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February 20, 2012

Waterbury-Duxbury Union School District  
Att: Michelle Baker, Bus. Mgr.  
1673 Main Street, Ste. A  
Waitsfield, VT 05673

Dear Michelle :

I have electronically forwarded the final financial statements for Waterbury-Duxbury Union School District as of and for the year ended June 30, 2011. In addition I will be mailing you 11 bound copies.

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

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

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

Sincerely,

*Angolano & Company*

Angolano & Company

Enclosures

Waterbury -Duxbury Union School District  
Financial Statements  
For The Year Ended June 30, 2011

Waterbury -Duxbury Union School District  
Table of Contents  
For The Year Ended June 30, 2011

		<u>Page Number</u>
--	Independent Auditors' Report	3-4
--	Management Discussion and Analysis	5
EXHIBIT I	Statement of Net Assets – Government -Wide	6
EXHIBIT II	Statement of Activities – Government -Wide	7
EXHIBIT III	Combined Balance Sheet – All Fund Types – Fund Base	8
--	Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds	9
EXHIBIT IV	Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types – Fund Base	10
--	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	11
EXHIBIT V	Statement of Revenues, Expenses and Changes in Retained Earnings – Proprietary Fund Type – Enterprise Fund – Food Program	12
EXHIBIT VI	Statement of Cash Flows – Proprietary Fund Type – Enterprise Fund – Food Program	13
--	Notes to the Financial Statements	14-34
Schedule 1	Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	35-56
Schedule 2	Combining Balance Sheet – Special Revenue Funds	57-58
Schedule 3	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Funds	59-61
Schedule 4	Combining Balance Sheet – Capital Project Funds	62

Waterbury -Duxbury Union School District  
Table of Contents (continued)  
For The Year Ended June 30, 2011

		<u>Page Number</u>
Schedule 5	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Capital Project Funds	63
Schedule 6	Statement of Changes in Assets and Liabilities – Fiduciary Fund Type – Agency Funds	64
--	Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	65-66



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## Independent Auditors' Report

To The School Board  
Waterbury-Duxbury Union School District

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of Waterbury-Duxbury Union School District, Vermont, as of and for the year ended June 30, 2011, which collectively comprise the Union School District's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Union School District's nonmajor governmental and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of Waterbury-Duxbury Union School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the aggregate remaining fund information of Waterbury-Duxbury Union School District, Vermont, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental and fiduciary fund of Waterbury-Duxbury Union School District, as of June 30, 2011, and the respective changes in financial position and cash

flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2012 on our consideration of Waterbury-Duxbury Union School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 5 and 35 through 56 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### *Angolano & Company*

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

January 27, 2012

WATERBURY-DUXBURY UNION SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2011

*Introduction*

The discussion and analysis of The Waterbury-Duxbury Union School District's ("the District") financial performance provides a narrative introduction and overview of the school District's financial activities for the fiscal year ending June 30, 2011 (FY 11). The District is organized under the guidance of the Board of School Directors to provide public education to the member districts of Duxbury and Waterbury.

*Financial Highlights*

- Government-wide assets totaled \$13,665,654 and government-wide liabilities totaled \$6,294,367.
- Long-term debt (more than one year) totaled \$5,980,000 at year end, a decrease of \$495,000.
- The District's general fund actual revenues were \$9,248,249, while the budgeted revenues were \$9,199,511, an increase of \$48,738 or .52%. Interest Earnings were \$43,772 lower than budgeted.
- The District's general fund actual expenditures were \$8,222,114, while the budgeted expenditures were \$8,458,070, a savings of \$235,956 or 2.78%.
- Special Revenue Funds totaling \$31,712 are held in the District's accounts for various Federal, State and Private Grants.
- The Capital Project fund balance at June 30, 2011 is approximately \$231,742.
- The Enterprise Fund represents the food program and had an ending retained earnings balance of \$3,778.
- Agency Funds totaling \$52,041 are held in the District's accounts for various student activities and projects.

*Overview of the Financial Statements*

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

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

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

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

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

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

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

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

The District maintains four (4) governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Special Revenue, Capital Project and Debt Service. Individual fund data for the Proprietary and

Fiduciary Funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 8-11.

