

TOWN OF WOODFORD, VERMONT
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

TOWN OF WOODFORD, VERMONT
 FOR THE YEAR ENDED DECEMBER 31, 2020
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Batchelder Associates, PC

INDEPENDENT AUDITOR'S REPORT

To the Board of Selectmen
Town of Woodford
Woodford, Vermont

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Woodford, Vermont ("Town"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, for the year ended December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pages 3 - 7 and budgetary comparison information on page 25, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual non-major 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 do not express an 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 November 21, 2021 on our consideration of the Town of Woodford, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal 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's internal control over financial reporting and compliance.

Batchelder Associates, PC

Batchelder Associates, PC
License #945
Barre, Vermont
November 21, 2021

TOWN OF WOODFORD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

As management of the Town of Woodford, Vermont ("Town") we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found at the beginning of this report.

Financial Highlights

- The Town's net position increased by \$144,307 as a result of this year's operations.
- The cost of all the Town's programs was \$206,697 this year, with no new programs added.
- The General Fund reported a surplus this year of \$149,106.
- The unassigned fund balance for the General Fund was \$780,071 as of December 31, 2020. This amount represents the amount of funds available for future budgets.
- The Highway Fund reported a deficit this year of \$8,904 which resulted in a fund balance of \$60,923 as of December 31, 2020.
- The Other Governmental Funds reported a deficit of \$9,489 which decreased the cumulative surplus to \$43,946.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Exhibits A and B) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements start on Exhibit C. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside the government.

Reporting the Town as a Whole

The government-wide financial statements are on Exhibit A and B. One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All the current year's revenues and expenses are considered regardless of when cash is received or paid.

These two statements report the Town's net position and changes in them. You can think of the Town's net position – the difference between assets, liabilities, and deferred inflows/outflows – as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the overall health of the Town.

In the Statement of Net Position and the Statement of Activities, we divide the Town into two kinds of activities:

- Governmental activities – Most of the Town's basic services are reported here, including the, public safety, highway and streets, sanitation, town hall, community services, cemetery, schools, and general administration. Property taxes and state and federal grants finance most of these activities.

TOWN OF WOODFORD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Reporting the Town's Most Significant Funds

The fund financial statements begin on page 10 and provide detailed information about the most significant funds – not the Town as a whole. Some funds are required to be established by state law and by bond covenants. However, the Town Select Board establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

- Governmental funds – Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in Exhibits D and E that are included in the financial statements.

The Town as a Whole

The Town's combined net position increased by \$144,307 from 2019, increasing from a balance of \$956,852 to \$1,101,159. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

TABLE 1
NET POSITION

	Governmental Activities 2020	Governmental Activities 2019	Total 2020	Total 2019
Current and other assets	\$ 1,043,508	\$ 897,283	\$ 1,043,508	\$ 897,283
Capital assets, non-depreciable	72,273	72,636	72,273	72,636
Total Assets	1,115,781	969,919	1,115,781	969,919
Other liabilities	14,622	13,052	14,622	13,052
Deferred inflows of resources	-	15	-	15
Net Position				
Invested in capital assets	72,273	72,636	72,273	72,636
Committed	104,869	123,262	104,869	123,262
Unrestricted	924,017	760,954	924,017	760,954
Total Net Position	\$ 1,101,159	\$ 956,852	\$ 1,101,159	\$ 956,852

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, changed from \$760,954 surplus at December 31, 2019 to a \$924,017 surplus at December 31, 2020 for the governmental activities.

TOWN OF WOODFORD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

TABLE 2
CHANGE IN NET POSITION

	Governmental Activities <u>2020</u>	Governmental Activities <u>2019</u>	Total <u>2020</u>	Total <u>2019</u>
REVENUES				
Program Revenues:				
Charges for services	\$ 13,875	\$ 3,162	\$ 13,875	\$ 3,162
Operating grants and contributions	81,492	79,291	81,492	79,291
Capital Grants and contributions	-	-	-	-
General revenues				
Taxes	214,825	91,596	214,825	91,596
Penalty and interest on delinquent taxes	\$ -	\$ -	-	-
Fees and licenses	-	4,353	-	4,353
Interest	-	10,159	-	10,159
Gain/(loss) on investment	-	55,596	-	55,596
Other revenues	40,812	1,195	40,812	1,195
Total Revenues	351,004	245,352	351,004	245,352
EXPENSES				
General government	129,738	127,087	129,738	127,087
Public safety	44,864	46,306	44,864	46,306
Public works	13,048	25,665	13,048	25,665
Health and social services	19,047	8,660	19,047	8,660
Total Expenses	206,697	207,718	206,697	207,718
Change in net assets	144,307	37,634	144,307	37,634
Net position, January 1, 2019	956,852	919,218	956,852	919,218
Net position, December 31, 2020	<u>\$ 1,101,159</u>	<u>\$ 956,852</u>	<u>\$ 1,101,159</u>	<u>\$ 956,852</u>

Our analysis below separately considers the operations of governmental activities.

