

**TOWN OF WOODBURY, VERMONT**

**AUDIT REPORT**

**JUNE 30, 2022**

TOWN OF WOODBURY, VERMONT  
AUDIT REPORT  
TABLE OF CONTENTS  
JUNE 30, 2022

	<u>Page #</u>
Independent Auditor's Report	1-3
Basic Financial Statements:	
Statement of Net Position - Modified Cash Basis	Exhibit A 4
Statement of Activities - Modified Cash Basis	Exhibit B 5
Governmental Funds:	
Statement of Modified Cash Basis Assets, Liabilities and Fund Balances	Exhibit C 6
Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances	Exhibit D 7
Fiduciary Funds:	
Statement of Fiduciary Modified Cash Basis Net Position	Exhibit E 8
Statement of Changes in Fiduciary Modified Cash Basis Net Position	Exhibit F 9
Notes to the Financial Statements	10-25
Other Information:	
Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balance - Budget and Actual - Budgetary Basis - General Fund	Schedule 1 26-29
Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balance - Budget and Actual - Highway Fund	Schedule 2 30-32

TOWN OF WOODBURY, VERMONT  
AUDIT REPORT  
TABLE OF CONTENTS  
JUNE 30, 2022

	<u>Page #</u>
Combining Schedule of Modified Cash Basis Assets, Liabilities and Fund Balances - Non-Major Governmental Funds	Schedule 3 33
Combining Schedule of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances - Non-Major Governmental Funds	Schedule 4 34
Combining Schedule of Modified Cash Basis Assets, Liabilities and Fund Balances - Non-Major Special Revenue Funds	Schedule 5 35
Combining Schedule of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances - Non-Major Special Revenue Funds	Schedule 6 36
Combining Schedule of Modified Cash Basis Assets, Liabilities and Fund Balances - Non-Major Capital Projects Funds	Schedule 7 37
Combining Schedule of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances - Non-Major Capital Projects Funds	Schedule 8 38
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with "Government Auditing Standards"	39-40
Schedule of Findings and Deficiencies in Internal Control	41-43
Response to Deficiencies in Internal Control	

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## Independent Auditor's Report

Selectboard  
Town of Woodbury  
P.O. Box 10  
Woodbury, VT 05681

### ***Report on the Audit of the Financial Statements***

#### ***Opinions***

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Woodbury, Vermont as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Woodbury, Vermont's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Woodbury, Vermont, as of June 30, 2022, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting, as described in Note I.D.

#### ***Basis for Opinions***

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

#### ***Basis of Accounting***

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

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Woodbury, Vermont's basic financial statements. The budgetary comparison information on Schedules 1 and 2 and the combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

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

In accordance with "Government Auditing Standards", we have also issued our report dated January 17, 2023 on our consideration of the Town of Woodbury, Vermont's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Woodbury, Vermont's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the Town of Woodbury, Vermont's internal control over financial reporting and compliance.

*Sullivan, Powers & Co.*

January 17, 2023  
Montpelier, Vermont  
VT Lic. #92-000180

TOWN OF WOODBURY, VERMONT  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
JUNE 30, 2022

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 610,163
Due from Fire Department	<u>2,015</u>
Total Assets	<u>612,178</u>
<u>LIABILITIES</u>	
Due to State of Vermont	245
Payroll Withholdings Payable	1,823
Due to Fiduciary Fund	7,456
Due to Others	<u>45</u>
Total Liabilities	<u>9,569</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Prepaid Property Taxes	<u>8,224</u>
Total Deferred Inflows of Resources	<u>8,224</u>
<u>NET POSITION</u>	
Restricted:	
Eligible ARPA Uses	115,308
Other	30,862
Unrestricted	<u>448,215</u>
Total Net Position	<u>\$ 594,385</u>

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

TOWN OF WOODBURY, VERMONT  
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Functions/Programs:					
Governmental Activities:					
General Government	\$ 236,331	\$ 19,086	\$ 10,648	\$ 0	\$ (206,597)
Public Safety	174,275	184	0	0	(174,091)
Highways and Streets	461,835	34,815	86,353	65,995	(274,672)
Culture and Recreation	41,106	24	3,620	0	(37,462)
Debt Service	143,087	0	0	0	(143,087)
Total Governmental Activities	\$ <u>1,056,634</u>	\$ <u>54,109</u>	\$ <u>100,621</u>	\$ <u>65,995</u>	<u>(835,909)</u>
General Receipts:					
Property Taxes					744,079
Penalties and Interest on Delinquent Taxes					13,947
General State Grants					51,206
ARPA Funds					132,302
Unrestricted Investment Earnings					2,477
Other					<u>167</u>
Total General Receipts					<u>944,178</u>
Change in Net Position					108,269
Net Position - July 1, 2021					<u>486,116</u>
Net Position - June 30, 2022					\$ <u><u>594,385</u></u>

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



TOWN OF WOODBURY, VERMONT  
STATEMENT OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

	General Fund	Highway Fund	Reappraisal Fund	ARPA Fund	Highway Equipment Reserve Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>							
Cash	\$ 610,163	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 610,163
Due from Fire Department	2,015	0	0	0	0	0	2,015
Due from Other Funds	<u>0</u>	<u>33,969</u>	<u>115,805</u>	<u>115,308</u>	<u>143,595</u>	<u>71,107</u>	<u>479,784</u>
Total Assets	<u>\$ 612,178</u>	<u>\$ 33,969</u>	<u>\$ 115,805</u>	<u>\$ 115,308</u>	<u>\$ 143,595</u>	<u>\$ 71,107</u>	<u>\$ 1,091,962</u>
<u>LIABILITIES</u>							
Due to State of Vermont	\$ 245	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 245
Payroll Withholdings Payable	1,823	0	0	0	0	0	1,823
Due to Other Funds	487,240	0	0	0	0	0	487,240
Due to Others	<u>0</u>	<u>45</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>45</u>
Total Liabilities	<u>489,308</u>	<u>45</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>489,353</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Prepaid Property Taxes	<u>8,224</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,224</u>
Total Deferred Inflows of Resources	<u>8,224</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,224</u>
<u>FUND BALANCES</u>							
Restricted	0	0	0	115,308	0	30,862	146,170
Committed	31,710	33,924	0	0	143,595	40,245	249,474
Assigned	15	0	115,805	0	0	0	115,820
Unassigned	<u>82,921</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>82,921</u>
Total Fund Balances	<u>114,646</u>	<u>33,924</u>	<u>115,805</u>	<u>115,308</u>	<u>143,595</u>	<u>71,107</u>	<u>594,385</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 612,178</u>	<u>\$ 33,969</u>	<u>\$ 115,805</u>	<u>\$ 115,308</u>	<u>\$ 143,595</u>	<u>\$ 71,107</u>	<u>\$ 1,091,962</u>