Proprietary Funds – The District maintains proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for its Food Service Program (hot lunch and breakfast) operation. The basic proprietary fund financial statements can be found on pages 12-13 of this report.

Fiduciary Funds – Fiduciary Funds are those for which the District serves as a trustee for the benefit of others, such as scholarship and student activities funds. The District is responsible for ensuring that assets in these funds are used for their intended purposes and cannot use these assets to finance the general operations of the District.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-34.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information including Budget to Actual Reports for the General Fund, Fiduciary, Agency and Trust Fund statements, ADM Audit Report, and a Report on Compliance and Internal Control.

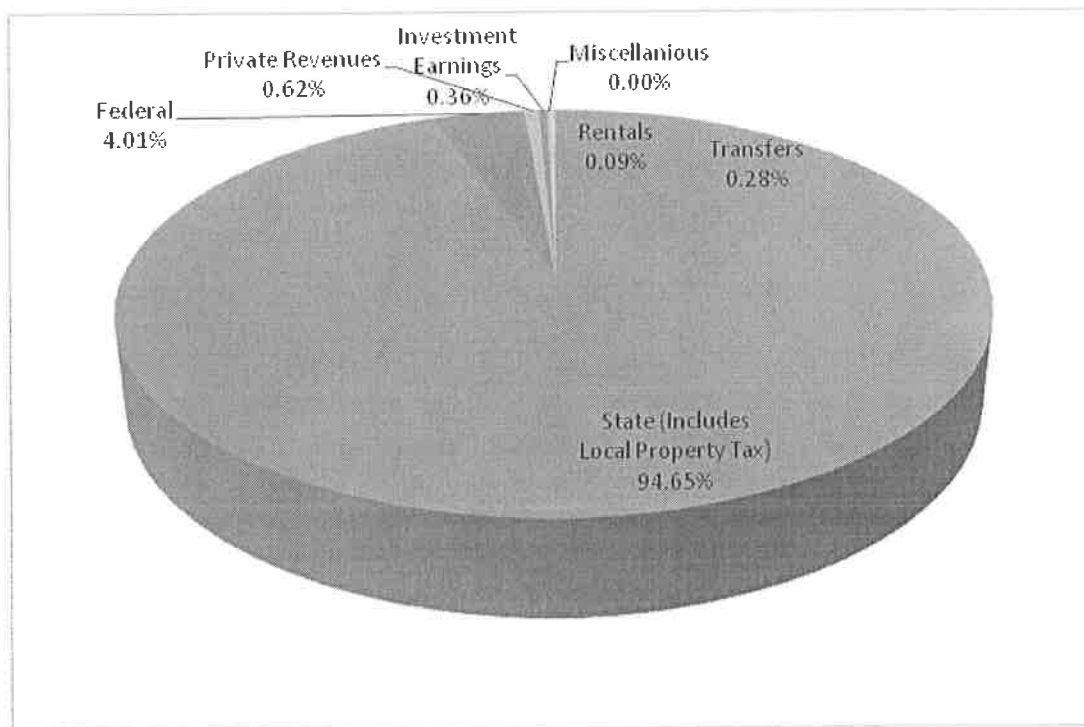
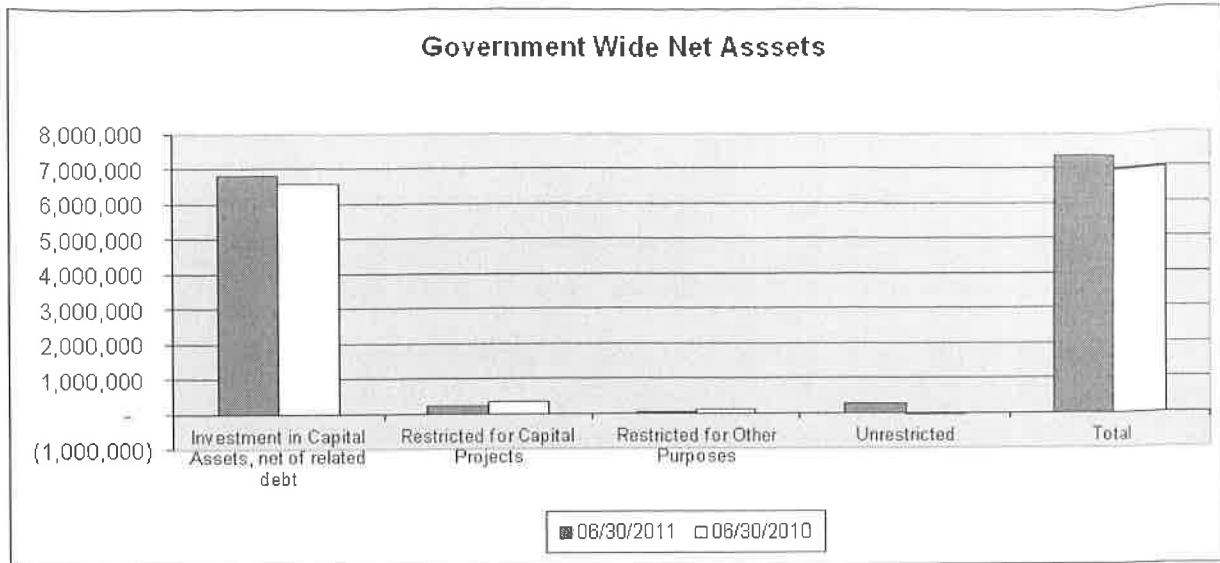
### **Government-Wide Financial Analysis**