Governmental Activities

The increase in net position for governmental activities was \$144,307 in 2020. Revenues increased by \$105,065 or 43.06%, and expenses decreased by \$1,021 or .005%, compared to 2019.

The cost of all governmental activities this year was \$206,697. However, as shown in the Statement of Activities on Exhibit B, the amount that our taxpayers ultimately financed for these activities through Town taxes was \$111,330. Some of the cost was paid by other governments and organizations that subsidized certain programs with grants and contributions of \$81,492 and the remainder of the \$13,875 was paid for as revenue from services.

TOWN OF WOODFORD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

The Town's Funds

As the Town completed the year, its governmental funds (as presented in the Balance Sheet on Exhibit C) reported a combined fund balance of \$884,940 which represents an increase of \$130,713 from last year's total of \$754,227. Included in this year's total change in fund balance is an increase of \$149,106 in the Town's General Fund.

Schedule 1 compares actual to budget for the General and Highway Fund. The most significant variances of actual to budget were as follows:

	Budget	Actual	Favorable (Unfavorable)
Revenues:			
General Fund	\$ 180,847	\$ 322,760	\$ 141,913
Highway Fund		\$ 2,968	\$ 2,968
Expenditures:			
General Fund	\$ 180,847	\$ 173,400	\$ 7,447
Highway Fund	\$ 30,000	\$ 11,872	\$ 18,128

Capital Assets and Debt Administration

Capital Assets

At December 31, 2020, the Town had \$72,273 invested in a broad range of capital assets, including vehicle, equipment, buildings and sewer lines, net of accumulated depreciation. (See Table 3).

TABLE 3
CAPITAL ASSETS AT YEAR-END

	Governmental Activities 2020	Governmental Activities 2019	Total 2020	Total 2019
Non Depreciable Assets:				
Land	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000
Depreciable Assets				
Buildings and improvements	382,214	382,214	382,214	382,214
Furniture & Fixtures	100,000	100,000	100,000	100,000
Infrastructure	10,909	10,909	10,909	10,909
Total Assets Cost	<u>556,123</u>	<u>556,123</u>	<u>556,123</u>	<u>556,123</u>
Accumulated Depreciation				
Buildings and improvements	(382,214)	(382,214)	(382,214)	(382,214)
Furniture & Fixtures	(100,000)	(100,000)	(100,000)	(100,000)
Infrastructure	(1,636)	(1,273)	(1,636)	(1,273)
Total Accumulated Depreciation	<u>(483,850)</u>	<u>(483,487)</u>	<u>(483,850)</u>	<u>(483,487)</u>
Net Fixed Assets	<u>\$ 72,273</u>	<u>\$ 72,636</u>	<u>\$ 72,273</u>	<u>\$ 72,636</u>

TOWN OF WOODFORD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials consider many factors when setting the fiscal year 2021 budget, tax rates, and fees.

When adopting the budget for the 2021 year, the Select Board considered operational and capital needs of the Town, and the impact of spending on the tax rate.

The Town budgeted no change in fund balance for the fiscal year ending December 31, 2021.

Contacting the Town's Financial Management

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Treasurer, 1391 Vermont Route 9, Woodford, VT 05201 (802) 442-4895.

TOWN OF WOODFORD, VERMONT
STATEMENT OF NET POSITION
DECEMBER 31, 2020

EXHIBIT A

	Governmental Activities	Total
ASSETS:		
Current Assets:		
Cash and cash equivalents	\$ 429,230	\$ 429,230
Investments	486,480	486,480
Taxes receivables	127,798	127,798
Prepaid expenses	-	-
Due to other funds	-	-
Non-current assets:		
Land, non depreciable	63,000	63,000
Buildings and improvements	382,214	382,214
Furniture and fixtures	100,000	100,000
Infrastructure	10,909	10,909
Less accumulated depreciation	(483,850)	(483,850)
Total assets	1,115,781	1,115,781
 LIABILITIES:		
Accrued expenses	14,622	14,622
Total liabilities	14,622	14,622
 DEFERRED INFLOWS OF RESOURCES		
Prepaid property taxes	-	-
Total deferred inflows of resources	-	-
 NET POSITION		
Net investment in capital assets	72,273	72,273
Committed	43,946	43,946
Assigned	60,923	60,923
Unrestricted	924,017	924,017
Total net position	\$ 1,101,159	\$ 1,101,159

The notes to the financial statements are an integral part of this statement.

