposed expenditures by line item and the means of financing them. The budget is approved by School District Voters at a properly warned annual meeting. The voters vote on the total expense amount and not on the individual line items presented in these financial statements.

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 in the General Fund, Special Revenue Funds, and Capital Projects Fund. Encumbrances are not liabilities and, therefore, should not be recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The School District has elected to treat its encumbrances as liabilities for budgetary control purposes.

Net Assets and Fund Balance:

Government-Wide Financial Statements:

When the School District incurs an expense for which it may use either restricted or unrestricted net assets, it uses restricted net assets first unless unrestricted net assets will have to be returned because they were not used. Net assets on the Statement of Net Assets include the following:

Investment in Capital Assets, net of Related Debt – The component of net assets reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted for Other Purposes – The component of net assets that reports the amount of revenue from a federal, state, or other program in excess of expenditures. These funds are restricted for use of the related federal, state or other program.

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 – The difference between the assets and liabilities that is not reported in net Assets Invested in Capital Assets, net of Related Debt, Net Assets Restricted for Other Purposes, or Net Assets Restricted for Capital Projects.

Fund Based Financial Statements:

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

Assigned Fund Balance – Includes amounts intended to be used by the government for specific purposes 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 that can be spent only for the specific Purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed Fund Balance – Includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

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.

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 AND REPURCHASE AGREEMENTS

Cash deposits with financial institutions at June 30th amounted to \$198,717. As major revenues are received during the year bank deposits may temporarily exceed insured limits.

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 Deposits which are insured or collateralized with securities held by the School District or by its agent in the School District's name. (repurchase agreements)
- Category 2 Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the Bank's name.
- Category 3 Private commercial insurance protection or letter of credit for funds in excess of FDIC limits.
- Category 4 Deposits which are not collateralized or insured. (includes cash on hand)

The School District uses collateralization agreements with the People's United Bank to protect deposits not otherwise insured by the FDIC and/or SIPC. Deposits held with other financial institutions that exceeded the FDIC limits were uninsured at June 30, 2011.

Balances held in each area are as follows:

| | Carrying Amount | Bank Balance |
|--------------------------------|--------------------|-----------------|
| - Insured (FDIC) and/or (SIPC) | \$198,717 | \$432,193 |
| - Category 1 | 0 | 0 |
| - Category 2 | 0 | 0 |
| - Category 3 | 0 | 0 |

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2011

NOTE 2 - CASH AND REPURCHASE AGREEMENTS (CONTINUED)

| | Carrying Amount | Bank Balance |
|----------------|--------------------|------------------|
| - Category 4 | \$ 0 | \$ 56,746 |
| Total deposits | <u>\$198,717</u> | <u>\$488,939</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 with the People's United Bank 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.

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, 2011 is as follows:

| Fund Financial Statements: | | |
|----------------------------|--------------------------|----------|
| Receivable Fund | Payable Fund | Amount |
| Special Revenue Fund: | | |
| Medicaid | General Fund | \$28,725 |
| FEED | General Fund | 1,488 |
| Field Project | General Fund | 2,066 |
| Stars Program Grant | General Fund | 2,700 |
| Food Service | General Fund | 103 |
| Class of 2012 | General Fund | 349 |
| Class of 2013 | General Fund | 223 |
| | Special Revenue Fund: | |
| General Fund | Safe Route to School | 4,217 |
| General Fund | Class of 2011 | 502 |
| | Capital Project Fund: | |
| General Fund | Water System Improvement | 6,866 |

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2011

NOTE 3 - INTERFUND RECEIVABLES (CONTINUED)

| Fund Financial Statements: | | |
|----------------------------|--------------|-----------------|
| Receivable Fund | Payable Fund | Amount |
| Capital Project Fund: | | |
| Maintenance Reserve | General Fund | \$ 50 |
| Technology Fund | General Fund | <u>9,525</u> |
| Total | | <u>\$56,814</u> |

NOTE 4 – CAPITAL ASSETS

Capital activity for the School District for the year ended June 30, 2011 was as follows:

| | <u>Primary Government</u> | | | |
|---|---------------------------|------------------|-------------|-------------------|
| | Beginning Balance | Increases | Decreases | Ending Balance |
| Governmental activities: | | | | |
| Capital assets not being depr. | | | | |
| Construction in Progress | <u>\$ 10,068</u> | <u>\$ 1,183</u> | <u>\$ 0</u> | <u>\$ 11,251</u> |
| Total capital assets not being depreciated | <u>10,068</u> | <u>1,183</u> | <u>0</u> | <u>11,251</u> |
| Other Capital Assets: | | | | |
| Land Improvements | 51,633 | 0 | 0 | 51,633 |
| Buildings | 187,654 | 0 | 0 | 187,654 |
| Building Improvements | 766,033 | 60,947 | 0 | 826,980 |
| Furniture and Equipment | <u>64,620</u> | <u>0</u> | <u>0</u> | <u>64,620</u> |
| Total other capital assets at historical costs | <u>1,069,940</u> | <u>60,947</u> | <u>0</u> | <u>1,130,887</u> |
| Less accumulated depreciation: | | | | |
| Land Improvements | 48,494 | 2,502 | 0 | 50,996 |
| Buildings | 187,654 | 0 | 0 | 187,654 |
| Building Improvements | 306,416 | 16,845 | 0 | 323,261 |
| Furniture and Equipment | <u>59,452</u> | <u>5,168</u> | <u>0</u> | <u>64,620</u> |
| Total accum. depr. | <u>602,016</u> | <u>24,515</u> | <u>0</u> | <u>626,531</u> |
| Other Capital Assets, Net | <u>467,924</u> | <u>36,432</u> | <u>0</u> | <u>504,356</u> |
| Governmental activities | | | | |
| Capital Assets, Net | <u>\$ 477,992</u> | <u>\$ 37,615</u> | <u>\$ 0</u> | <u>\$ 515,607</u> |

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2011

NOTE 4 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

Governmental activities:

| | |
|--|-----------------|
| Direct Services | \$20,489 |
| Support Services: | |
| Students | 0 |
| Instructional Staff | 0 |
| General Administration | 0 |
| Area Administration | 0 |
| Fiscal Services | 0 |
| Operation and Maintenance of Plant | 4,026 |
| Transportation | 0 |
| Other Support Services | 0 |
| Total governmental activities depreciation expense | <u>\$24,515</u> |

NOTE 5 - SICK LEAVE

It is the School District's policy to permit employees to accumulate earned but unused sick pay benefits. Such 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.