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

TOWN OF WOODBURY, VERMONT  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Highway Fund	Reappraisal Fund	ARPA Fund	Highway Equipment Reserve Fund	Non-Major Governmental Funds	Total Governmental Funds
Cash Receipts:							
Property Taxes	\$ 295,449	\$ 448,630	\$ 0	\$ 0	\$ 0	\$ 0	\$ 744,079
Penalties and Interest on Delinquent Taxes	13,947	0	0	0	0	0	13,947
Intergovernmental	56,875	152,348	7,497	132,302	0	882	349,904
Charges for Services	0	34,465	0	0	0	0	34,465
Permits, Licenses and Fees	15,561	350	0	0	0	3,733	19,644
Investment Income	1,042	640	323	0	276	196	2,477
Donations	220	0	0	0	0	0	220
Other	167	0	0	0	0	0	167
Total Cash Receipts	<u>383,261</u>	<u>636,433</u>	<u>7,820</u>	<u>132,302</u>	<u>276</u>	<u>4,811</u>	<u>1,164,903</u>
Cash Disbursements:							
General Government	215,944	0	0	16,994	0	868	233,806
Public Safety	174,275	0	0	0	0	0	174,275
Highways and Streets	0	427,182	0	0	0	0	427,182
Culture and Recreation	41,106	0	0	0	0	0	41,106
Capital Outlay:							
General Government	0	0	0	0	0	2,525	2,525
Highways and Streets	0	34,653	0	0	0	0	34,653
Debt Service:							
Principal	0	137,309	0	0	0	0	137,309
Interest	0	5,778	0	0	0	0	5,778
Total Cash Disbursements	<u>431,325</u>	<u>604,922</u>	<u>0</u>	<u>16,994</u>	<u>0</u>	<u>3,393</u>	<u>1,056,634</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>(48,064)</u>	<u>31,511</u>	<u>7,820</u>	<u>115,308</u>	<u>276</u>	<u>1,418</u>	<u>108,269</u>
Other Financing Sources/(Uses):							
Transfers In	0	0	0	0	80,423	4,327	84,750
Transfers Out	0	(84,750)	0	0	0	0	(84,750)
Total Other Financing Sources/(Uses)	<u>0</u>	<u>(84,750)</u>	<u>0</u>	<u>0</u>	<u>80,423</u>	<u>4,327</u>	<u>0</u>
Net Change in Fund Balances	(48,064)	(53,239)	7,820	115,308	80,699	5,745	108,269
Fund Balances - July 1, 2021	<u>162,710</u>	<u>87,163</u>	<u>107,985</u>	<u>0</u>	<u>62,896</u>	<u>65,362</u>	<u>486,116</u>
Fund Balances - June 30, 2022	<u>\$ 114,646</u>	<u>\$ 33,924</u>	<u>\$ 115,805</u>	<u>\$ 115,308</u>	<u>\$ 143,595</u>	<u>\$ 71,107</u>	<u>\$ 594,385</u>

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

TOWN OF WOODBURY, VERMONT  
STATEMENT OF FIDUCIARY MODIFIED CASH BASIS NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2022

	Private-Purpose Trust Fund	Custodial Fund
	Sylvia Jackson Fund	Education Tax Fund
<u>ASSETS</u>		
Due from Other Funds	\$ 7,456	\$ 0
Total Assets	<u>7,456</u>	<u>0</u>
<u>LIABILITIES</u>		
Liabilities:	<u>0</u>	<u>0</u>
<u>NET POSITION</u>		
Restricted:		
Held in Trust for Individuals	<u>7,456</u>	<u>0</u>
Total Net Position	<u>\$ 7,456</u>	<u>\$ 0</u>

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

TOWN OF WOODBURY, VERMONT  
STATEMENT OF CHANGES IN FIDUCIARY MODIFIED CASH BASIS NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	Private-Purpose Trust Fund	Custodial Fund
	Sylvia Jackson Fund	Education Tax Fund
<u>ADDITIONS</u>		
Investment Income	\$ 23	\$ 0
Donations	100	0
Miscellaneous	500	0
Education Taxes Collected for Other Governments	<u>0</u>	<u>1,878,302</u>
Total Additions	<u>623</u>	<u>1,878,302</u>
<u>DEDUCTIONS</u>		
Miscellaneous	1,100	0
Education Taxes Distributed to Other Governments	<u>0</u>	<u>1,878,302</u>
Total Deductions	<u>1,100</u>	<u>1,878,302</u>
Change in Net Position	(477)	0
Net Position - July 1, 2021	<u>7,933</u>	<u>0</u>
Net Position - June 30, 2022	\$ <u><u>7,456</u></u>	\$ <u><u>0</u></u>

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

TOWN OF WOODBURY, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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

## **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### **A. The Financial Reporting Entity**

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

### **B. Basis of Presentation**

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

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

TOWN OF WOODBURY, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government, the Town. These statements include the financial activities of the overall government except for fiduciary activities. Eliminations have been made to minimize the double counting of activities between funds. Governmental activities generally are financed through property taxes, intergovernmental receipts, and other nonexchange transactions.

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

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

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

The Town reports on the following major governmental funds:

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

Highway Fund – This fund accounts for the receipts, disbursements and available resources of the Highway Department.

Reappraisal Fund – This fund accounts for the reappraisal activity of the Town.

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

Highway Equipment Reserve Fund – This fund accounts for equipment expenditures of the Highway Department.

TOWN OF WOODBURY, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

Additionally, the Town reports the following fund types:

Private-Purpose Trust Fund – This fund is used to report trust arrangements under which resources are to be used for the benefit of individuals. All investment earnings, and in some cases, the principal of these funds may be used to support these activities.

Custodial Fund – This fund is used to report resources held by the Town in a purely custodial capacity for other governments, private organizations or individuals.

### **C. Measurement Focus**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus within the limitations of the modified cash basis of accounting. Equity (i.e., modified cash basis net position) is segregated into restricted and unrestricted net position. Operating statements present increases (i.e., receipts) and decreases (i.e., disbursements) in modified cash basis net position.

Governmental fund financial statements are reported using the current financial resources measurement focus within the limitations of the modified cash basis of accounting. Their reported fund balances (modified cash basis fund balances) are considered a measure of available spendable resources and are segregated into nonspendable; restricted; committed; assigned and unassigned amounts. Operating statements of these funds present increases (i.e., receipts and other financing sources) and decreases (i.e., disbursements and other financing uses) in modified cash basis fund balances.

### **D. Basis of Accounting**

Basis of accounting refers to when revenue and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Town's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenue and related assets are recognized when received rather than when earned and certain expenditures and related liabilities are recognized when paid rather than when the obligation is incurred. The exceptions to this are that the Town records investments at cost and reimbursements due from the Fire Department for insurance as assets, amounts due to the State of Vermont for dog and marriage licenses, payroll withholdings payable and amounts due to others as liabilities and property taxes paid in advance as deferred inflows of resources.

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

TOWN OF WOODBURY, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

**E. Assets, Liabilities, Deferred Inflows of Resources and Equity**

**1. Cash**

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

**2. Investments**

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

**3. Interfund Receivables/Payables**

Activity between funds that are representative of lending/borrowing arrangements that are outstanding at the end of the fiscal year are referred to as “advances to/from other funds”. All other outstanding balances between funds are reported as “due from/to other funds”.

**4. Deferred Inflows of Resources**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, “deferred inflows of resources” represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the future periods to which the inflows are related.

**5. Fund Equity**

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

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

The budgets for the General Fund and the Highway Fund are approved at the annual Town Meeting in March. Any budget changes require voter approval. There were no budget amendments during the year. The budgets presented herein are for the Town’s “General Fund” and “Highway Fund” only and does not include the Library Fund, the Cemetery Fund and the Planning Commission Fund activities that are included with the General Fund as they do not qualify to be reported as separate special revenue funds.



TOWN OF WOODBURY, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

**B. Excess of Expenditures Over Appropriations**

For the year ended June 30, 2022, expenditures in the General Fund exceeded appropriations by \$51,710. These over-expenditures were funded by excess revenues and available fund balance.

For the year ended June 30, 2022, expenditures in the Highway Fund exceeded appropriations by \$117,678. These over-expenditures were funded by excess revenues and available fund balance.

**III. DETAILED NOTES ON ALL FUNDS**

**A. Cash**

Cash as of June 30, 2022 consist of the following:

Cash:

Deposits with Financial Institutions	\$609,963
Cash on Hand	<u>200</u>
Total Cash	<u>\$610,163</u>

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counter-party (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. The Town does not have any policy to limit the exposure to custodial credit risk. The following table reflects the custodial credit risk of the Town's cash.

	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC Insured	<u>\$609,963</u>	<u>\$696,146</u>

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

The book balance is comprised of the following:

Cash – Deposits with Financial Institutions	<u>\$609,963</u>
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TOWN OF WOODBURY, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have any policy to limit the exposure to interest rate risk. The Town has no investments subject to interest rate risk.

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. These organizations look at a number of factors in order to evaluate the risk of an obligation and rate the risk. The rating allows the investor to make informed buying and selling decisions. The Town has no investments subject to credit risk analysis.