TOWN OF WOODFORD, VERMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

EXHIBIT B

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Assets	
		Charges for Services	Operating Grants	Capital Grants & Contributions	Governmental Activities	Total
Governmental activities						
General government	\$ 129,738	\$ 13,875	\$ 81,492	\$ -	\$ (34,371)	\$ (34,371)
Public safety	44,864	-	-	-	(44,864)	(44,864)
Public works	13,048	-	-	-	(13,048)	(13,048)
Health and social services	19,047	-	-	-	(19,047)	(19,047)
Total governmental activities	<u>206,697</u>	<u>13,875</u>	<u>81,492</u>	<u>-</u>	<u>(111,330)</u>	<u>(111,330)</u>
		General revenues:				
			Property taxes		214,825	214,825
			Fees and licenses		-	-
			Other revenues		40,812	40,812
			Total general revenues and transfers		<u>255,637</u>	<u>255,637</u>
			Change in net assets		<u>144,307</u>	<u>144,307</u>
			Net position, December 31, 2019		<u>956,852</u>	<u>956,852</u>
			Net position, December 31, 2020		<u>\$ 1,101,159</u>	<u>\$ 1,101,159</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WOODFORD, VERMONT

EXHIBIT C

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General Fund	Highway Fund	Non-Major Funds	Total Governmental Funds
ASSETS				
Cash and equivalents	\$ 325,451	\$ 74,570	\$ 29,209	\$ 429,230
Investments	486,480	-	-	486,480
Taxes receivable	127,798	-	-	127,798
Prepaid expenses	-	-	-	-
Due to other funds	3,911	-	18,723	22,634
Total assets	<u>943,640</u>	<u>74,570</u>	<u>47,932</u>	<u>1,066,142</u>
LIABILITIES				
Accrued payroll	4,552	-	-	4,552
Accrued expenses	10,070	-	-	10,070
Due to other funds	5,001	13,647	3,986	22,634
Total liabilities	<u>19,623</u>	<u>13,647</u>	<u>3,986</u>	<u>37,256</u>
DEFERRED INFLOWS OF RESOURCES				
Prepaid property taxes	-	-	-	-
Unavailable property taxes, penalties and interest	143,946	-	-	143,946
Total deferred inflows of resources	<u>143,946</u>	<u>-</u>	<u>-</u>	<u>143,946</u>
FUND BALANCES				
Committed	-	-	43,946	43,946
Assigned	-	60,923	-	60,923
Unassigned	780,071	-	-	780,071
Total fund balances	<u>780,071</u>	<u>60,923</u>	<u>43,946</u>	<u>884,940</u>
Total liabilities and fund balances	<u>\$ 943,640</u>	<u>\$ 74,570</u>	<u>\$ 47,932</u>	

Amounts reported for Government Activities in the Statement of Net Position are different because:

Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds	72,273
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	<u>143,946</u>
Net position of Governmental Activities	<u>\$ 1,101,159</u>

TOWN OF WOODFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

EXHIBIT D

	General Fund	Highway Fund	Non-Major Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 185,310	\$ -	\$ -	\$ 185,310
Tax penalties and interest	15,557	-	-	15,557
Fees and licenses	6,742	-	7,133	13,875
Intergovernmental revenues	81,492	-	-	81,492
Interest	9,042	170	496	9,708
Gain/(loss) on investment	18,752	-	-	18,752
Other revenues	4,554	2,798	5,000	12,352
Total revenues	<u>321,449</u>	<u>2,968</u>	<u>12,629</u>	<u>337,046</u>
EXPENDITURES				
General government	107,779	-	21,959	129,738
Public safety	44,341	-	159	44,500
Public works	1,176	11,872	-	13,048
Health and social services	19,047	-	-	19,047
Capital Outlay	-	-	-	-
Total expenditures	<u>172,343</u>	<u>11,872</u>	<u>22,118</u>	<u>206,333</u>
Net change in fund balances	<u>149,106</u>	<u>(8,904)</u>	<u>(9,489)</u>	<u>130,713</u>
Fund balances, December 31, 2019	<u>630,965</u>	<u>69,827</u>	<u>53,435</u>	<u>754,227</u>
Fund balances, December 31, 2020	<u>\$ 780,071</u>	<u>\$ 60,923</u>	<u>\$ 43,946</u>	<u>\$ 884,940</u>

The notes to the financial statements are an integral part of this statement

TOWN OF WOODFORD, VERMONT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
 REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO
 THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2020