NOTE 6 - LONG-TERM DEBT

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:

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2011

NOTE 6 - LONG-TERM DEBT (CONTINUED)

| | Balance July 1, 2010 | Borrowings | Retirements | Balance June 30, 2011 |
|--|-------------------------|-------------|-----------------|--------------------------|
| Vermont Municipal Bond Bank, bond payable, interest at 6.959% interest paid semi-annually, principal of \$30,000 due on December 1 st of each year until 2011, originally borrowed \$640,000 on July 10, 1991 for an addition. | \$60,000 | \$ 0 | \$30,000 | \$30,000 |
| Environmental Protection Agency, Water planning note payable, interest at 0% principal of \$876.80 due on November 1 st of each year starting in 2011 until 2015, approved borrowings of \$4,384 for water project. Debt forgiveness is to be determined. | <u>4,384</u> | <u>0</u> | <u>0</u> | <u>4,384</u> |
| Total Long-Term Debt | <u>\$64,384</u> | <u>\$ 0</u> | <u>\$30,000</u> | <u>\$34,384</u> |

The annual debt service requirement to maturity for general obligation bonds and notes including interest are as follows:

| | Principal | Interest | Total |
|-------------------------------------|-----------------|----------------|-----------------|
| During the year ended June 30, 2012 | \$30,877 | \$1,050 | \$31,927 |
| 2013 | 877 | 0 | 877 |
| 2014 | 877 | 0 | 877 |
| 2015 | 877 | 0 | 877 |
| 2016 | 876 | 0 | 876 |
| Thereafter | <u>0</u> | <u>0</u> | <u>0</u> |
| Totals | <u>\$34,384</u> | <u>\$1,050</u> | <u>\$35,434</u> |

NOTE 7 – 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.

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2011

NOTE 7 – RESTRICTED, COMMITTED AND ASSIGNED FUND BALANCES (Fund Financial Statements) (CONTINUED)

Reservations at year end are for the following:

General Fund:

| | |
|---------------------|-----------------|
| Fiscal 11-12 Budget | <u>\$34,059</u> |
|---------------------|-----------------|

Special Revenue Funds:

| | |
|---------------------|-----------------|
| Medicaid | \$31,161 |
| FEED | 1,300 |
| Field Project | 1,571 |
| Stars Program Grant | 2,700 |
| Food Service | 103 |
| Class of 2012 | 349 |
| Class of 2013 | <u>223</u> |
| Total | <u>\$37,407</u> |

Capital Projects Fund:

| | |
|---------------------|-----------------|
| Maintenance Reserve | \$ 4,825 |
| Technology Fund | <u>9,525</u> |
| Total | <u>\$14,350</u> |

NOTE 8 – NET ASSETS RESTRICTED (Government -Wide Financial Statements)

Restricted net asset 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 Assets Restricted For Capital Projects:

| | |
|---------------------|-----------------|
| Maintenance Reserve | \$ 4,825 |
| Technology Fund | <u>9,525</u> |
| Total | <u>\$14,350</u> |

Net Assets Restricted For Other Purposes:

| | |
|---------------------|----------|
| Fiscal 11-12 Budget | \$34,059 |
| Medicaid | 31,161 |
| FEED | 1,300 |
| Field Project | 1,571 |

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2011

NOTE 8 – NET ASSETS RESTRICTED (Government -Wide Financial Statements)
(CONTINUED)

Net Assets Restricted For Other Purposes (continued):

| | |
|---------------------|-----------------|
| Stars Program Grant | \$ 2,700 |
| Food Service | 103 |
| Class of 2012 | 349 |
| Class of 2013 | <u>223</u> |
| Total | <u>\$71,466</u> |

NOTE 9 – TRANSFERS IN THE FUND BASED FINANCIAL STATEMENTS

The School District occasionally transfers funds to cover expenditures made in one fund for which the revenues are in another fund. The following transfers were made during the year.

Funds of \$29,500 were transferred from the General Fund to the Capital Project Fund's Maintenance Reserve for the purpose of project expenses.

NOTE 10 - 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.

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 7.74% or approximately \$80,451.

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2011

NOTE 10 – PENSIONS (CONTINUED)

VERMONT TEACHERS' RETIREMENT SYSTEM (CONTINUED)

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.

Contributions by the employees are 5% of gross earnings and are withheld pre income tax by the School District. Such withholdings totaled \$51,972 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 \$1,269,463, with \$1,039,413 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

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. 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) | 2.5% | 4.5% | 9.0% | 11.0% |
| The School District's contributions (% of gross wages) | 4.0% | 5.0% | 6.5% | 9.5% |

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2011

NOTE 10 – PENSIONS (CONTINUED)

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

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

Employee contributions are withheld pre income tax by the School District and are remitted to the State of Vermont. Such withholdings totaled \$5,721 during the year. The School District contributed \$6,357 during the year. The School District's total payroll for all employees during the year was \$1,269,463, with \$127,180 of such amount related to employees covered by the Vermont Municipal Employees' Retirement System.

NOTE 11 - 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; and natural disasters for which the School District carries commercial insurance. 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 is a member of Vermont School Boards Association (Association). 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 is 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 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

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2011

NOTE 11 - RISK MANAGEMENT (CONTINUED)

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 12 - OPERATING LEASES

On August 31, 2010 Waitsfield School District entered into a lease agreement with De Lage Landen Financial Services, Inc. for the lease of a digital copier. The total amount due is \$6,987, to be paid in annual installments of \$2,329 over 3 years. The following is a schedule of future minimum lease payments under this lease.

| | |
|-------------------------------------|---------|
| During the year ended June 30, 2012 | \$2,329 |
| 2013 | 2,329 |

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2011

NOTE 12 - OPERATING LEASES (CONTINUED)

| | |
|------------|----------------|
| Thereafter | \$ 0 |
| Total | <u>\$4,658</u> |

Total lease payments made this year were \$2,329.

On August 23, 2007 Waitsfield School District entered into a lease agreement with De Lage Landen Financial Services, Inc. for the lease of a digital copier/printer. The total amount due is \$17,280, to be paid in monthly installments of \$480.00 over 3 years. Total lease payments made this year were \$960.

NOTE 13 - SUBSEQUENT EVENTS

On July 1, 2011 the School District took out a tax anticipation note at People's United Bank for \$200,000 at 1.79% interest. The principal and interest are due at maturity on June 29, 2012.

On June 24, 2011, Waitsfield School District entered into an agreement with S.B. Collins, Inc. to prepay a fixed note for 7,000 gallons of fuel at \$3.298 per gallon. The minimum cost to the School District for fiscal year 2012 will be \$23,086.

NOTE 14 - 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, 2011 may be impaired. In the opinion of the School District, 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.