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

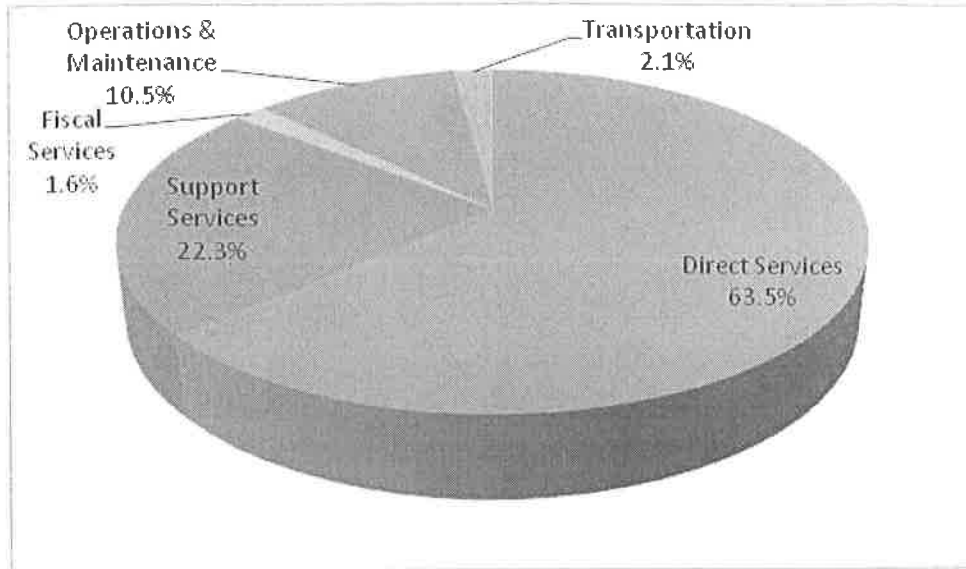
Amounts reported for governmental activities in this statement of net assets differ from the summary of financial operations because: capital (non-current) assets used in governmental activities are not financial resources and therefore, are deferred in the funds; non-current liabilities – consisting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

**Waterbury-Duxbury Union School District**  
**Statement of Net Assets and Fund Balance Reconciliation**  
**June 30, 2011**