EXHIBIT E

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balance - total government funds (Exhibit D).	<u>\$ 130,713</u>
Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	(364)
Accrued compensation and expenses is not reflected in the government funds.	-
Government funds report note proceeds and repayment as revenue and expenditures, respectively. The statement of activities does not reflect these as current inflows and outflows, but show on the statement of net position.	-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	13,958
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in government funds.	<u>-</u>
Change in net assets of governmental activities (Exhibit B).	<u><u>\$ 144,307</u></u>

TOWN OF WOODFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

The Town of Woodford, Vermont ("Town") is organized as a Town under the applicable laws and regulations of the State of Vermont. It is governed by a Select Board elected by registered voters of the Town to provide public health and safety, highways and street, public improvements, water, sanitation, planning and zoning, recreation, and general administration. Except where noted, the accounting policies conform to generally accepted accounting principles, as applicable to governmental units.

The accounting policies adopted by the Town conform to generally accepted accounting principles (GAAP) as applicable to governmental entities. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is primarily responsible for establishing GAAP for state and local governments through its pronouncements (including Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Town are discussed below.

Reporting Entity

This report includes all of the activity of the Town of Woodford, 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.

Basic Financial Statements – Government-Wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's Highway Fund, Cemetery Fund, Dog Fund, Scholarship Fund are classified as governmental funds.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reported on the full accrual, economic resources basis, which recognizes all assets deferred outflows of resources, liabilities, and deferred inflows of resources. The Town's net position is reported in three parts - net investment in capital assets, restricted net position and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities for which both restricted and unrestricted resources are available.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's governmental functions. The activities are also supported by property taxes, certain intergovernmental revenues, and charges for services. The Statement of Activities reduces gross expenses (including depreciation) by related program revenue, including operating and capital grants. Program revenues must be directly associated with the activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by activity) are normally covered by general revenues (property taxes, intergovernmental revenue, interest income, etc.).

TOWN OF WOODFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements – Government-Wide Statements (Continued)

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

Basic Financial Statements – Fund Financial Statements

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

The emphasis in fund financial statements is on the major funds in either the governmental category or enterprise type. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenses/expenditures of either fund category/type or the governmental and enterprise funds combined) for the determination of major funds. The General Fund and Highway Fund are shown as major funds. All other funds are non-major and are combined in a single column in each of the respective fund financial statements.

The Town reports on the following major governmental funds:

General Fund is the main operating fund of the Town. It is used to account for all financial resources except those accounted for in another fund.

Highway Fund is used to account for financial resources to be used for street, roads, and sidewalks.

Measurement Focus

The accounting and financial reporting applied to a fund is determined by its measurement focus. The Government-wide financial statements are reported using the economic resources measurement focus. This means that all assets, liabilities and deferred inflows and outflows associated with the operation of these funds (whether current or noncurrent) are included on the balance sheet (or statement of net position). Fund equity (i.e., net total position) is segregated into net investment in capital assets, restricted net position, and unrestricted net position. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

Governmental fund financial statements are reported using the current financial resources measurement focus. This means that only current assets, current liabilities and deferred inflows and outflows are generally reported on their balance sheets. Their reported fund balances (net current position) are considered a measure of available spendable resources and are segregated into nonspendable, restricted, committed, assigned and unassigned. Operating statements of these funds' present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current position. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

Basis of Accounting

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

Accrual Basis of Accounting

The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

TOWN OF WOODFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Modified Accrual Basis of Accounting

Governmental funds are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers all revenues reported in governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, certain compensated absences and other long-term liabilities which are recognized when the obligations are expected to be liquidated or are funded with expendable available financial resources.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

Cash and Cash Equivalents

The Town has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents.

Budgetary Accounting

The Town approves a budget for the General Fund at an annual Town Meeting and the Select Board, based on the budget and Grand List, determines the tax rate. Any budgetary changes require voter approval. There were no changes during the year. Formal budgetary accounting is employed as a management control device during the year for the General Fund. The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Building Improvements	10 - 50 years
Equipment, Vehicles and Machinery	5 - 20 years
Utility Plant and Capacity Rights	40 - 50 years
Infrastructure	8 - 20 years

GASB No. 34 requires the Town to report and depreciate new general infrastructure assets starting July 1, 2003. The Town has elected not to record infrastructure prior to this date. General infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc.

Accrued Compensated Absences

Government-Wide Financial Statements – All vested or accumulated vacation leave is reported as a liability and an expense on the government-wide financial statements. Sick days are not accrued since they are not paid when the employee terminates employment.

TOWN OF WOODFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements - Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are not reported as a liability in the fund financial statements and no expenditure is reported for these amounts until paid. Unused sick days may be accumulated to use in the following year, but sick days are not accrued since they are not paid when the employee terminates employment.