NOTE 15 - RELATED PARTY

Washington West Supervisory Union, on behalf of the School District, entered an agreement with First Student, Inc. for contracted bus transportation services through June 30, 2012. The contract has a fee schedule for the various trips and contingencies. The minimum cost to the School District for the year ended June 30, 2012 is \$55,727.

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2011

NOTE 15 - RELATED PARTY (CONTINUED)

The School District has an ongoing financial responsibility to Washington West Supervisory Union as defined in GASB 14, paragraph 71. Through Washington West Supervisory Union's assessment process, the School District's assessment can be increased to cover a share of any prior year deficits and decreased to share in any prior year surpluses. In addition, Washington West Supervisory Union assesses the school district for various charges related to operations and bus contracts. 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 and has an ongoing financial responsibility as defined in GASB 14, paragraph 71. As a member of the Union School District, the School District is responsible for a share of any debt carried by the Union School District. Separate financial statements on the Union School District are available from Washington West Supervisory Union.

NOTE 16 - 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 would have to be repaid out of the proceeds. The amount of State construction aid received since July 1970 is available only from the State of Vermont who at this time is unwilling to provide the amount to the School District. The amount of State construction aid is thought to be material.

Waitsfield School District
 Statement of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 General Fund
 For The Year Ended June 30, 2011

Schedule 1

| | Object | Budget | Actual | Variance Favorable (Unfavorable) |
|-------------------------------|--------|------------------|------------------|--|
| REVENUES: | | | | |
| Tuition: | | | | |
| Individuals | | \$ - | \$ 3,204 | \$ 3,204 |
| Other LEAs | | 4,500 | 4,806 | 306 |
| Interest on Investments | | 18,000 | 8,713 | (9,287) |
| Town Reimbursement | | 56,000 | 56,000 | - |
| Miscellaneous | | - | 10,801 | 10,801 |
| State: | | | | |
| Education Spending Grant | | 1,771,795 | 1,711,335 | (60,460) |
| Transportation Aid | | 23,681 | 24,972 | 1,291 |
| Mainstream Block Grant | | 46,510 | 46,510 | - |
| Intensive Reimbursement | | 111,816 | 123,924 | 12,108 |
| Essential Early Education | | 18,998 | 18,998 | - |
| Federal: | | | | |
| ARRA Education Spending Grant | | - | 60,460 | 60,460 |
| School Wide Program | | 32,666 | 37,798 | 5,132 |
| IDEA-B | | 26,000 | 17,093 | (8,907) |
| IDEA-B Preschool | | 1,000 | 302 | (698) |
| ARRA IDEA-B Preschool | | - | 1,000 | 1,000 |
| TOTAL REVENUES | | <u>2,110,966</u> | <u>2,125,916</u> | <u>14,950</u> |
| EXPENDITURES: | | | | |
| Regular Instruction 1100: | | | | |
| Salaries | 110 | 508,362 | 477,386 | 30,976 |
| Long-Term Substitute Salaries | 110 | - | 2,811 | (2,811) |
| Field Trip Stipends | 110 | 1,200 | 1,200 | - |
| Mentoring Salaries | 110 | 1,500 | 1,500 | - |
| Aide Salaries | 115 | - | 2,698 | (2,698) |
| Temporary Salaries | 120 | 13,000 | 13,819 | (819) |
| Personal Day Reimbursement | 125 | 1,000 | 1,401 | (401) |
| Health Insurance | 210 | 122,542 | 118,390 | 4,152 |
| Section 125 | 211 | 1,000 | 422 | 578 |
| Social Security | 220 | 35,192 | 36,428 | (1,236) |
| Life Insurance | 230 | 2,436 | 2,204 | 232 |
| Retirement | 240 | - | 135 | (135) |
| Workers Compensation | 250 | 2,628 | 2,932 | (304) |
| Unemployment Insurance | 260 | 504 | 279 | 225 |
| Tuition Reimbursement | 270 | 12,000 | 13,664 | (1,664) |

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, 2011

Schedule 1

| | Object | Budget | Actual | Variance Favorable (Unfavorable) |
|-------------------------------|--------|----------------|----------------|--|
| Dental Insurance | 280 | \$ 7,922 | \$ 7,854 | \$ 68 |
| Purchased Services | 330 | - | 1,526 | (1,526) |
| Testing Services | 332 | - | 1,853 | (1,853) |
| Copier Lease | 410 | 6,500 | 5,726 | 774 |
| Supplies | 610 | 12,000 | 15,153 | (3,153) |
| Books and Periodicals | 640 | 16,000 | 18,391 | (2,391) |
| Equipment | 730 | 3,000 | 1,576 | 1,424 |
| Subtotal | | <u>746,786</u> | <u>727,348</u> | <u>19,438</u> |
| Early Education 1100: | | | | |
| Salaries | 110 | 39,099 | 39,981 | (882) |
| Aide Salaries | 115 | 11,923 | 13,381 | (1,458) |
| Health Insurance | 210 | 4,545 | 4,888 | (343) |
| Insurance Compensation | 212 | 665 | 469 | 196 |
| Social Security | 220 | 3,903 | 3,284 | 619 |
| Life Insurance | 230 | 215 | 174 | 41 |
| Retirement | 240 | 596 | 686 | (90) |
| Workers Compensation | 250 | 265 | 307 | (42) |
| Unemployment Insurance | 260 | 101 | 28 | 73 |
| Dental Insurance | 280 | 1,131 | 989 | 142 |
| Supplies | 610 | 1,000 | 926 | 74 |
| Testing Materials | 611 | 405 | 209 | 196 |
| Books and Periodicals | 640 | 300 | 98 | 202 |
| Equipment | 730 | 450 | - | 450 |
| Subtotal | | <u>64,598</u> | <u>65,420</u> | <u>(822)</u> |
| Art 1102: | | | | |
| Salaries | 110 | 16,348 | 14,950 | 1,398 |
| Long-Term Substitute Salaries | 110 | - | 3,366 | (3,366) |
| Insurance Compensation | 212 | 362 | 280 | 82 |
| Social Security | 220 | 1,250 | 1,423 | (173) |
| Life Insurance | 230 | 142 | 95 | 47 |
| Workers Compensation | 250 | 85 | 102 | (17) |
| Unemployment Insurance | 260 | 56 | 9 | 47 |
| Supplies | 610 | 1,200 | 893 | 307 |
| Books and Periodicals | 640 | 80 | - | 80 |
| Subtotal | | <u>19,523</u> | <u>21,118</u> | <u>(1,595)</u> |
| Foreign Language 1106: | | | | |
| Salaries | 110 | 23,005 | 23,708 | (703) |
| Insurance Compensation | 212 | 395 | 280 | 115 |