**Concentration of Credit Risk**

Concentration of credit risk is the risk that a large percentage of the Town's investments are held within one security. The Town does not have any limitations on the amount that can be invested in any one issuer. The Town has no investments subject to concentration of credit risk.

**B. Interfund Balances and Activity**

Interfund balances as of June 30, 2022 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 0	\$487,240
Highway Fund	33,969	0
Reappraisal Fund	115,805	0
ARPA Fund	115,308	0
Highway Equipment Reserve Fund	143,595	0
Non-Major Governmental Funds	71,107	0
Private-Purpose Trust Fund – Sylvia Jackson Fund	<u>7,456</u>	<u>0</u>
Totals	<u>\$487,240</u>	<u>\$487,240</u>

TOWN OF WOODBURY, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

Interfund transfers during the year ended June 30, 2022 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Library Fund	\$ 12,000	* Appropriation
General Fund	Cemetery Fund	7,000	* Appropriation
General Fund	Planning Commission Fund	1,774	* Fund Planning Expenses
Highway Fund	Highway Equipment Reserve Fund	56,624	Appropriation
Highway Fund	Highway Equipment Reserve Fund	23,799	Swenson Reimbursement Allocated to Highway Equipment
Highway Fund	Paving Reserve Fund	4,327	Swenson Reimbursement Allocated to Paving
Total		\$ <u>105,524</u>	

\* The transfers from the General Fund to the Library Fund, the Cemetery Fund and the Planning Commission Fund were netted within the General Fund as these funds are consolidated within the General Fund in order to comply with GASB Statement No. 54.

### C. Deferred Inflows of Resources

Deferred inflows of resources consists of \$8,224 of property taxes paid in advance.

### D. Fund Balances

GASB Statement No. 34, as amended by GASB Statement No. 54, requires fund balances reported on the governmental fund balance sheet to be classified using a hierarchy based primarily on the extent to which a government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balances are to be classified as: nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Board of Selectmen's intended use of the resources); and unassigned.

Special revenue funds are created only to report a revenue source (or sources) that is restricted or committed to a specified purpose, and that the revenue source should constitute a substantial portion of the resources reported in that fund. Special revenue funds cannot be used to accumulate funds that are not restricted or committed. These amounts will have to be reflected in the General Fund.

Amounts constrained to stabilization (rainy-day funds) will be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. However, stabilization is regarded as a specified purpose only if the circumstances or conditions that signal the need for stabilization (a) are identified in sufficient detail and (b) are not expected to occur routinely. The Town does not have any stabilization arrangements.

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

TOWN OF WOODBURY, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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

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

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

Major Funds

ARPA Fund:

Restricted for Eligible Uses of the Coronavirus Local Fiscal Recovery Funding by Grant Agreement (Source of Revenue is Grant Revenue)	<u>\$115,308</u>
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Non-Major Funds

Special Revenue Funds:

Restricted for Restoration Expenses by Statute (Source of Revenue is Restoration Fees)	13,606
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Restricted for Conservation Commission Expenses by Donations and Grant Revenue (Source of Revenue is Donations and Grant Revenue)	6,760
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Restricted for Lister Education Expenses by Grant Revenue (Source of Revenue is Grant Revenue)	<u>10,496</u>
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Total Non-Major Funds	<u>30,862</u>
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Total Restricted Fund Balances	<u>\$146,170</u>
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The fund balances in the following funds are committed as follows:

Major Funds

General Fund:

Committed for Library Expenses by the Voters	\$ 8,302
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Committed for Cemetery Expenses by the Voters	<u>23,408</u>
---	---------------

Total General Fund	<u>31,710</u>
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Highway Fund:

Committed for Highway Expenditures by the Voters	<u>33,924</u>
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Highway Equipment Reserve Fund:

Committed for Highway Equipment Expenditures by the Voters	<u>143,595</u>
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TOWN OF WOODBURY, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

Non-Major Funds

Capital Projects Funds:

Committed for Fire Department Expenditures by the Voters	\$ 5,051
Committed for Paving Expenditures by the Voters	20,831
Committed for Town Building Maintenance Expenditures by the Voters	5,920
Committed for Woodbury School Building Expenditures by the Voters	<u>8,443</u>

Total Non-Major Funds	<u>40,245</u>
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Total Committed Fund Balances	<u>\$249,474</u>
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The fund balances in the following fund is assigned as follows:

Major Funds

Reappraisal Fund:

Assigned for Reappraisal Expenses	<u>\$115,805</u>
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Total Assigned Fund Balances	<u>\$115,805</u>
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**E. Restricted Net Position**

The restricted net position in the governmental activities consists of the restricted fund balances of \$146,170.

The net position held in trust for various purposes in the Town's Private-Purpose Trust Fund as of June 30, 2022 consisted of the following:

Private-Purpose Trust Fund:

Restricted for Sylvia Jackson Fund	
Expenses by Donations	<u>\$7,456</u>

TOWN OF WOODBURY, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

#### **IV. OTHER INFORMATION**

##### **A. Pension Plans**

###### **Defined Benefit Plan**

###### **Plan Description**

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. As of June 30, 2021, the measurement date selected by the State of Vermont, the retirement system consisted of 353 participating employers.

The plan was established effective July 1, 1975, and is governed by Title 24, V.S.A. Chapter 125.

The general administration and responsibility for formulating administrative policy and procedures of the retirement system for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system, and two employer representatives-one elected by the governing bodies of participating employers of the system, and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service.

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

As of June 30, 2021, the measurement date selected by the State of Vermont, VMERS was funded at 86.29% and had a plan fiduciary net position of \$926,034,330 and a total pension liability of \$1,073,218,528 resulting in a net position liability of \$147,184,198. As of June 30, 2022, the Town's proportionate share of this was 0.0304% resulting in a net pension liability of \$44,796. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. The Town's proportion of 0.0304% was a decrease of 0.0013 from its proportion measured as of the prior year.

TOWN OF WOODBURY, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

**Summary of System Provisions**

Membership – Full time employees of participating municipalities. Municipalities can elect coverage under Groups A, B, C or D provisions. The Town elected coverage under Group B.

Creditable Service – Service as a member plus purchased service.

Average Final Compensation (AFC) – Group A – Average annual compensation during highest five (5) consecutive years. Groups B and C – Average annual compensation during highest three (3) consecutive years. Group D – Average annual compensation during highest two (2) consecutive years.

**Service Retirement Allowance:**

Eligibility – Group A – The earlier of age 65 with five (5) years of service or age 55 with thirty-five (35) years of service. Group B – The earlier of age 62 with five (5) years of service or age 55 with thirty (30) years of service. Groups C and D – Age 55 with five (5) years of service.

Amount – Group A – 1.4% of AFC times service. Group B – 1.7% of AFC times service as a Group B member plus percentage earned as a Group A member times AFC. Group C – 2.5% of AFC times service as a Group C member plus percentage earned as a Group A or B member times AFC. Group D – 2.5% of AFC times service as a Group D member plus percentage earned as a Group A, B or C member times AFC.

Maximum benefit is 60% of AFC for Groups A and B and 50% of AFC for Groups C and D. The previous amounts include the portion of the allowance provided by member contributions.

**Early Retirement Allowance:**

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

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

**Vested Retirement Allowance:**

Eligibility – Five (5) years of service.

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

TOWN OF WOODBURY, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

Disability Retirement Allowance:

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

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

Death Benefit:

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

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

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

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

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

Member Contributions – Group A – 3.25%. Group B – 5.625%. Group C – 10.75%. Group D – 12.10%.

Employer Contributions – Group A – 4.75%. Group B – 6.25%. Group C – 8.00%. Group D – 10.60%.

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

**Significant Actuarial Assumptions and Methods**

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

Salary increases: Varying service-based rates from 0-10 years of service, then a single rate of 4.50% (includes assumed inflation rate of 2.30%) for all subsequent years.



TOWN OF WOODBURY, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

Mortality:

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

Healthy Post-retirement – Retirees: Groups A, B and C – 104% of 40% PubG-2010 General Healthy Retiree Amount-Weighted below-median and 60% of PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2019. Group D – PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2019.