Net Position

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources and liabilities in the statement of net position. Net resources invested in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed by its use by Town legislation or external restrictions by creditors, grantors, laws, or regulations of other governments.

Fund Balances

The Town classifies its fund balances depicting the relative strength of the constraints that might control how specific amounts can be spent:

Nonspendable fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use such as impact fees).

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority, the Town voters, in this case. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

Assigned fund balance comprises amounts intended to be used by the government for specific purposes. Intent can be expressed by the Town Select Board or by an official or body to which the Select Board delegates the authority.

Unassigned fund balance is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the General Fund.

Nonspendable and Restricted funds are so designated by external funds sources, and also by the definitions of "nonspendable" contained in GASB Statement No. 54. Fund balances that are committed and assigned are so designated by action of the voters or the Select Board, respectively. Special revenue funds are by definition, created only to report a revenue source that is restricted or committed. In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, the Town's policy is to consider the most constrained fund balances to be expended first.

Investments

Investments are stated at fair value, (quoted market price, or the best available estimate).

Inter-fund Balances

Transactions 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

TOWN OF WOODFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inter-fund Balances (Continued)

to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, "deferred outflows of resources", represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. These amounts are deferred and recognized as an outflow of resources in the future periods to which the outflows are related.

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. The Town has two types of items which arise under the modified accrual basis of accounting and one type which arise under the accrual basis of accounting that qualify for reporting in this category. The statement of net position reports deferred inflows of resources from; prepaid property taxes the governmental funds balance sheet reports deferred inflows of resources from three sources; prepaid property taxes, unavailable property taxes, penalties, and interest. These amounts are deferred and recognized as an inflow of resources in the future periods to which the inflows are related or when the amounts become available.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS

Governmental Fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting, while government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. These differences in the measurement focus and basis of accounting lead to differences between the governmental fund financial statements and the government-wide financial statements, as follows:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas government-wide statements report revenues when they are earned. Long-term expense differences arise because governmental funds report operating expenses (including interest) using the modified accrual basis of accounting, whereas government-wide statements report expenses using the accrual basis of accounting.

Capital-related differences arise because governmental funds report capital outlays as current period expenditures, whereas government-wide statements report depreciation expense as an expense. Further, governmental funds report the proceeds for the sale of capital assets as revenue, whereas government-wide statements report the gain or loss from the sale of capital assets as revenue or expense.

Long-term debt transaction differences arise because governmental funds report bond proceeds as other financing sources and principal payments as expenditures, whereas government-wide statements report those transactions as increases and decreases in liabilities.

TOWN OF WOODFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 - EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS (Continued)

A detailed explanation of the differences between governmental funds balance sheet and government-wide statement of net position is as follows:

	Total Governmental Funds	Long-Term Revenues/ Expenses	Capital- Related Items	Long-Term Debt Transactions	Elimination of Due To/From	Statement of Net Position Total
ASSETS						
Current and other assets	\$ 429,230	\$ -	\$ -	\$ -	\$ -	\$ 429,230
Investments	486,480	-	-	-	-	486,480
Taxes Receivable	127,798	-	-	-	-	127,798
Prepaid Expenses	-	-	-	-	-	-
Due to other funds	22,634	-	-	-	(22,634)	-
Capital assets	-	-	72,273	-	-	72,273
Total assets	<u>1,066,142</u>	<u>-</u>	<u>72,273</u>	<u>-</u>	<u>(22,634)</u>	<u>1,115,781</u>
LIABILITIES						
Accrued payroll	4,552	-	-	-	-	4,552
Accrued expenses	10,070	-	-	-	-	10,070
Due from other funds	22,634	-	-	-	(22,634)	-
Total Liabilities	<u>37,256</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,634)</u>	<u>14,622</u>
DEFERRED INFLOWS OF RESOURCES						
Prepaid property taxes	-	-	-	-	-	-
Unavailable property taxes, penalties & interest	143,946	(143,946)	-	-	-	-
Total Deferred Inflows	<u>143,946</u>	<u>(143,946)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION						
Invested in capital assets	-	-	72,273	-	-	72,273
Committed	104,869	-	-	-	-	104,869
Unrestricted	780,071	143,946	-	-	-	924,017
Total Net Position	<u>\$ 884,940</u>	<u>\$ 143,946</u>	<u>\$ 72,273</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,101,159</u>

TOWN OF WOODFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 - EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS (Continued)

A detailed explanation of the differences between governmental funds statement of revenues, expenditures and changes in fund balances and government-wide statement of activities is as follows:

	Total Governmental Funds	Long-Term Revenues/ Expenses	Capital- Related Items	Long-Term Debt Transactions	Elimination of Due To/From	Statement of Net Assets Total
REVENUES						
Taxes	\$ 185,310	\$ 13,958	\$ -	\$ -	\$ -	\$ 199,268
Tax penalties and interest	15,557	-	-	-	-	15,557
Fees and licenses	13,875	-	-	-	-	13,875
Intergovernmental revenues	81,492	-	-	-	-	81,492
Interest	9,708	-	-	-	-	9,708
Gain/(loss) on investment	18,752	-	-	-	-	18,752
Other revenues	12,352	-	-	-	-	12,352
Total revenues	<u>337,046</u>	<u>13,958</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>351,004</u>
EXPENDITURES						
General government	129,738	-	-	-	-	129,738
Public safety	44,500	-	364	-	-	44,864
Public works	13,048	-	-	-	-	13,048
Health and social services	19,047	-	-	-	-	19,047
Capital Outlay	-	-	-	-	-	-
Total expenditures	<u>206,333</u>	<u>-</u>	<u>364</u>	<u>-</u>	<u>-</u>	<u>206,697</u>
Net Change in Fund Balances	<u>\$ 130,713</u>	<u>\$ 13,958</u>	<u>\$ (364)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,307</u>

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash and Investments

The Town's cash and investments as of December 31, 2020 are as follows:

Cash:	
Cash on Hand	\$ 50
Deposits with Financial Institutions	<u>429,180</u>
Total Cash	<u>429,230</u>
Investments:	
Mutual Funds - Liberty One	246,183
Mutual Funds - AXA Equitable	<u>240,297</u>
Total Investments	<u>486,480</u>
Total Cash and Investments	<u>\$ 915,710</u>

TOWN OF WOODFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

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.

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations reflects the distribution of the Town's investments by maturity.

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. Presented below are the actual ratings as of December 31, 2020. The ratings are provided by Standard & Poor's. The Town does not have any policy to limit the exposure to credit risk.

Concentration of Credit Risk

The Town does not have any limitations on the amount that can be invested in any one issuer.

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 counterparty (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's investments are held in its name and are, therefore, not subject to custodial credit risk. The Town does not have any policy to limit the exposure to custodial credit risk.

	Book Balance	Bank Balance
FDIC Insured	\$ 264,948	\$ 264,948
Uninsured	164,302	236,679
Total	\$ 429,250	\$ 501,627

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

TOWN OF WOODFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 – RECEIVABLES

Receivables and the allowance for uncollectible accounts as of December 31, 2020 are as follows:

	Receivables	Allowance for Uncollectible Accounts	Net Receivables
General Fund			
Delinquent taxes receivable	\$ 147,798	\$ 20,000	\$ 127,798
Net Receivables	\$ 147,798	\$ 20,000	\$ 127,798

NOTE 5 – CAPITAL ASSETS

Capital asset activity of the Town for the year ended December 31, 2020, is as follows:

<u>Governmental Activities</u>	Beginning Balances	Increases	Decreases	Ending Balances
Non Depreciable Assets:				
Land	\$ 63,000	-	-	\$ 63,000
Depreciable Assets				
Buildings and improvements	382,214	-	-	382,214
Furniture & Fixtures	100,000	-	-	100,000
Infrastructure	10,909	-	-	10,909
Total Assets Cost	556,123	-	-	556,123
Accumulated Depreciation				
Buildings and improvements	(382,214)	-	-	(382,214)
Furniture & Fixtures	(100,000)	-	-	(100,000)
Infrastructure	(1,273)	(363)	-	(1,636)
Total Accumulated Depreciation	(483,487)	(363)	-	(483,850)
Net Fixed Assets	\$ 72,636	\$ (363)	\$ -	\$ 72,273

Depreciation expense for the year ended December 31, 2020 was \$363.

NOTE 6 – DEFERRED INFLOWS OF RESOURCES

There are no deferred inflows of resources in the Governmental Activities for 2020.

TOWN OF WOODFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7 – FUND BALANCE/NETPOSITION CATEGORIES

At December 31, 2020, the Town had committed fund balances for the following purposes:

	Individual Funds Statements (Exhibit C)	Government Wide Statements (Exhibit A)
Committed:		
Cemetery Fund	\$ 2,429	\$ 2,429
Dog Fund	1,358	1,358
Restoration	3,530	3,530
Reappraisal	28,783	28,783
Scholarship Fund	7,846	7,846
Total Committed	43,946	43,946
Assigned:		
Highway Fund	60,923	60,923
Unassigned (governmental funds)	780,071	
Unrestricted (government-wide)		967,963
Invested in Capital Assets:	-	72,273
Total Fund Balance/Net Position	\$ 884,940	\$ 1,101,159

NOTE 8 – CONTINGENT LIABILITIES

The Town participates in a number of federally assisted and state grant programs that are subject to audits by the grantors or their representatives. The audits of these programs for or including the year ended December 31, 2020 have not yet been reviewed by the grantor agencies. Accordingly, compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

NOTE 9 - PROPERTY TAXES

Property taxes are assessed based on valuations as of April 1, annually. Property taxes were due in one installment on September 30th. Overdue payments are subject to an 8% penalty and interest is calculated at 1% per month.