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, 2011

Schedule 1

| | Object | Budget | Actual | Variance Favorable (Unfavorable) |
|----------------------------|--------|---------------|---------------|--|
| Social Security | 220 | \$ 1,760 | \$ 1,821 | \$ (61) |
| Life Insurance | 230 | 164 | 159 | 5 |
| Workers Compensation | 250 | 119 | 139 | (20) |
| Unemployment Insurance | 260 | 56 | 13 | 43 |
| Dental Insurance | 280 | 278 | 117 | 161 |
| Supplies | 610 | 450 | 689 | (239) |
| Subtotal | | <u>26,227</u> | <u>26,926</u> | <u>(699)</u> |
| Physical Education 1108: | | | | |
| Salaries | 110 | 23,603 | 23,708 | (105) |
| Insurance Compensation | 212 | 468 | 350 | 118 |
| Social Security | 220 | 1,806 | 1,829 | (23) |
| Life Insurance | 230 | 166 | 128 | 38 |
| Workers Compensation | 250 | 122 | 142 | (20) |
| Unemployment Insurance | 260 | 56 | 13 | 43 |
| Dental Insurance | 280 | 512 | 532 | (20) |
| Supplies | 610 | 800 | 956 | (156) |
| Subtotal | | <u>27,533</u> | <u>27,658</u> | <u>(125)</u> |
| Music 1112: | | | | |
| Salaries | 110 | 43,375 | 42,119 | 1,256 |
| Substitute Salaries | 110 | - | 2,590 | (2,590) |
| Health Insurance | 210 | 11,449 | 11,234 | 215 |
| Social Security | 220 | 3,318 | 3,093 | 225 |
| Life Insurance | 230 | 229 | 225 | 4 |
| Workers Compensation | 250 | 224 | 262 | (38) |
| Unemployment Insurance | 260 | 56 | 24 | 32 |
| Dental Insurance | 280 | 695 | 401 | 294 |
| Supplies | 610 | 600 | 1,099 | (499) |
| Books and Periodicals | 640 | 300 | 36 | 264 |
| Subtotal | | <u>60,246</u> | <u>61,083</u> | <u>(837)</u> |
| Computer Technology 1123: | | | | |
| Salaries | 110 | 45,643 | 46,970 | (1,327) |
| Personal Day Reimbursement | 125 | - | 28 | (28) |
| Health Insurance | 210 | 4,800 | 4,572 | 228 |
| Social Security | 220 | 3,492 | 3,430 | 62 |
| Life Insurance | 230 | 217 | 199 | 18 |
| Workers Compensation | 250 | 236 | 275 | (39) |
| Unemployment Insurance | 260 | 56 | 25 | 31 |
| Dental Insurance | 280 | 239 | 490 | (251) |

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, 2011

Schedule 1

| | Object | Budget | Actual | Variance Favorable (Unfavorable) |
|---------------------------------|--------|----------------|----------------|--|
| Contracted Services | 331 | \$ 1,658 | \$ 3,245 | \$ (1,587) |
| Equipment Repair | 430 | 1,800 | 965 | 835 |
| Supplies | 610 | 1,000 | 1,450 | (450) |
| Computer Software | 650 | 2,500 | 1,435 | 1,065 |
| Equipment | 730 | 14,000 | 12,132 | 1,868 |
| Subtotal | | <u>75,641</u> | <u>75,216</u> | <u>425</u> |
| Special Education 1200: | | | | |
| Salaries | 110 | 83,884 | 88,127 | (4,243) |
| Tutor Salaries | 112 | 3,150 | 3,127 | 23 |
| Aide Salaries | 115 | 52,160 | 41,691 | 10,469 |
| Temporary Salaries | 120 | 2,000 | 6,606 | (4,606) |
| Personal Day Reimbursement | 125 | 280 | 140 | 140 |
| Health Insurance | 210 | 29,217 | 21,454 | 7,763 |
| Social Security | 220 | 10,648 | 10,434 | 214 |
| Life Insurance | 230 | 322 | 419 | (97) |
| Municipal Retirement | 240 | 2,608 | 1,253 | 1,355 |
| Workers Compensation | 250 | 703 | 1,020 | (317) |
| Unemployment Insurance | 260 | 347 | 88 | 259 |
| Tuition Reimbursement | 270 | 2,500 | 3,445 | (945) |
| Dental Insurance | 280 | 2,679 | 1,649 | 1,030 |
| Testing Services | 332 | - | 8,531 | (8,531) |
| WCMH Services | 335 | 27,000 | 29,191 | (2,191) |
| Testing Materials | 605 | 500 | 168 | 332 |
| Supplies | 610 | 1,100 | 1,874 | (774) |
| Books and Periodicals | 640 | 350 | 95 | 255 |
| Equipment | 730 | - | 133 | (133) |
| Subtotal | | <u>219,448</u> | <u>219,445</u> | <u>3</u> |
| Essential Early Education 1200: | | | | |
| Salaries | 110 | 9,441 | 9,441 | - |
| Summer Salaries | 112 | 625 | - | 625 |
| Aide Salaries | 115 | 6,480 | 3,148 | 3,332 |
| Health Insurance | 210 | 3,059 | 4,089 | (1,030) |
| Social Security | 220 | 1,266 | 928 | 338 |
| Life Insurance | 230 | 18 | 48 | (30) |
| Retirement | 240 | - | 157 | (157) |
| Workers Compensation | 250 | 82 | - | 82 |
| Unemployment Insurance | 260 | 45 | 108 | (63) |
| Dental Insurance | 280 | - | 213 | (213) |
| Testing Services | 332 | 1,000 | 1,430 | (430) |

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
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 For The Year Ended June 30, 2011