	Summary of Financial Operations and Fund Balance	Governmental Activities Government-Wide	Difference
<b>ASSETS</b>			
<u>Current Assets:</u>			
Cash	742,062	742,062	-
Prepaid Expenses	2,159	2,159	-
<u>Accounts Receivable:</u>			
State	4,958	4,958	-
Supervisory Union	73,410	73,410	-
Other	8,792	8,792	-
<b>Total Current Assets</b>	<b>831,381</b>	<b>831,381</b>	<b>-</b>
<u>Non-current Assets:</u>			
<u>Capital Assets:</u>			
Building & Equipment, net of Accum. Depr.	-	12,834,273	(12,834,273)
<b>Total Non-current Assets</b>	<b>-</b>	<b>12,834,273</b>	<b>(12,834,273)</b>
<b>TOTAL ASSETS</b>	<b>831,381</b>	<b>13,665,654</b>	<b>(12,834,273)</b>
<b>LIABILITIES</b>			
<u>Current Liabilities:</u>			
Accounts Payable-State	95	95	-
Accounts Payable-Supervisory Union	732	732	-
Accounts Payable - Other LEA's	550	550	-
Accounts Payable - Other	222,675	222,675	-
Accrued Interest Payable	-	22,726	(22,726)
Due to Enterprise Fund	11,703	11,703	-
Deferred Revenue	19,694	19,694	-
Capital Leases Payable	-	36,192	(36,192)
Current Portion of Long-Term Obligations	-	495,000	(495,000)
<b>Total Current Liabilities</b>	<b>255,449</b>	<b>809,367</b>	<b>(553,918)</b>
<u>Non-current Liabilities:</u>			
Bonds Payable	-	5,485,000	(5,485,000)
<b>Total Non-current Liabilities</b>	<b>-</b>	<b>5,485,000</b>	<b>(5,485,000)</b>
<b>TOTAL LIABILITIES</b>	<b>255,449</b>	<b>6,294,367</b>	<b>(6,038,918)</b>
<b>NET ASSETS</b>			
Investment in Capital Assets, net of related Debt	-	6,818,081	(6,818,081)
Restricted for Capital Projects	239,353	239,353	-
Restricted for Other Purposes	44,544	44,544	-
Unrestricted	292,035	269,309	22,726
<b>TOTAL NET ASSETS</b>	<b>575,932</b>	<b>7,371,287</b>	<b>(6,795,355)</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>831,381</b>	<b>13,665,654</b>	<b>(12,834,273)</b>



Government-wide revenues consisted of \$8,471,977 in state revenues, \$358,866 in federal revenue, \$55,111 in private revenue, \$31,881 in investment earnings \$8,134 in rentals, \$101 miscellaneous revenues and \$24,950 in transfers.



Government-wide expenses (net of related program revenue) consist of \$5,434,879 in direct services, \$1,911,968 in support services, \$132,792 in fiscal services, \$900,676 in operations and maintenance and \$180,040 in transportation offset by \$6,437 in construction services for a total of \$8,554,008.

*Governmental Activities:*

Governmental Activities revenues totaled \$8,951,020 and net expenses totaled \$8,554,008 resulting in an increase in net assets of \$397,012.

*Business Type Activities:*

Business Type Activities realized a decrease in net assets of \$6,074.

**Fund Financial Analysis**

*Governmental Fund Types:*

Fund balances in the Governmental Fund types increased from \$437,664 to \$575,932, an increase of \$138,268. This increase was reflected in the General Fund by an increase of \$219,795, an increase of \$2,466 in the Special Revenue Funds and by a decrease of \$83,993 in the Capital Projects Funds.

Capital Projects Fund ending fund balance of \$231,742 is reflective of funds set aside for future specified and unspecified building needs.

*Proprietary Fund Type:*

Food service programs are offered to the students for hot lunch and breakfast. This program recognized a net loss of \$6,074 during the past year and had a retained earnings balance of \$3,778 as of June 30, 2011.

*Fiduciary Fund Types:*

Agency funds of \$52,041 were being held at the end of the year for student activities and projects.

**Capital Assets**

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

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

<b>Waterbury-Duxbury Union School District</b>			
<b>Capital Assets</b>			
<b>June 30, 2011</b>			
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Value</u>
<b>Governmental Activities:</b>			
Construction in Progress	-	-	-
Land Improvements	548,859	345,646	203,213
Buildings	6,673,380	2,073,680	4,599,700
Building Improvements	\$ 8,324,552	\$ 460,998	\$ 7,863,554
Furniture and Equipment	392,956	225,150	167,806
Other Capital Assets, Net	15,939,747	3,105,474	12,834,273
<b>Business Type Activities</b>	124,100	122,100	2,000
<b>Total</b>	<b>\$ 16,063,847</b>	<b>\$ 3,227,574</b>	<b>\$ 12,836,273</b>

**Long-Term Debt**

The District has one category of long-term debt, defined as debt due and payable beyond one year. At June 30, 2011, the District had \$5,980,000 in outstanding principal. Bond principal and interest are being paid from the General Fund.