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

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

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

Cost-of-Living Adjustments: 1.10% for Group A members and 1.20% for Groups B, C and D members. The January 1, 2021 COLA is 0.40% for all groups. The January 1, 2022 COLA is 2.00% for Group A members and 2.30% for Groups B, C and D members.

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

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

Inflation: 2.30%

TOWN OF WOODBURY, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

Long-term Expected Rate of Return:

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Passive Global Equities	24%	5.05%
Active Global Equities	5%	5.05%
Large Cap US Equities	4%	4.00%
Small/Mid Cap US Equities	3%	4.50%
Non-US Developed Market Equities	7%	5.50%
Private Equity	10%	6.75%
Emerging Market Debt	4%	3.00%
Private & Alternate Credit	10%	4.75%
Non-Core Real Estate	4%	5.75%
Core Fixed Income	19%	0.00%
Core Real Estate	4%	3.75%
US TIPS	3%	(0.50)%
Infrastructure/Farmland	3%	4.25%

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates set by the Board (employers) and statute (members). The Board voted to authorize employer contribution rate increases of 0.50% each year for a period of four years beginning July 1, 2022, to be offset by any increases in the employee contribution rates as negotiated with employee groups and approved by Legislature. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plans' Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.00%) or one percent higher (8.00%):

<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$88,542	\$44,796	\$8,824

TOWN OF WOODBURY, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

**Additional Information**

Additional information regarding the State of Vermont Municipal Employees' Retirement System, including the details of the Fiduciary Net Position, is available upon request from the State of Vermont.

**B. Property Taxes**

The Town is responsible for assessing and collecting its own property taxes as well as education taxes for the State of Vermont. The tax rate is set by the Selectboard based on the voter approved budget, the estimated grand list and the State education property tax liability. Property taxes are levied in August and are due approximately October 28 of each year. Penalty and interest are both charged at one-half percent (1/2%) per month that increases by one-half percent (1/2%) per month to a maximum of six percent (6%) for one full year or more of delinquent taxes. The tax rates for 2022 were as follows:

	<u>Homestead</u>	<u>Non-Homestead</u>
Town	0.2020	0.2020
Highway	0.3400	0.3400
Education - Local Share	<u>1.7022</u>	<u>1.6394</u>
Total	<u>2.2442</u>	<u>2.1814</u>

**C. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains insurance coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this coverage in any of the past three fiscal years. The Town must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving sixty days notice. Fund underwriting and ratesetting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

The Town is also a member of the Vermont League of Cities and Towns Employment Resource and Benefits Trust. The Trust is a nonprofit corporation formed to provide unemployment coverage and other employment benefits for Vermont municipalities and is owned by the participating members. The agreement does not permit the Trust to make additional assessments to its members. The Town has only elected unemployment coverage with the Trust.

**D. Contingent Liability**

The Town is a member of the Central Vermont Solid Waste Management District. The Town could be subject to a portion of the District's debt if the District experiences financial problems.

TOWN OF WOODBURY, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

**E. Long-term Debt**

The Town issues general obligation bonds to provide resources for the acquisition and construction of major capital assets and to refund prior issues. General obligation bonds are direct and pledge the full faith and credit of the Town. New bonds generally are issued as 10 to 30 year bonds.

The Town had a note payable to finance a capital purchase through a local bank.

The Town enters into lease agreements as the lessee for the purpose of financing the acquisition of major pieces of equipment. These lease agreements qualify as financed purchases for accounting purposes (even though they may include clauses that allow for cancellation of the lease in the event the Town does not appropriate funds in future years) and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date of the leases.

Long-term debt outstanding as of June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Note Payable, Union Bank, 2019 Freightliner, Principal and Interest Payments of \$26,393 Payable On October 1 Annually, Interest at 4.1%, Due October, 2025. The Town Paid Off the Remaining Balance During the Year.	\$117,170	\$ 0	\$117,170	\$ 0
Financed Purchase, Caterpillar Financial Services Corporation, Loader, Principal and Interest Payments of \$6,983 Payable on October 22 Annually, Interest at 2.0%, Due October, 2023. The Town Paid Off the Remaining Balance During the Year.	<u>20,139</u>	<u>0</u>	<u>20,139</u>	<u>0</u>
Total	<u>\$137,309</u>	<u>\$ 0</u>	<u>\$137,309</u>	<u>\$ 0</u>

**F. Subsequent Events**

Subsequent to year-end, the Town will receive the second half of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program funds in the amount of \$132,302.

TOWN OF WOODBURY, VERMONT  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Receipts:			
Property Taxes	\$ 267,665	\$ 295,449	\$ 27,784
Interest on Delinquent Taxes	4,500	8,552	4,052
Penalties on Delinquent Taxes	4,000	5,395	1,395
Current Use	34,000	37,358	3,358
Payment in Lieu of Taxes - Buildings	7,000	7,505	505
Payment in Lieu of Taxes - Land	6,500	6,343	(157)
Green-Up Vermont Grant Income	150	20	(130)
Zoning Permits	500	750	250
Posted Land Fees	20	25	5
Town Hall Rent	300	175	(125)
Vault Fees	300	734	434
Burial Transit Fees	0	10	10
Marriage Licenses	50	130	80
Maps for Recording	100	50	(50)
Vehicle Registration Fees	20	15	(5)
Dog Registration Fees	1,000	828	(172)
Land Records Recording	10,000	10,395	395
Traffic Fines	1,000	184	(816)
Certified Copies	100	140	40
Copies of Vital Records	150	60	(90)
Copies	100	35	(65)
Land Record Copies	1,000	1,988	988
Green Mountain Passports	15	18	3
Interest Income	500	925	425
Miscellaneous	0	123	123
Total Cash Receipts	<u>338,970</u>	<u>377,207</u>	<u>38,237</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF WOODBURY, VERMONT  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Disbursements:			
Payroll Expenses:			
Stipend - Selectboard	\$ 3,250	\$ 3,250	\$ 0
Wages - Town Clerk	25,000	26,846	(1,846)
Wages - Assistant Town Clerk	10,000	9,693	307
Wages - Listers	5,000	6,750	(1,750)
Wages - Delinquent Tax Collector	4,000	3,180	820
Wages - Selectboard Assistant	3,500	855	2,645
Wages - Ballot Clerks	300	176	124
Wages - Auditors	3,000	0	3,000
Wages - Town Treasurer	26,000	26,903	(903)
Wages - Assistant Town Treasurer	2,500	1,639	861
Wages - Forest Fire Warden	500	500	0
Wages - Deputy Fire Warden	500	500	0
Wages - Custodian	750	730	20
Wages - Zoning Administrator	2,500	2,500	0
Wages - E911	400	400	0
Wages - Animal Control Officer	500	472	28
Wages - Town Hall	150	150	0
Wages - Constable	500	500	0
Zoning Board of Adjustment	0	70	(70)
Social Security & Medicare	7,500	8,939	(1,439)
Unemployment Insurance	1,500	257	1,243
Workers Compensation Insurance	500	542	(42)
Life/Disability Insurance	500	263	237
Dental Insurance	500	398	102
Vision Insurance	150	341	(191)
Total Payroll Expenses	99,000	95,854	3,146
Office Expenses:			
Supplies	3,000	3,421	(421)
Delinquent Tax Collector Supplies	200	324	(124)
Listers Software/Supplies	100	38	62
Zoning/Planning Commission Supplies	200	1,884	(1,684)
Postage	2,000	2,154	(154)
Training/Meetings/Seminars	500	256	244
Mileage	1,500	844	656
Copier Lease	1,000	1,165	(165)
Town Reports/Postage	5,000	2,178	2,822
Computer Equipment/Maintenance	2,000	2,897	(897)
Election Ballots	0	1,045	(1,045)
Electricity - Town Hall	250	296	(46)
Electricity - Town Office	1,100	1,113	(13)
Telephone - Town Office	1,200	1,471	(271)
Heat - Town Hall	1,500	1,124	376
Heat - Town Office	2,000	1,770	230
Computer Software Support	6,000	13,735	(7,735)
Total Office Expenses	27,550	35,715	(8,165)