Schedule 1

| | Object | Budget | Actual | Variance Favorable (Unfavorable) |
|------------------------------|--------|---------------|---------------|--|
| Contracted Services | 335 | \$ - | \$ 4,609 | \$ (4,609) |
| Supplies | 610 | <u>150</u> | <u>54</u> | <u>96</u> |
| Subtotal | | <u>22,166</u> | <u>24,225</u> | <u>(2,059)</u> |
| Compensatory Education 1250: | | | | |
| Salaries | 110 | 733 | - | 733 |
| Aide Salaries | 115 | 9,299 | 9,827 | (528) |
| Health Insurance | 210 | 4,124 | 3,285 | 839 |
| Social Security | 220 | 892 | 738 | 154 |
| Municipal Retirement | 240 | 465 | 491 | (26) |
| Workers Compensation | 250 | 209 | 243 | (34) |
| Unemployment Insurance | 260 | 98 | 19 | 79 |
| Dental Insurance | 280 | <u>453</u> | <u>209</u> | <u>244</u> |
| Subtotal | | <u>16,273</u> | <u>14,812</u> | <u>1,461</u> |
| Title I 1270: | | | | |
| Salaries | 110 | 30,420 | 29,394 | 1,026 |
| Health Insurance | 210 | 4,954 | 5,116 | (162) |
| Social Security | 220 | 2,203 | 2,127 | 76 |
| Life Insurance | 230 | 61 | 134 | (73) |
| Dental Insurance | 280 | <u>189</u> | <u>360</u> | <u>(171)</u> |
| Subtotal | | <u>37,827</u> | <u>37,131</u> | <u>696</u> |
| Guidance Services 2120: | | | | |
| Salaries | 110 | 26,054 | 26,054 | - |
| Insurance Compensation | 212 | 550 | 420 | 130 |
| Social Security | 220 | 1,993 | 2,025 | (32) |
| Life Insurance | 230 | 173 | 169 | 4 |
| Workers Compensation | 250 | 135 | 157 | (22) |
| Unemployment Insurance | 260 | 34 | 14 | 20 |
| Supplies | 610 | 155 | 392 | (237) |
| Books and Periodicals | 640 | 50 | - | 50 |
| Equipment | 730 | 200 | - | 200 |
| Dues and Fees | 810 | <u>-</u> | <u>125</u> | <u>(125)</u> |
| Subtotal | | <u>29,344</u> | <u>29,356</u> | <u>(12)</u> |
| Health Services 2130: | | | | |
| Salaries | 110 | 31,256 | 32,464 | (1,208) |
| Personal Day Reimbursement | 125 | - | 9 | (9) |
| Insurance Compensation | 212 | 646 | 490 | 156 |
| Social Security | 220 | 2,391 | 2,522 | (131) |
| Life Insurance | 230 | 190 | 186 | 4 |

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 | \$ 162 | \$ 189 | \$ (27) |
| Unemployment Insurance | 260 | 56 | 17 | 39 |
| Supplies | 610 | 575 | 809 | (234) |
| Books and Periodicals | 640 | 75 | - | 75 |
| Subtotal | | <u>35,351</u> | <u>36,686</u> | <u>(1,335)</u> |
| Psychological Services 2140: | | | | |
| Purchased Services | 320 | <u>8,400</u> | <u>6,972</u> | <u>1,428</u> |
| Subtotal | | <u>8,400</u> | <u>6,972</u> | <u>1,428</u> |
| EEE Psychological Services 2140: | | | | |
| Purchased Services | 320 | <u>1,000</u> | <u>1,000</u> | <u>-</u> |
| Subtotal | | <u>1,000</u> | <u>1,000</u> | <u>-</u> |
| Special Education Speech 2150: | | | | |
| Salaries | 110 | 57,054 | 57,054 | - |
| Aide Salaries | 115 | 10,695 | 10,023 | 672 |
| Health Insurance | 210 | 11,517 | 11,234 | 283 |
| Social Security | 220 | 5,183 | 5,001 | 182 |
| Life Insurance | 230 | 273 | 270 | 3 |
| Retirement | 240 | 535 | 384 | 151 |
| Workers Compensation | 250 | 350 | 409 | (59) |
| Unemployment Insurance | 260 | 112 | 37 | 75 |
| Professional Development | 270 | 1,000 | - | 1,000 |
| Dental Insurance | 280 | 1,025 | 1,074 | (49) |
| Purchased Services | 320 | - | 1,835 | (1,835) |
| Summer Services | 332 | 5,100 | 1,855 | 3,245 |
| Supplies | 610 | 250 | 541 | (291) |
| Books and Periodicals | 640 | 500 | - | 500 |
| Subtotal | | <u>93,594</u> | <u>89,717</u> | <u>3,877</u> |
| EEE Speech Services 2150: | | | | |
| Purchased Services | 320 | <u>-</u> | <u>88</u> | <u>(88)</u> |
| Subtotal | | <u>-</u> | <u>88</u> | <u>(88)</u> |
| Occupational Therapy 2160: | | | | |
| Purchased Services | 320 | <u>12,500</u> | <u>8,103</u> | <u>4,397</u> |
| Subtotal | | <u>12,500</u> | <u>8,103</u> | <u>4,397</u> |
| EEE Occupational Therapy 2160: | | | | |
| Purchased Services | 320 | <u>5,040</u> | <u>7,489</u> | <u>(2,449)</u> |
| Subtotal | | <u>5,040</u> | <u>7,489</u> | <u>(2,449)</u> |

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) |
|----------------------------------|--------|---------------|---------------|--|
| Physical Therapy 2190: | | | | |
| Purchased Services | 320 | \$ 6,000 | \$ 3,645 | \$ 2,355 |
| Subtotal | | <u>6,000</u> | <u>3,645</u> | <u>2,355</u> |
| Improvement of Instruction 2210: | | | | |
| Professional Development | 270 | - | 2,959 | (2,959) |
| Action Planning | 290 | <u>4,000</u> | <u>1,166</u> | <u>2,834</u> |
| Subtotal | | <u>4,000</u> | <u>4,125</u> | <u>(125)</u> |
| Media Center 2220: | | | | |
| Salaries | 110 | 25,192 | 25,431 | (239) |
| Aide Salaries | 115 | 3,434 | 3,818 | (384) |
| Health Insurance | 210 | 1,329 | 1,429 | (100) |
| Insurance Compensation | 212 | 476 | 350 | 126 |
| Social Security | 220 | 2,190 | 1,996 | 194 |
| Life Insurance | 230 | 170 | 129 | 41 |
| Retirement | 240 | 172 | 196 | (24) |
| Workers Compensation | 250 | 148 | 173 | (25) |
| Unemployment Insurance | 260 | 56 | 16 | 40 |
| Dental Insurance | 280 | 707 | 743 | (36) |
| Purchased Services | 331 | 1,000 | 495 | 505 |
| Supplies | 610 | 750 | 427 | 323 |
| Books and Periodicals | 640 | 4,500 | 3,595 | 905 |
| Software | 650 | - | 750 | (750) |
| Equipment | 730 | <u>800</u> | <u>165</u> | <u>635</u> |
| Subtotal | | <u>40,924</u> | <u>39,713</u> | <u>1,211</u> |
| Board of Education 2310: | | | | |
| Stipends | 118 | 1,500 | 1,500 | - |
| Social Security | 220 | - | 115 | (115) |
| Legal Services | 360 | 5,000 | 3,810 | 1,190 |
| Insurance | 523 | 2,211 | 1,769 | 442 |
| Advertising | 540 | 500 | 715 | (215) |
| Miscellaneous | 550 | 3,101 | 652 | 2,449 |
| Dues | 810 | <u>1,100</u> | <u>1,200</u> | <u>(100)</u> |
| Subtotal | | <u>13,412</u> | <u>9,761</u> | <u>3,651</u> |
| Treasurer Services 2313: | | | | |
| Salaries | 110 | 1,200 | 2,400 | (1,200) |
| Social Security | 220 | <u>71</u> | <u>184</u> | <u>(113)</u> |
| Subtotal | | <u>1,271</u> | <u>2,584</u> | <u>(1,313)</u> |