**Current Issues**

- Act 153 requires special education, compensatory and remedial services to be provided by the Supervisory Union by July 1, 2013. The effects of this Legislation are unknown at this time as no implementation guidance has been received regarding the new legislation.

- The Waterbury and Duxbury communities were heavily damaged by flooding associated with Tropical Storm Irene in August 2011. It is unclear what effect this will have on future student enrollments at this time.

**Contact for Further Information**

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Michelle J. Baker, Business Manager, Washington West Supervisory Union, 1673 Main Street – Suite A, Waitsfield, Vermont 05673 or at (802) 496-2272 ext. 117.

Waterbury-Duxbury Union School District  
Statement of Net Assets  
Government-Wide  
June 30, 2011

EXHIBIT I

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 742,062		\$ 742,062
Accounts Receivable - State	4,958	\$ 5,838	10,796
Accounts Receivable - Supervisory Union	73,410		73,410
Accounts Receivable - Other	8,792		8,792
Due From Other Funds		1,546	1,546
Prepaid Expenses	2,159		2,159
Inventory		2,609	2,609
Capital Assets, net (Note 4)	12,834,273	2,000	12,836,273
Total Assets	13,665,654	11,993	13,677,647
<b>LIABILITIES:</b>			
Accounts Payable - State	95		95
Accounts Payable - Supervisory Union	732		732
Accounts Payable - Other LEAs	550		550
Accounts Payable - Other	222,675	8,215	230,890
Accrued Interest Payable	22,726		22,726
Due To Other Funds	11,703		11,703
Deferred Revenue	19,694		19,694
Capital Leases Payable (Note 9)	36,192		36,192
Long-Term Liabilities (Note 8):			
Due Within One Year	495,000		495,000
Due in More Than One Year	5,485,000	-	5,485,000
Total Liabilities	6,294,367	8,215	6,302,582
<b>NET ASSETS:</b>			
Investment in Capital Assets, net of related debt	6,818,081	2,000	6,820,081
Restricted for Capital Projects	239,353		239,353
Restricted for Other Purposes	44,544		44,544
Unrestricted	269,309	1,778	271,087
Total Net Assets	\$ 7,371,287	\$ 3,778	\$ 7,375,065

The accompanying notes are an integral part of these financial statements

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

EXHIBIT II

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants	Governmental Activities	Business-Type Activities	Total
Instructional:						
Direct Services	\$ 5,654,037		\$ 219,158	\$ (5,434,879)		\$ (5,434,879)
Support Services:						
Student Services	724,818			(724,818)		(724,818)
Instructional Services	394,533		500	(394,033)		(394,033)
General Administrative Services	226,368			(226,368)		(226,368)
Area Administrative Services	566,749			(566,749)		(566,749)
Fiscal Services	132,792			(132,792)		(132,792)
Building Operations and Maintenance	922,676		22,000	(900,676)		(900,676)
Transportation	318,525		138,485	(180,040)		(180,040)
Other Support Services	731		731	-		-
Operation of Noninstructional Services:						
Food Services	279,707	\$ 258,583			\$ (21,124)	(21,124)
Construction Services		-	6,347	6,347	-	6,347
Total	<u>\$ 9,220,936</u>	<u>\$ 258,583</u>	<u>\$ 387,221</u>	(8,554,008)	(21,124)	(8,575,132)
General Revenues:						
State Revenues not Restricted to Specific Programs				8,471,977		8,471,977
Federal Revenues not Restricted to Specific Programs				358,866		358,866
Private Revenues not Restricted to Specific Programs				55,111		55,111
Investment Earnings				31,881		31,881
Rentals				8,134		8,134
Miscellaneous				101		101
Transfers				24,950	15,050	40,000
Total General Revenues				<u>8,951,020</u>	<u>15,050</u>	<u>8,966,070</u>
Excess (Deficiency) of Revenues Over Expenses				397,012	(6,074)	390,938
Net Assets - Beginning				<u>6,974,275</u>	<u>9,852</u>	<u>6,984,127</u>
Net Assets - Ending				<u>\$ 7,371,287</u>	<u>\$ 3,778</u>	<u>\$ 7,375,065</u>

The accompanying notes are an integral part of these financial statements

Waterbury-Duxbury Union School District  
 Combined Balance Sheet  
 All Fund Types - Fund Base  
 June 30, 2011