Town property tax revenue is recognized in the General Fund for the period for which the tax is levied to the extent they result in current receivables, which will be collected within 60 days of the fiscal year end. The tax rates for fiscal year 2020 were as follows:

TOWN OF WOODFORD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2020

NOTE 9 - PROPERTY TAXES (continued)

	Homestead	Non-Residential
Homestead education tax	\$ 1.4298	\$ -
Non-residential education tax		1.6152
Town general fund appropriations	0.1514	0.1514
Local Agreement	0.0022	0.0022
Highway fund appropriations	0.0303	0.0303
Total	\$ 1.6137	\$ 1.7991

	Homestead	Non-Residential
Homestead education tax	\$ 1.4298	\$ -
Non-residential education tax		1.6152
Town general fund appropriations	0.1514	0.1514
Local Agreement	0.0022	0.0022
Highway fund appropriations	0.0303	0.0303
Total	\$ 1.6137	\$ 1.7991

NOTE 10 - RISK MANAGEMENT

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 enough 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 rate-setting 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.

In addition, the Town is a member of Vermont League of Cities and Towns (VLCT). The VLCT has set up three insurance Trusts:

- The Property and Casualty Inter-Municipal Fund, Inc. (PACIF) for multi-line insurance;
- The Vermont League of Cities and Towns Health Trust (VLCTHT) for health, life, and disability coverage; and
- The Vermont League of Cities and Towns Unemployment Trust, Inc. (VLCTUT) for unemployment compensation.

PACIF, VLCTHT, and VLCTUT are nonprofit corporations formed to provide insurance and risk management programs for Vermont cities and towns and is owned by the participating members. The Trusts are not licensed insurance carriers and members are not protected by the Vermont Insurance Guaranty Association. To provide insurance coverage, PACIF has established a self-funded insurance trust. It provides extensive coverage for losses to member municipalities for property damage, auto accidents, injured employees, public official liability and employment practices liability, members gain additional benefits from PACIF's unique public safety and risk management programs as well as dedicated in-house claims adjusters. If total contributions assessed to and made by all members result in an actual or projected financial deficit and PACIF is unable to meet its required obligations, the Program will be terminated with each member assessed their proportionate share of the deficit.

To provide insurance coverage, VLCTHT has established a self-funded fully insured program in conjunction with Blue Cross and Blue Shield (BCBS). A portion of member contributions is used to purchase reinsurance and to fund a reserve required by the reinsurance. Benefits available include dental insurance, flexible spending accounts, life insurance, disability insurance, and long-term care insurance. Contributions in excess of claims requirements, reserve fund requirements, reinsurance and administrative costs are returned to participants. The pooling agreement does not permit the pool to make additional assessments to its members.

TOWN OF WOODFORD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2020

NOTE 10- RISK MANAGEMENT- (Continued)

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

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

NOTE 11 - INTERFUND TRANSFERS

During the year there were no interfund transfers between funds.

NOTE 12 – INTERFUND BALANCES

	Receivables	Payables
General fund	\$ -	\$ 3,911
Highway Fund	22,634	-
Non-Major Funds	-	18,723
Total	\$ 22,634	\$ 22,634

NOTE 13 – RELATED PARTY TRANSACTIONS

Below is a summary of the related party transactions that the town is involved with:

- A. The Town has three Listers; 2 are a married couple
- B. One of the Town Listers is a member of the Zoning Board
- C. The Town Listers own a Lawn Maintenance Company that has a contract with the Town to maintain the lawns of the Town's Cemetery and Town Hall
- D. Select Board member is married to the Town Clerk
- E. The Town Clerk is a member of the Zoning Board
- F. The Town Clerk is the Clerk of the Select Board
- G. Select Board member is married to the Assistant Town Clerk
- H. The Assistant Town Clerk is also a member of the Zoning Board

NOTE 14 – SUBSEQUENT EVENTS

Events of the Town have been evaluated from year end through the date of these financial statements for subsequent events which would impact the financial standing. There are no events that would significantly impact the presentation of these financial statements.