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) |
|--|--------|----------------|----------------|--|
| WWSU Assessment 2321: | | | | |
| Assessment | 331 | \$ 40,576 | \$ 40,576 | \$ - |
| Subtotal | | <u>40,576</u> | <u>40,576</u> | <u>-</u> |
| Administration 2400: | | | | |
| Salaries | 110 | 82,620 | 81,000 | 1,620 |
| Support Staff | 111 | 29,751 | 29,744 | 7 |
| Health Insurance | 210 | 15,057 | 16,018 | (961) |
| Insurance Compensation | 212 | 700 | 700 | - |
| Social Security | 220 | 8,596 | 8,115 | 481 |
| Life Insurance | 230 | 621 | 427 | 194 |
| Municipal Retirement | 240 | 1,488 | - | 1,488 |
| Workers Compensation | 250 | 581 | 750 | (169) |
| Unemployment Insurance | 260 | 131 | 61 | 70 |
| Tuition Reimbursement | 270 | 1,000 | 60 | 940 |
| Dental Insurance | 280 | 695 | 1,100 | (405) |
| Postage | 531 | 1,000 | 858 | 142 |
| Supplies | 610 | 1,500 | 2,808 | (1,308) |
| Equipment | 730 | 500 | - | 500 |
| Dues | 810 | 550 | 515 | 35 |
| Subtotal | | <u>144,790</u> | <u>142,156</u> | <u>2,634</u> |
| Arbitrage Borrowing 2520: | | | | |
| Current Interest | 830 | <u>8,000</u> | <u>3,889</u> | <u>4,111</u> |
| Subtotal | | <u>8,000</u> | <u>3,889</u> | <u>4,111</u> |
| Fiscal Services 2521: | | | | |
| Business Manager Assessment | 331 | 8,149 | 8,149 | - |
| Accounting Assessment | 331 | 16,807 | 16,807 | - |
| Audit | 370 | <u>3,000</u> | <u>3,000</u> | <u>-</u> |
| Subtotal | | <u>27,956</u> | <u>27,956</u> | <u>-</u> |
| Building Maintenance & Operation 2600: | | | | |
| Salaries | 110 | 43,302 | 46,409 | (3,107) |
| Assistant Salaries | 111 | 27,581 | 29,952 | (2,371) |
| Overtime Salaries | 130 | - | 934 | (934) |
| Health Insurance | 210 | 16,096 | 17,224 | (1,128) |
| Social Security | 220 | 5,423 | 5,802 | (379) |
| Municipal Retirement | 240 | 3,542 | 3,843 | (301) |
| Workers Compensation | 250 | 4,875 | 433 | 4,442 |
| Unemployment Insurance | 260 | 90 | 39 | 51 |
| Dental Insurance | 280 | 1,587 | 1,659 | (72) |

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, 2011

Schedule 1

| | Object | Budget | Actual | Variance Favorable (Unfavorable) |
|---|--------|------------------|-------------------|--|
| Water | 411 | \$ - | \$ 70 | \$ (70) |
| Trash Removal | 421 | 2,500 | 2,043 | 457 |
| Grounds Maintenance | 424 | 4,400 | 3,850 | 550 |
| Equipment Repair | 430 | 12,500 | 17,983 | (5,483) |
| Property Insurance | 521 | 5,250 | 4,996 | 254 |
| Telephone | 530 | 3,500 | 3,494 | 6 |
| Supplies | 610 | 7,665 | 7,429 | 236 |
| Electricity | 622 | 19,231 | 18,647 | 584 |
| Oil | 624 | 32,000 | 14,216 | 17,784 |
| Equipment | 730 | <u>500</u> | <u>737</u> | <u>(237)</u> |
| Subtotal | | <u>190,042</u> | <u>179,760</u> | <u>10,282</u> |
| Transportation 2710: | | | | |
| Contracted Transportation | 519 | <u>62,708</u> | <u>57,934</u> | <u>4,774</u> |
| Subtotal | | <u>62,708</u> | <u>57,934</u> | <u>4,774</u> |
| SPED Transportation 2710: | | | | |
| Contracted Transportation | 519 | <u>4,500</u> | <u>-</u> | <u>4,500</u> |
| Subtotal | | <u>4,500</u> | <u>-</u> | <u>4,500</u> |
| Food Services 3100: | | | | |
| Other | 900 | <u>7,500</u> | <u>5,116</u> | <u>2,384</u> |
| Subtotal | | <u>7,500</u> | <u>5,116</u> | <u>2,384</u> |
| TOTAL EXPENDITURES | | <u>2,053,176</u> | <u>1,997,008</u> | <u>56,168</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | | 57,790 | 128,908 | 71,118 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfer To Capital Project Fund | | (29,500) | (29,500) | - |
| Transfer To Debt Service Fund | | <u>(33,150)</u> | <u>(33,150)</u> | <u>-</u> |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | | (4,860) | 66,258 | 71,118 |
| FUND BALANCE, JULY 1, 2010 | | <u>4,860</u> | <u>38,956</u> | <u>34,096</u> |
| FUND BALANCE, JUNE 30, 2011 | | <u>\$ -</u> | <u>\$ 105,214</u> | <u>\$ 105,214</u> |

The accompanying notes are an integral part of these financial statements

Waitsfield School District
Combining Balance Sheet
Special Revenue Funds
June 30, 2011