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF WOODBURY, VERMONT  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
General Expenses:			
Regional Planning Commission	\$ 1,130	\$ 1,130	\$ 0
Staff Appreciation	600	675	(75)
Advertising	500	1,422	(922)
Dues	3,200	5,325	(2,125)
Tax Mapping	200	0	200
Green-Up Day Expenses	350	395	(45)
County Taxes	10,215	15,642	(5,427)
Legal Expenses	5,000	1,864	3,136
Consulting Fees	1,000	100	900
Outside Services	0	2,882	(2,882)
Animal Boarding	500	186	314
Central Vermont Humane Society	300	0	300
Website	500	400	100
Zoning Board	300	0	300
Conservation Commission	200	0	200
Liability Insurance	6,000	13,468	(7,468)
Bank Service Charges	30	110	(80)
Tax Abatements	1,000	290	710
Miscellaneous	500	70	430
Total General Expenses	31,525	43,959	(12,434)
Public Safety:			
Hardwick Rescue	9,732	9,732	0
Sheriff's Patrol	5,000	1,862	3,138
Generator - Annual Fee	2,300	2,062	238
Total Public Safety	17,032	13,656	3,376
Buildings & Grounds:			
Town Flowers	0	151	(151)
Mowing Town Office	300	350	(50)
Mowing Town Park & Hall	1,000	1,150	(150)
Repairs & Maintenance - Town Office	2,400	2,023	377
Repairs & Maintenance - Town Hall	4,000	4,195	(195)
Skating Rink	500	387	113
Total Buildings & Grounds	8,200	8,256	(56)
Transfers Out:			
Library Fund	12,000	12,000	0
Cemetery Fund	7,000	7,000	0
Sylvia Jackson	500	500	0
Total Transfers Out	19,500	19,500	0
Voted Articles:			
Friends of WES	1,000	1,000	0
Woodbury Volunteer Fire Department - Truck Replacement	17,850	35,700	(17,850)
Woodbury Volunteer Fire Department	105,297	124,919	(19,622)
Woodbury/Calais Foodshelf	1,322	1,322	0
Center for Technology	0	105	(105)
Total Voted Articles	125,469	163,046	(37,577)

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TOWN OF WOODBURY, VERMONT  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Appropriations:			
American Red Cross	\$ 250	\$ 250	\$ 0
AWARE	750	750	0
Central Vermont Council on Aging	750	750	0
Central Vermont Adult Basic Education	600	600	0
Central Vermont Economic Development Corporation	300	300	0
Central Vermont Home Health & Hospice Inc.	2,000	2,000	0
CIRCLE	650	650	0
Family Center of Washington County	100	100	0
Green Mountain Transit	484	484	0
Green-Up Vermont	50	50	0
Hardwick Community Television	750	750	0
Our House of Central Vermont	200	200	0
People's Health & Wellness Clinic	100	100	0
Rural Community Transportation	500	500	0
MOSAIC	200	200	0
Twin Valley Senior Center	1,000	1,000	0
VT Rural Fire Protection Task Force	100	100	0
Vermont Center for Independent Living	210	210	0
Washington County Mental Health Services	1,000	1,000	0
Washington County Youth Services Bureau	500	500	0
Salvation Farms	200	200	0
Total Appropriations	<u>10,694</u>	<u>10,694</u>	<u>0</u>
Total Cash Disbursements	<u>338,970</u>	<u>390,680</u>	<u>(51,710)</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	\$ <u>0</u>	(13,473)	\$ <u>(13,473)</u>
Adjustment to Reconcile from the Budgetary Basis of Accounting to the Modified Cash Basis of Accounting:			
Library Fund Income		3,725	
Library Fund Expenses		(41,106)	
Library Fund Transfer In		12,000	
Cemetery Fund Income		65	
Cemetery Fund Expenses		(5,550)	
Cemetery Fund Transfer In		7,000	
Planning Commission Fund Income		2,264	
Planning Commission Fund Expenses		1,774	
Planning Commission Fund Transfer In		<u>(14,763)</u>	
Net Change in Fund Balance		(48,064)	
Fund Balance - July 1, 2021		<u>162,710</u>	
Fund Balance - June 30, 2022		\$ <u>114,646</u>	

The reconciling items are due to combining three (3) funds, the Library Fund, the Cemetery Fund and the Planning Commission Fund, with the General Fund in order to comply with GASB Statement No. 54.

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TOWN OF WOODBURY, VERMONT  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE  
BUDGET AND ACTUAL  
HIGHWAY FUND  
FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Receipts:			
Property Taxes	\$ 448,630	\$ 448,630	\$ 0
State of Vermont - Class 2	21,000	21,580	580
State of Vermont - Class 3	49,000	50,519	1,519
Cabot Road Grant Income	0	65,995	65,995
Better Roads Grant Income	18,094	6,274	(11,820)
Highway Supplement Payments	0	7,980	7,980
Access Permits	20	10	(10)
Swenson Reimbursement	35,000	34,465	(535)
Overweight Permits	250	340	90
Interest Income	0	640	640
Total Cash Receipts	571,994	636,433	64,439
Cash Disbursements:			
Wages & Benefits:			
Wages - Greg Parkhurst	54,300	55,935	(1,635)
Wages - Greg Adams	45,675	20,084	25,591
Wages - Highway Administrator	500	147	353
Wages - Claude Cross	0	315	(315)
Wages - Dave Pike	0	74	(74)
Beaver Control	2,000	2,101	(101)
Wages - Peter Dailey	0	27,171	(27,171)
Road Commissioner	7,500	9,764	(2,264)
Wages - Tim Neill	0	19,440	(19,440)
Overtime - Road Commissioner	15,000	12,900	2,100
3rd Full-time - Road Commissioner	40,000	0	40,000
Social Security & Medicare	13,500	10,177	3,323
Retirement	7,500	7,620	(120)
Health Insurance	32,600	8,162	24,438
Unemployment Insurance	4,500	317	4,183
Workers Compensation Insurance	14,000	14,568	(568)
Liability Coverage	9,000	9,708	(708)
Life/Disability Insurance	750	331	419
Dental Insurance	2,500	2,152	348
Vision Insurance	350	281	69
Uniforms	1,500	126	1,374
Premium Assistance	4,600	5,820	(1,220)
Total Wages & Benefits	255,775	207,193	48,582
Office Expense:			
Finance Charges	0	45	(45)
Garage Supplies	750	1,639	(889)
Workshops/Training	200	300	(100)
Mileage	1,000	1,886	(886)
Electricity - Garage	1,500	2,415	(915)
Electricity - Street Lights	2,600	2,326	274
Telephone/Wi-Fi - Garage	2,000	2,232	(232)
Heat - Garage	6,000	6,949	(949)
Advertising	0	1,214	(1,214)
Total Office Expense	14,050	19,006	(4,956)