GENERAL FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund			Highway Fund		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
REVENUES						
Taxes	\$ 150,847	\$ 192,560	\$ 41,713	\$ -	\$ -	\$ -
Tax penalties and interest	-	9,618	9,618	-	-	-
Fees and licenses	-	6,742	6,742	-	-	-
Intergovernmental revenues	30,000	81,492	51,492	-	-	-
Interest	-	1,066	1,066	-	170	170
Gain/(loss) on investment	-	18,752	18,752	-	-	-
Other revenues	-	12,530	12,530	-	2,798	2,798
Total revenues	<u>180,847</u>	<u>322,760</u>	<u>141,913</u>	<u>-</u>	<u>2,968</u>	<u>2,968</u>
EXPENDITURES						
General government	109,900	82,480	27,420	-	-	-
Public safety	51,700	52,017	(317)	-	-	-
Public works	2,647	3,788	(1,141)	30,000	11,872	18,128
Health and social services	16,600	16,975	(375)	-	-	-
Capital Outlay	-	-	-	-	-	-
Total expenditures	<u>180,847</u>	<u>155,260</u>	<u>25,587</u>	<u>30,000</u>	<u>11,872</u>	<u>18,128</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 167,500</u>	<u>\$ 116,326</u>	<u>\$ (30,000)</u>	<u>\$ (8,904)</u>	<u>\$ 21,096</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WOODFORD, VERMONT
 BALANCE SHEET
 NON-MAJOR FUNDS
 DECEMBER 31, 2020

SCHEDULE 2

	Cemetery	Dog	Restoration	Reappraisal	Scholarship	Total Non-Major Funds
ASSETS						
Cash and equivalents	\$ 6,415	\$ -	\$ -	\$ 14,949	\$ 7,845	\$ 29,209
Due from other funds		1,358	3,530	13,834	1	18,723
Total assets	<u>\$ 6,415</u>	<u>\$ 1,358</u>	<u>\$ 3,530</u>	<u>\$ 28,783</u>	<u>\$ 7,846</u>	<u>\$ 47,932</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	3,986	-	-	-	-	3,986
Total Liabilities	<u>3,986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,986</u>
FUND BALANCES						
Committed	2,429	1,358	3,530	28,783	7,846	43,946
Total fund balances	<u>2,429</u>	<u>1,358</u>	<u>3,530</u>	<u>28,783</u>	<u>7,846</u>	<u>43,946</u>
Total liabilities and fund balances	<u>\$ 6,415</u>	<u>\$ 1,358</u>	<u>\$ 3,530</u>	<u>\$ 28,783</u>	<u>\$ 7,846</u>	<u>\$ 47,932</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WOODFORD, VERMONT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NON-MAJOR FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

SCHEDULE 3

	<u>Cemetery</u>	<u>Dog</u>	<u>Restoration</u>	<u>Reappraisal</u>	<u>Scholarship</u>	<u>Total Non-Major Funds</u>
REVENUES						
Fees and licenses	\$ -		\$ 2,620	\$ 4,513	\$ -	\$ 7,133
Interest	122	-		293	81	496
Other revenue	-			5,000		5,000
Total revenues	<u>122</u>	<u>-</u>	<u>2,620</u>	<u>9,806</u>	<u>81</u>	<u>12,629</u>
EXPENDITURES						
General government	-	15	-	21,944	-	21,959
Public safety	-	159				159
Public works	-	-	-	-	-	-
Health and social services	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>174</u>	<u>-</u>	<u>21,944</u>	<u>-</u>	<u>22,118</u>
Net change in fund balances	<u>122</u>	<u>(174)</u>	<u>2,620</u>	<u>(12,138)</u>	<u>81</u>	<u>(9,489)</u>
Fund balances, December 31, 2019	<u>2,307</u>	<u>1,532</u>	<u>910</u>	<u>40,921</u>	<u>7,765</u>	<u>53,435</u>
Fund balances, December 31, 2020	<u>\$ 2,429</u>	<u>\$ 1,358</u>	<u>\$ 3,530</u>	<u>\$ 28,783</u>	<u>\$ 7,846</u>	<u>\$ 43,946</u>

The notes to the financial statements are an integral part of this statement.



Batchelder Associates, PC

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Select Board
Town of Woodford, Vermont
Woodford, Vermont

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Woodford, Vermont ("Town"), as of and for the year ended December 31, 2020, which collectively comprise the Town's basic financial statements and have issued our report thereon dated November 21, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We found no deficiencies in internal control during our audit testing.

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 found no significant deficiencies during our audit testing.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance

with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* for year ending December 31, 2020.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the Town'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's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Batchelder Associates, PC

Batchelder Associates, PC
Barre, Vermont
November 21, 2021
Vermont License # 945