Schedule 2
(page 1 of 2)

| | Medicaid | F.E.E.D. | Field Project | Safe Route to School | Stars Program | Subtotals |
|--|-------------------------|------------------------|------------------------|-------------------------|------------------------|-------------------------|
| ASSETS: | | | | | | |
| Current Assets: | | | | | | |
| Accounts Receivable - Supervisory Union | \$ 2,792 | | | \$ 4,217 | | \$ 7,009 |
| Due From Other Funds | <u>28,725</u> | <u>\$ 1,488</u> | <u>\$ 2,066</u> | <u>-</u> | <u>\$ 2,700</u> | <u>34,979</u> |
| Total Current Assets | <u>31,517</u> | <u>1,488</u> | <u>2,066</u> | <u>4,217</u> | <u>2,700</u> | <u>41,988</u> |
| TOTAL ASSETS | <u>\$ 31,517</u> | <u>\$ 1,488</u> | <u>\$ 2,066</u> | <u>\$ 4,217</u> | <u>\$ 2,700</u> | <u>\$ 41,988</u> |
| LIABILITIES AND FUND BALANCES: | | | | | | |
| Liabilities: | | | | | | |
| Accounts Payable - Other | \$ 356 | \$ 188 | \$ 495 | | | \$ 1,039 |
| Due To Other Funds | <u>-</u> | <u>-</u> | <u>-</u> | <u>\$ 4,217</u> | <u>-</u> | <u>4,217</u> |
| Total Liabilities | <u>356</u> | <u>188</u> | <u>495</u> | <u>4,217</u> | <u>\$ -</u> | <u>5,256</u> |
| Fund Balances: | | | | | | |
| Unassigned | | | | | | - |
| Restricted | <u>31,161</u> | <u>1,300</u> | <u>1,571</u> | <u>-</u> | <u>2,700</u> | <u>36,732</u> |
| Total Fund Balances | <u>31,161</u> | <u>1,300</u> | <u>1,571</u> | <u>-</u> | <u>2,700</u> | <u>36,732</u> |
| TOTAL LIABILITIES & FUND BALANCES | <u>\$ 31,517</u> | <u>\$ 1,488</u> | <u>\$ 2,066</u> | <u>\$ 4,217</u> | <u>\$ 2,700</u> | <u>\$ 41,988</u> |

The accompanying notes are an integral part of these financial statements

Waitsfield School District
Combining Balance Sheet
Special Revenue Funds
June 30, 2011

Schedule 2
(page 2 of 2)

| | Food Service | Class of 2011 | Class of 2012 | Class of 2013 | Subtotals | Totals |
|--|-----------------|------------------|------------------|------------------|---------------|------------------|
| ASSETS: | | | | | | |
| Current Assets: | | | | | | |
| Accounts Receivable - Supervisory Union | | | | | \$ - | \$ 7,009 |
| Due From Other Funds | \$ 103 | - | \$ 349 | \$ 223 | 675 | 35,654 |
| Total Current Assets | 103 | \$ - | 349 | 223 | 675 | 42,663 |
| TOTAL ASSETS | \$ 103 | \$ - | \$ 349 | \$ 223 | \$ 675 | \$ 42,663 |
| LIABILITIES AND FUND BALANCES: | | | | | | |
| Liabilities: | | | | | | |
| Accounts Payable - Other | | \$ 1,379 | | | \$ 1,379 | \$ 2,418 |
| Due To Other Funds | - | 502 | - | - | 502 | 4,719 |
| Total Liabilities | \$ - | 1,881 | \$ - | \$ - | 1,881 | 7,137 |
| Fund Balances: | | | | | | |
| Unassigned | | (1,881) | | | (1,881) | (1,881) |
| Restricted | 103 | - | 349 | 223 | 675 | 37,407 |
| Total Fund Balances | 103 | (1,881) | 349 | 223 | (1,206) | 35,526 |
| TOTAL LIABILITIES & FUND BALANCES | \$ 103 | \$ - | \$ 349 | \$ 223 | \$ 675 | \$ 42,663 |

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, 2011

Schedule 3
 (page 1 of 2)

| | Medicaid | Title VI - Class Size Reduction | F.E.E.D. | Field Project | Stars Program | Subtotals |
|---|------------------|---------------------------------------|-----------------|------------------|------------------|------------------|
| REVENUES: | | | | | | |
| Private/Local/Other State | \$ 18,747 | | | | | \$ 18,747 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>\$ 1,550</u> | <u>1,550</u> |
| TOTAL REVENUES | <u>18,747</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>1,550</u> | <u>20,297</u> |
| EXPENDITURES: | | | | | | |
| Direct Services | 16,639 | 1 | 625 | 2,705 | | 19,970 |
| Transportation | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL EXPENDITURES | <u>16,639</u> | <u>1</u> | <u>625</u> | <u>2,705</u> | <u>-</u> | <u>19,970</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 2,108 | (1) | (625) | (2,705) | 1,550 | 327 |
| FUND BALANCES, JULY 1, 2010 | <u>29,053</u> | <u>1</u> | <u>1,925</u> | <u>4,276</u> | <u>1,150</u> | <u>36,405</u> |
| FUND BALANCES, JUNE 30, 2011 | <u>\$ 31,161</u> | <u>\$ -</u> | <u>\$ 1,300</u> | <u>\$ 1,571</u> | <u>\$ 2,700</u> | <u>\$ 36,732</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, 2011

Schedule 3
 (page 2 of 2)

| | Food Service | Class of 2011 | Class of 2012 | Class of 2013 | Subtotals | Totals |
|---|-----------------|-------------------|------------------|------------------|-------------------|------------------|
| REVENUES: | | | | | | |
| Private/Local/Other State | - | \$ 7,078 | \$ 945 | \$ 223 | \$ 8,246 | \$ 26,993 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,550</u> |
| TOTAL REVENUES | <u>\$ -</u> | <u>7,078</u> | <u>945</u> | <u>223</u> | <u>8,246</u> | <u>28,543</u> |
| EXPENDITURES: | | | | | | |
| Direct Services | | | | | - | 19,970 |
| Transportation | - | 7,995 | 2,220 | - | 10,215 | 10,215 |
| | <u>-</u> | <u>7,995</u> | <u>2,220</u> | <u>-</u> | <u>10,215</u> | <u>10,215</u> |
| TOTAL EXPENDITURES | <u>-</u> | <u>7,995</u> | <u>2,220</u> | <u>-</u> | <u>10,215</u> | <u>30,185</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | - | (917) | (1,275) | 223 | (1,969) | (1,642) |
| FUND BALANCES, JULY 1, 2010 | <u>103</u> | <u>(964)</u> | <u>1,624</u> | <u>-</u> | <u>763</u> | <u>37,168</u> |
| FUND BALANCES, JUNE 30, 2011 | <u>\$ 103</u> | <u>\$ (1,881)</u> | <u>\$ 349</u> | <u>\$ 223</u> | <u>\$ (1,206)</u> | <u>\$ 35,526</u> |

The accompanying notes are an integral part of these financial statements

Waitsfield School District
Combining Balance Sheet
Capital Projects
June 30, 2011