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TOWN OF WOODBURY, VERMONT  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE  
BUDGET AND ACTUAL  
HIGHWAY FUND  
FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Public Safety:			
MRGP - Fees	\$ 1,350	\$ 1,350	\$ 0
Safety Equipment	1,000	967	33
Village Speed Signs	0	355	(355)
Radios/Cameras/Pagers	1,000	461	539
Total Public Safety	3,350	3,133	217
Buildings & Grounds:			
Trash Service	720	665	55
Repairs/Maintenance - Garage	1,000	2,624	(1,624)
Fire Alarm Contract Service	120	282	(162)
Fire Alarm Monitoring	156	282	(126)
Total Buildings & Grounds	1,996	3,853	(1,857)
Highway Equipment:			
Truck 5 Lease - 2014 Loader	6,983	20,979	(13,996)
Truck 6 Lease - 2019 LoPro	26,393	122,108	(95,715)
Highway Equipment Reserve	56,624	56,624	0
Small Tools	1,500	1,110	390
Gas	100	24	76
Diesel Fuel - Garage	30,000	35,295	(5,295)
Grease/Oil	2,000	2,745	(745)
Outside Services	2,000	12,519	(10,519)
Total Highway Equipment	125,600	251,404	(125,804)
Equipment Repairs & Maintenance:			
Chainsaws	100	0	100
Truck 1 - 2013 Freightliner	5,000	10,968	(5,968)
Truck 2 - 2014 Freightliner	5,000	2,967	2,033
Truck 3 - 1999 Dump Truck	500	420	80
Truck 4 - 2012 Ford F550	500	1,790	(1,290)
Truck 5 - 2014 Loader	1,000	1,280	(280)
Truck 6 - 2019 LoPro	100	651	(551)
Mower Attachment	0	2,084	(2,084)
2008 Excavator	2,500	5,542	(3,042)
1994 CAT Grader	5,000	327	4,673
Utility Trailer	100	0	100
1988 Delta Trailer	100	11	89
Wood Chipper	100	56	44
Sanders	3,000	274	2,726
Hydro Seeder	2,200	1,268	932
Fuel Pump	500	0	500
Sand Screen	1,000	846	154
Equipment Maintenance/Supplies	3,500	3,449	51
Tires	6,000	8,653	(2,653)
Tire Chains	8,000	6,576	1,424
Blades	1,500	1,732	(232)
Carbide Tips	0	2,122	(2,122)
Rake	2,500	989	1,511
Total Equipment Repairs & Maintenance	48,200	52,005	(3,805)

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TOWN OF WOODBURY, VERMONT  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE  
BUDGET AND ACTUAL  
HIGHWAY FUND  
FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Road Maintenance:			
Gravel	\$ 35,000	\$ 58,717	\$ (23,717)
Better Roads Grant Expenses	4,523	0	4,523
Street Signs	2,000	1,011	989
Road Salt	12,000	4,575	7,425
Sand	28,000	11,250	16,750
Chloride	5,000	3,580	1,420
Stone	4,500	1,244	3,256
Maintenance - Class 4 Roads	3,000	210	2,790
Culverts	6,000	9,676	(3,676)
Miscellaneous	250	36	214
Total Road Maintenance	100,273	90,299	9,974
Grants:			
Cabot Road Grant Expenses	0	34,653	(34,653)
Total Grants	0	34,653	(34,653)
Transfers Out:			
55% Highway Equipment Reserve	14,000	23,799	(9,799)
10% Paving Reserve	8,750	4,327	4,423
Total Transfers Out	22,750	28,126	(5,376)
Total Cash Disbursements	571,994	689,672	(117,678)
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	\$ <u>0</u>	(53,239)	\$ <u>(53,239)</u>
Fund Balance - July 1, 2021		87,163	
Fund Balance - June 30, 2022		\$ <u>33,924</u>	

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TOWN OF WOODBURY, VERMONT  
 COMBINING SCHEDULE OF MODIFIED CASH BASIS ASSETS,  
 LIABILITIES AND FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2022

	Special Revenue Funds	Capital Projects Funds	Total
<u>ASSETS</u>			
Due from Other Funds	\$ <u>30,862</u>	\$ <u>40,245</u>	\$ <u>71,107</u>
Total Assets	\$ <u><u>30,862</u></u>	\$ <u><u>40,245</u></u>	\$ <u><u>71,107</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Fund Balances:			
Restricted	30,862	0	30,862
Committed	<u>0</u>	<u>40,245</u>	<u>40,245</u>
Total Fund Balances	<u>30,862</u>	<u>40,245</u>	<u>71,107</u>
Total Liabilities and Fund Balances	\$ <u><u>30,862</u></u>	\$ <u><u>40,245</u></u>	\$ <u><u>71,107</u></u>

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TOWN OF WOODBURY, VERMONT  
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS  
 AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds	Capital Projects Funds	Total
Cash Receipts:			
Intergovernmental	\$ 882	\$ 0	\$ 882
Permits, Licenses and Fees	3,733	0	3,733
Investment Income	84	112	196
	<u>4,699</u>	<u>112</u>	<u>4,811</u>
Total Cash Receipts			
	<u>4,699</u>	<u>112</u>	<u>4,811</u>
Cash Disbursements:			
General Government	868	0	868
Capital Outlay:			
General Government	0	2,525	2,525
	<u>868</u>	<u>2,525</u>	<u>3,393</u>
Total Cash Disbursements			
	<u>868</u>	<u>2,525</u>	<u>3,393</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>3,831</u>	<u>(2,413)</u>	<u>1,418</u>
Other Financing Sources:			
Transfers In	0	4,327	4,327
	<u>0</u>	<u>4,327</u>	<u>4,327</u>
Total Other Financing Sources			
	<u>0</u>	<u>4,327</u>	<u>4,327</u>
Net Change in Fund Balances	3,831	1,914	5,745
Fund Balances - July 1, 2021	<u>27,031</u>	<u>38,331</u>	<u>65,362</u>
Fund Balances - June 30, 2022	\$ <u><u>30,862</u></u>	\$ <u><u>40,245</u></u>	\$ <u><u>71,107</u></u>

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TOWN OF WOODBURY, VERMONT  
 COMBINING SCHEDULE OF MODIFIED CASH BASIS ASSETS,  
 LIABILITIES AND FUND BALANCES  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2022

	Records Restoration Fund	Conservation Commission Fund	Lister Education Fund	Total
<u>ASSETS</u>				
Due from Other Funds	\$ 13,606	\$ 6,760	\$ 10,496	\$ 30,862
Total Assets	\$ <u>13,606</u>	\$ <u>6,760</u>	\$ <u>10,496</u>	\$ <u>30,862</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balances:				
Restricted	13,606	6,760	10,496	30,862
Total Fund Balances	13,606	6,760	10,496	30,862
Total Liabilities and Fund Balances	\$ <u>13,606</u>	\$ <u>6,760</u>	\$ <u>10,496</u>	\$ <u>30,862</u>

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TOWN OF WOODBURY, VERMONT  
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
 CHANGES IN MODIFIED CASH BASIS FUND BALANCES  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022

	Records Restoration Fund	Conservation Commission Fund	Lister Education Fund	Total
Cash Receipts:				
Intergovernmental	\$ 0	\$ 0	\$ 882	\$ 882
Permits, Licenses and Fees	3,733	0	0	3,733
Investment Income	<u>36</u>	<u>20</u>	<u>28</u>	<u>84</u>
Total Cash Receipts	<u>3,769</u>	<u>20</u>	<u>910</u>	<u>4,699</u>
Cash Disbursements:				
General Government	<u>0</u>	<u>868</u>	<u>0</u>	<u>868</u>
Total Cash Disbursements	<u>0</u>	<u>868</u>	<u>0</u>	<u>868</u>
Net Change in Fund Balances	3,769	(848)	910	3,831
Fund Balances - July 1, 2021	<u>9,837</u>	<u>7,608</u>	<u>9,586</u>	<u>27,031</u>
Fund Balances - June 30, 2022	<u>\$ 13,606</u>	<u>\$ 6,760</u>	<u>\$ 10,496</u>	<u>\$ 30,862</u>

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TOWN OF WOODBURY, VERMONT  
 COMBINING SCHEDULE OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES  
 NON-MAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2022

	Fire Department Reserve Fund	Paving Reserve Fund	Town Building Maintenance Reserve Fund	Woodbury School Building Reserve Fund	Total
<u>ASSETS</u>					
Due from Other Funds	\$ 5,051	\$ 20,831	\$ 5,920	\$ 8,443	\$ 40,245
Total Assets	<u>\$ 5,051</u>	<u>\$ 20,831</u>	<u>\$ 5,920</u>	<u>\$ 8,443</u>	<u>\$ 40,245</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balances:					
Committed	5,051	20,831	5,920	8,443	40,245
Total Fund Balances	5,051	20,831	5,920	8,443	40,245
Total Liabilities and Fund Balances	<u>\$ 5,051</u>	<u>\$ 20,831</u>	<u>\$ 5,920</u>	<u>\$ 8,443</u>	<u>\$ 40,245</u>

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TOWN OF WOODBURY, VERMONT  
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
 CHANGES IN MODIFIED CASH BASIS FUND BALANCES  
 NON-MAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022

	Fire Department Reserve Fund	Paving Reserve Fund	Town Building Maintenance Reserve Fund	Woodbury School Building Reserve Fund	Total
Cash Receipts:					
Investment Income	\$ 14	\$ 55	\$ 21	\$ 22	\$ 112
Total Cash Receipts	14	55	21	22	112
Cash Disbursements:					
Capital Outlay:					
General Government	0	0	2,090	435	2,525
Total Cash Disbursements	0	0	2,090	435	2,525
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	14	55	(2,069)	(413)	(2,413)
Other Financing Sources:					
Transfers In	0	4,327	0	0	4,327
Total Other Financing Sources	0	4,327	0	0	4,327
Net Change in Fund Balances	14	4,382	(2,069)	(413)	1,914
Fund Balances - July 1, 2021	5,037	16,449	7,989	8,856	38,331
Fund Balances - June 30, 2022	\$ 5,051	\$ 20,831	\$ 5,920	\$ 8,443	\$ 40,245

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# Sullivan, Powers & Co., P.C.

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VT Lic. #92-000180

## Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with "Government Auditing Standards"

Selectboard  
Town of Woodbury  
P.O. Box 10  
Woodbury, VT 05681

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Woodbury, Vermont, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Woodbury, Vermont's basic financial statements, and have issued our report thereon dated January 17, 2023.

### ***Report on Internal Control Over Financial Reporting***

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Deficiencies in Internal Control, we identified certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town of Woodbury, Vermont's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Deficiencies in Internal Control as Item 2022-01 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Deficiencies in Internal Control as Items 2022-02 and 2022-03 to be significant deficiencies.

### ***Report on Compliance and Other Matters***

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

### ***Town of Woodbury, Vermont's Response to Findings***

"Government Auditing Standards" requires the auditor to perform limited procedures on the Town of Woodbury, Vermont's response to the findings identified in our audit and described in the Schedule of Findings and Deficiencies in Internal Control. The Town of Woodbury, Vermont's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### ***Purpose of this Report***

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

*Sullivan, Powers & Co.*

January 17, 2023  
Montpelier, Vermont  
VT Lic. #92-000180

TOWN OF WOODBURY, VERMONT  
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL  
JUNE 30, 2022

Deficiencies in Internal Control:

Material Weaknesses:

2022-01 Segregation of Duties - Cash

*Criteria:*

An important factor in developing good internal control procedures is to divide responsibilities so that no individual can both perpetrate and conceal errors or irregularities. One of the most common division of duties is the division between the check signing and bank reconciliation functions.

*Condition:*

In the Town, the same person that reconciles the bank accounts also has check signing authority.

*Cause:*

The limited staff available in the office provides little opportunity to achieve an optimum separation of duties and responsibilities.

*Effect:*

The Town has inadvertently made its assets susceptible to misappropriation.

*Recommendation:*

We recommend that the Town revise their procedures to ensure that the bank reconciliation function is delegated to an individual who does not have check signing authority. Otherwise, we recommend that, at a minimum, someone other than a check signer review all bank reconciliations, bank statements, cancelled checks and any debit memos.

Significant Deficiencies:

2022-02 Authorization and Support for General Journal Entries

*Criteria:*

Internal controls should be in place that requires appropriate officials to authorize all adjustments to the books of original entry. Each journal entry should have supporting documentation showing where the amounts come from and why the journal entry is being made. This should be attached or referenced to the journal entry.

TOWN OF WOODBURY, VERMONT  
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL  
JUNE 30, 2022

*Condition:*

The Town does not have a policy in place to require authorization of adjustments to the books of original entry. Also, the Town does not maintain supporting documentation for journal entries.

*Cause:*

Unknown.

*Effect:*

This deficiency in the internal control structure could allow other working control policies to be circumvented.

*Recommendation:*

We recommend that the Town enact a policy that requires appropriate officials to authorize all general journal entries so as not to circumvent the original approval process. We also recommend that the Town attach or reference supporting documentation to all journal entries.

2022-03 Accounting and Procedures Manual

*Criteria:*

An accounting and procedures manual should be in place. This manual should define duties and responsibilities for current personnel so as to prevent or reduce misunderstandings, errors, inefficient or wasted effort, duplicated or omitted procedures, and other situations that can result in inaccurate or untimely accounting records. It will also help to ensure that all similar transactions are treated consistently, that accounting principles used are proper, and that records are produced in the form desired by management. A good accounting manual should aid in the training of new employees and possibly allow for delegation to other employees.

*Condition:*

The Town does not have an accounting and procedures manual in place.

*Cause:*

This has not been considered a priority as the small staff is busy recording the activity of the Town.

TOWN OF WOODBURY, VERMONT  
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL  
JUNE 30, 2022

*Effect:*

The Town staff does not have a manual to turn to when questions arise about the scope of their duties and responsibilities.

*Recommendation:*

We recommend that the Town develop this document for all accounting procedures as soon as possible. Each individual should document their duties and how to perform them. The manual should include examples of forms with descriptions of their use. Once developed, only changes in procedures or forms will require changes in the manual.

We believe this time will be more than offset by time saved later in training and supervising accounting personnel. Also, in the process of the comprehensive review of existing accounting procedures for the purpose of developing the manual, management might discover procedures that can be eliminated or improved to make the system more efficient and effective.

We also recommend that the Town make sure that there are no jobs related to accounting and finance that only one person knows how to perform. The procedures manual would also be useful in determining whether this situation exists.

## TOWN OF WOODBURY

1672 VT RT 14

P.O. BOX 10

WOODBURY, VERMONT 05681

Town Clerk: [clerk@woodburyvt.org](mailto:clerk@woodburyvt.org)

Treasurer: [treasurer@woodburyvt.org](mailto:treasurer@woodburyvt.org)

Phone: 802-456-7051

FAX: 802-456-8834

Web Site [www.woodburyvt.org](http://www.woodburyvt.org)



## CPA Recommendation Results

The Auditors made recommendations for improving processes, policies and controls, which the Town auditors plan to address in the coming year. Our Treasurer has implemented our accounting on a Cash Basis, Journal Entry Binder, removed my assistant from being a bank signer since he does bank reconciliations.

**Town Treasurer**

**Brandy Smith**

# Sullivan, Powers & Co., P.C.

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VT Lic. #92-000180

January 17, 2023

Selectboard  
Town of Woodbury  
P.O. Box 10  
Woodbury, VT 05681

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Woodbury, Vermont as of and for the year ended June 30, 2022 and have issued our report thereon dated January 17, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in “Government Auditing Standards”, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed as follows, we identified a certain deficiency in internal control that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Town of Woodbury, Vermont’s financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Deficiencies in Internal Control and Other Recommendations as Item 2022-01 to be a material weakness.



A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Deficiencies in Internal Control and Other Recommendations as Items 2022-02 and 2022-03 to be significant deficiencies.

We have also noted other matters during our audit as indicated in the accompanying Schedule of Deficiencies in Internal Control and Other Recommendations that are opportunities for strengthening internal control and operating efficiency. We have discussed the recommendations with the staff during the course of fieldwork and some of the recommendations may have already been implemented.

This communication is intended solely for the information and use of management, the Selectboard, and others within the Town of Woodbury, Vermont, and is not intended to be, and should not be, used by anyone other than these specified parties. If you would like to discuss any of the recommendations further, please feel free to contact us.

We would like to take this opportunity to thank the staff of the Town of Woodbury, Vermont for their assistance and cooperativeness throughout our audit. It has been a pleasure working with you.

Respectfully submitted,

*Sullivan, Powers & Co.*

SULLIVAN, POWERS & CO.  
Certified Public Accountants

TOWN OF WOODBURY, VERMONT  
SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL  
AND OTHER RECOMMENDATIONS  
JUNE 30, 2022

Deficiencies in Internal Control:

Material Weaknesses:

2022-01 Segregation of Duties - Cash

*Criteria:*

An important factor in developing good internal control procedures is to divide responsibilities so that no individual can both perpetrate and conceal errors or irregularities. One of the most common division of duties is the division between the check signing and bank reconciliation functions.