Schedule 4

| | Maintenance Reserve Fund | Technology Fund | Water System Improvement | Totals |
|--|--------------------------------|------------------------|--------------------------------|-------------------------|
| ASSETS: | | | | |
| Current Assets: | | | | |
| Cash | \$ 11,705 | | | \$ 11,705 |
| Due From Other Funds | <u>50</u> | <u>\$ 9,525</u> | <u>-</u> | <u>9,575</u> |
| Total Current Assets | <u>11,755</u> | <u>9,525</u> | <u>\$ -</u> | <u>21,280</u> |
| TOTAL ASSETS | <u>\$ 11,755</u> | <u>\$ 9,525</u> | <u>\$ -</u> | <u>\$ 21,280</u> |
| LIABILITIES AND FUND BALANCES: | | | | |
| Liabilities: | | | | |
| Accounts Payable - Other | \$ 6,930 | | | \$ 6,930 |
| Due To Other Funds | <u>-</u> | <u>-</u> | <u>\$ 6,866</u> | <u>6,866</u> |
| Total Liabilities | <u>6,930</u> | <u>\$ -</u> | <u>6,866</u> | <u>13,796</u> |
| Fund Balances: | | | | |
| Unassigned | | | (6,866) | (6,866) |
| Committed | <u>4,825</u> | <u>9,525</u> | <u>-</u> | <u>14,350</u> |
| Total Fund Balances | <u>4,825</u> | <u>9,525</u> | <u>(6,866)</u> | <u>7,484</u> |
| TOTAL LIABILITIES & FUND BALANCES | <u>\$ 11,755</u> | <u>\$ 9,525</u> | <u>\$ -</u> | <u>\$ 21,280</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
Capital Projects
For The Year Ended June 30, 2011

Schedule 5

| | Maintenance Reserve Fund | Technology Fund | Water System Improvements | Energy Efficiency | Totals |
|---|--------------------------------|--------------------|---------------------------------|----------------------|-----------------|
| REVENUES: | | | | | |
| Investment Income | \$ 41 | | | | \$ 41 |
| Miscellaneous | 1,199 | | | | 1,199 |
| Federal | <u>-</u> | <u>-</u> | <u>-</u> | <u>\$ 49,000</u> | <u>49,000</u> |
| TOTAL REVENUES | <u>1,240</u> | <u>\$ -</u> | <u>\$ -</u> | <u>49,000</u> | <u>50,240</u> |
| EXPENDITURES: | | | | | |
| Direct Services | | 557 | | | 557 |
| Operations and Maintenance of Building | 59,682 | | | | 59,682 |
| Construction Services | <u>-</u> | <u>-</u> | <u>1,182</u> | <u>49,000</u> | <u>50,182</u> |
| TOTAL EXPENDITURES | <u>59,682</u> | <u>557</u> | <u>1,182</u> | <u>49,000</u> | <u>110,421</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (58,442) | (557) | (1,182) | - | (60,181) |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfers In | <u>29,500</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>29,500</u> |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | (28,942) | (557) | (1,182) | - | (30,681) |
| FUND BALANCES, JULY 1, 2010 | <u>33,767</u> | <u>10,082</u> | <u>(5,684)</u> | <u>-</u> | <u>38,165</u> |
| FUND BALANCES, JUNE 30, 2011 | <u>\$ 4,825</u> | <u>\$ 9,525</u> | <u>\$ (6,866)</u> | <u>\$ -</u> | <u>\$ 7,484</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, 2011

Schedule 6

| | Balance July 1, 2010 | Receipts | Disbursements | Balance June 30, 2011 |
|------------------------------|-------------------------|-----------------|------------------|--------------------------|
| Assets: | | | | |
| Cash - Activities | \$ 2,906 | \$ 4,838 | \$ 3,972 | \$ 3,772 |
| Cash - Petty Cash | 1,792 | 4,250 | 5,490 | 552 |
| Cash - Student Council | 1,551 | 300 | 885 | 966 |
| Cash - Field Trips | <u>50</u> | <u>-</u> | <u>50</u> | <u>-</u> |
| Total Assets | <u>\$ 6,299</u> | <u>\$ 9,388</u> | <u>\$ 10,397</u> | <u>\$ 5,290</u> |
| Liabilities: | | | | |
| Amount Held for Agency Funds | <u>\$ 6,299</u> | <u>\$ 9,388</u> | <u>\$ 10,397</u> | <u>\$ 5,290</u> |
| Total Liabilities | <u>\$ 6,299</u> | <u>\$ 9,388</u> | <u>\$ 10,397</u> | <u>\$ 5,290</u> |

The accompanying notes are an integral part of these financial statements



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**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

We have audited 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, 2011, which collectively comprise the entity's basic financial statements and have issued our report thereon dated December 29, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Waitsfield School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Waitsfield School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Waitsfield School District's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of Waitsfield School District in a separate letter dated December 29, 2011.

This report is intended solely for the information and use of the School Board, management, others within the entity, and state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Angolano & Company

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

December 29, 2011



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To the School Board
Waitsfield School District

In planning and performing our audit of the financial statements of Waitsfield School District as of and for the year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered Waitsfield School District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Waitsfield School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Waitsfield School District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

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

In addition, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below. We previously reported on the Waitsfield School District's internal control in our report dated December 29, 2011. This letter does not affect our report dated December 29, 2011 in the financial statements of Waitsfield School District.

Other Matters and Suggestions:

Transaction Testing:

- During transaction testing it was noted that 12% items sampled were paid from either faxed invoices or photo copied invoices with no documentation on the fax or photocopy as to why it was used. Using a fax or photocopy instead of an original invoice could result in making duplicate payments for one expenditure. We recommend paying

expenditures using original invoices as supporting documentation. For instances where a fax or photocopy is used we recommend writing an explanation on the fax or photocopy explaining why it was used instead of the original invoice.

Bank Reconciliations:

- When testing bank reconciliations it was noted that the TD Bank statement displayed Washington West Supervisory Union's (WWSU) name on the face of the statement. This could lead to questions about which entity has title and rights to ownership of the assets within this account. We recommend that the account with TD Bank be changed to reflect Waitsfield School District's name and identification number to ensure the School District's proper ownership of assets within that account.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various personnel within Waitsfield School District, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of the School Board, management, others within the entity, and state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Angolano & Company

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December 29, 2011



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August 24, 2011

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, 2011. 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 August 24, 2011. 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, 2011. 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 estimate affecting the financial statements was:

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.

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 Assets in Notes 7 and 8 to the financial statements as to how any surplus is to be used in future fiscal years.

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