*Condition:*

In the Town, the same person that reconciles the bank accounts also has check signing authority.

*Cause:*

The limited staff available in the office provides little opportunity to achieve an optimum separation of duties and responsibilities.

*Effect:*

The Town has inadvertently made its assets susceptible to misappropriation.

*Recommendation:*

We recommend that the Town revise their procedures to ensure that the bank reconciliation function is delegated to an individual who does not have check signing authority. Otherwise, we recommend that, at a minimum, someone other than a check signer review all bank reconciliations, bank statements, cancelled checks and any debit memos.

Significant Deficiencies:

2022-02 Authorization and Support for General Journal Entries

*Criteria:*

Internal controls should be in place that requires appropriate officials to authorize all adjustments to the books of original entry. Each journal entry should have supporting documentation showing where the amounts come from and why the journal entry is being made. This should be attached or referenced to the journal entry.

TOWN OF WOODBURY, VERMONT  
SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL  
AND OTHER RECOMMENDATIONS  
JUNE 30, 2022

*Condition:*

The Town does not have a policy in place to require authorization of adjustments to the books of original entry. Also, the Town does not maintain supporting documentation for journal entries.

*Cause:*

Unknown.

*Effect:*

This deficiency in the internal control structure could allow other working control policies to be circumvented.

*Recommendation:*

We recommend that the Town enact a policy that requires appropriate officials to authorize all general journal entries so as not to circumvent the original approval process. We also recommend that the Town attach or reference supporting documentation to all journal entries.

2022-03 Accounting and Procedures Manual

*Criteria:*

An accounting and procedures manual should be in place. This manual should define duties and responsibilities for current personnel so as to prevent or reduce misunderstandings, errors, inefficient or wasted effort, duplicated or omitted procedures, and other situations that can result in inaccurate or untimely accounting records. It will also help to ensure that all similar transactions are treated consistently, that accounting principles used are proper, and that records are produced in the form desired by management. A good accounting manual should aid in the training of new employees and possibly allow for delegation to other employees.

*Condition:*

The Town does not have an accounting and procedures manual in place.

*Cause:*

This has not been considered a priority as the small staff is busy recording the activity of the Town.

TOWN OF WOODBURY, VERMONT  
SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL  
AND OTHER RECOMMENDATIONS  
JUNE 30, 2022

*Effect:*

The Town staff does not have a manual to turn to when questions arise about the scope of their duties and responsibilities.

*Recommendation:*

We recommend that the Town develop this document for all accounting procedures as soon as possible. Each individual should document their duties and how to perform them. The manual should include examples of forms with descriptions of their use. Once developed, only changes in procedures or forms will require changes in the manual.

We believe this time will be more than offset by time saved later in training and supervising accounting personnel. Also, in the process of the comprehensive review of existing accounting procedures for the purpose of developing the manual, management might discover procedures that can be eliminated or improved to make the system more efficient and effective.

We also recommend that the Town make sure that there are no jobs related to accounting and finance that only one person knows how to perform. The procedures manual would also be useful in determining whether this situation exists.

Other Recommendations:

Fraud Policy

The Town does not have a fraud policy in place. A fraud policy outlines the Town's position on fraudulent activities and dishonest conduct and sets out procedures for employees to report suspected fraud or misconduct to the appropriate personnel within the Town. This policy should further outline the responsibilities of different positions within the Town in regards to reporting and investigating these claims. It should also discuss the actions that will be taken to investigate the claim and the protection that will be afforded to the person making the claim against retaliation from the accused.

We recommend that the Town implement a fraud policy.

Fraud Risk Assessment

The Town has not performed a fraud risk assessment. A fraud risk assessment is important because it identifies the Town's vulnerabilities to fraudulent activities and whether those vulnerabilities could result in material misstatement of the financial statements. The fraud risk assessment would also identify processes, controls, and other procedures used to mitigate the identified fraud risks.

We recommend that the Town perform a fraud risk assessment to reduce the possibility of fraudulent activities.

TOWN OF WOODBURY, VERMONT  
SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL  
AND OTHER RECOMMENDATIONS  
JUNE 30, 2022

Documentation of Internal Control System

A solid understanding of internal control is essential to a well-run organization. An organization must continually assess their internal control systems to evaluate financial health, ensure accurate financial reporting and compliance with laws and regulations. As part of this process, management should formally document its control systems.

This will provide management with an understanding of the systems related to financial reporting and the controls over relevant assertions related to all significant accounts, disclosures in the financial statements, antifraud programs and controls over selection and application of accounting policies.

We recommend that the Town perform a complete evaluation and documentation of the internal control process. This should break out the internal control process into the following five areas:

1. Control Environment – Sets the tone of an organization and is the foundation for all other components.
2. Risk Assessment – Identification and analysis of relevant risks to achieve its objectives, forming a basis for how risks should be managed.
3. Control Activities – The policies and procedures that help ensure management directives are carried out.
4. Information and Communication – The identification, capture and exchange of information in a form and timeframe that enables people to carry out their responsibilities.
5. Monitoring – The process that assesses the quality of internal control performance over time.

Investment and Banking Policy

The Town does not have a formal investment and banking policy. This policy is extremely important in establishing and maintaining cash management in accordance with Selectboard directives. This policy should include general guidance for the Treasurer in the areas of bank selection, types of investments and policies for minimizing the risk of losses.

We recommend that the Selectboard and the Treasurer work together to establish guidelines for the Treasurer in the areas of cash management and investing.

Procurement Policy

The Town's procurement policy has not been updated to comply with the Uniform Guidance.

We recommend that the Town update its procurement policy to be in compliance with the Uniform Guidance.

TOWN OF WOODBURY, VERMONT  
SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL  
AND OTHER RECOMMENDATIONS  
JUNE 30, 2022

Uniform Guidance Policies

Sections of the Uniform Guidance require non-federal entities that receive federal awards to have certain written policies and procedures or standards of conduct. Examples of these requirements are listed below:

- Conflict of Interest Policy
- Financial Management Policy
- Payment - Cash Management - Drawdowns and Reimbursement Requests Policies
- Uniform Guidance Procurement Policy
- Compensation Policy
- Relocation Costs of Employees Policies
- Travel Cost Policy

We recommend that all policies be reviewed and amended to include the requirements outlined in the Uniform Guidance.

Cash Register

The Town does not use a cash register. A cash register serves as a good control over cash. Cash should be reconciled to the register tape as the daily receipts are being deposited.

We recommend that the Town consider the purchase of a cash register so better control over cash can be achieved.

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VT Lic. #92-000180

January 17, 2023

Selectboard  
Town of Woodbury  
P.O. Box 10  
Woodbury, VT 05681

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Woodbury, Vermont as of and for the year ended June 30, 2022, and have issued our report dated January 17, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and “Government Auditing Standards”, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated April 15, 2022. Professional standards also require that we communicate to you the following information related to our audit.

## Our Responsibilities under U.S. Generally Accepted Auditing Standards and “Government Auditing Standards”

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the modified cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the Town of Woodbury, Vermont. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the Town of Woodbury, Vermont’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions was not an objective of our audit.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

### Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter.

### 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 the Town of Woodbury, Vermont are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Town of Woodbury, Vermont 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.

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

We encountered no 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 clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. 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, a disagreement with management is 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 dated January 17, 2023.



*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 Town of Woodbury, Vermont’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 prior to our acceptance as the Town of Woodbury, Vermont’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our acceptance.

Other Matters

We were not engaged to report on the budgetary comparison schedules for the General Fund and Highway Fund and combining fund financial statements which accompany the financial statements. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Selectboard and management of the Town of Woodbury, Vermont and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully submitted,

*Sullivan, Powers & Co.*

SULLIVAN, POWERS & CO.  
Certified Public Accountants