EXHIBIT III

	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	General Fund	Special Revenue Fund	Capital Project Funds	Enterprise Fund	Agency Funds	
<b>ASSETS:</b>						
<b>Current Assets:</b>						
Cash	\$ 529,777		\$ 212,285		\$ 41,943	\$ 784,005
Accounts Receivable - State	4,958			\$ 5,838		10,796
Accounts Receivable - Supervisory Union	68,104	\$ 5,306				73,410
Accounts Receivable - Other	8,441	351				8,792
Due From Other Funds		28,395	27,381	1,546	10,158	67,480
Prepaid Expenses	2,159					2,159
Inventory	-	-	-	2,609	-	2,609
<b>Total Current Assets</b>	<b>613,439</b>	<b>34,052</b>	<b>239,666</b>	<b>9,993</b>	<b>52,101</b>	<b>949,251</b>
<b>Other Assets:</b>						
Fixed Assets - net	-	-	-	2,000	-	2,000
<b>Total Other Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,000</b>	<b>-</b>	<b>2,000</b>
<b>TOTAL ASSETS</b>	<b>\$ 613,439</b>	<b>\$ 34,052</b>	<b>\$ 239,666</b>	<b>\$ 11,993</b>	<b>\$ 52,101</b>	<b>\$ 951,251</b>
<b>LIABILITIES AND FUND EQUITIES:</b>						
<b>Liabilities:</b>						
Accounts Payable - State	\$ 95					\$ 95
Accounts Payable - Supervisory Union	732					732
Accounts Payable - Other LEAs	550					550
Accounts Payable - Other	221,862	\$ 500	\$ 313	\$ 8,215	\$ 60	230,950
Due to Other Funds	58,028	1,840	7,611			67,479
Deferred Revenue	19,694					19,694
Amount Held for Agency Funds	-	-	-	-	52,041	52,041
<b>Total Liabilities</b>	<b>300,961</b>	<b>2,340</b>	<b>7,924</b>	<b>8,215</b>	<b>52,101</b>	<b>371,541</b>
<b>Fund Equity:</b>						
<b>Fund Balances:</b>						
Unassigned	299,646		(7,611)			292,035
Committed	12,832		239,353			252,185
Restricted		31,712				31,712
Retained Earnings	-	-	-	3,778	-	3,778
<b>Total Fund Equities</b>	<b>312,478</b>	<b>31,712</b>	<b>231,742</b>	<b>3,778</b>	<b>-</b>	<b>579,710</b>
<b>TOTAL LIABILITIES AND FUND EQUITIES</b>	<b>\$ 613,439</b>	<b>\$ 34,052</b>	<b>\$ 239,666</b>	<b>\$ 11,993</b>	<b>\$ 52,101</b>	<b>\$ 951,251</b>

The accompanying notes are an integral part of these financial statements

Waterbury -Duxbury Union School District  
 Reconciliation of the Balance Sheet to the Statement of Net Assets  
 Governmental Funds  
 June 30, 2011

Fund Balances – total governmental funds \$ 575,932

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

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

Governmental capital assets	15,912,305
Less accumulated depreciation	(3,078,032)

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

Bonds Payable	(5,980,000)
Capital Lease Obligations	(36,192)

Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements as interest expenditure is reported when due.

(22,726)

Net Assets of Governmental Activities \$ 7,371,287

Waterbury-Duxbury Union School District  
 Combined Statement of Revenues, Expenditures and  
 Changes in Fund Balances  
 All Governmental Fund Types - Fund Base  
 For The Year Ended June 30, 2011

EXHIBIT IV

	Governmental Fund Types				Totals (Memorandum Only)
	General Fund	Special Revenue Fund	Capital Projects	Debt Service Fund	
<b>REVENUES:</b>					
Investment Income	\$ 31,228		\$ 653		\$ 31,881
Rental Income	8,134				8,134
Miscellaneous	101				101
Private/Local	52,000	\$ 33,218	2,250		87,468
State	8,608,644	2,418	4,097		8,615,159
Federal	548,142	22,406	-	-	570,548
<b>TOTAL REVENUES</b>	<b>9,248,249</b>	<b>58,042</b>	<b>7,000</b>	<b>\$ -</b>	<b>9,313,291</b>
<b>EXPENDITURES:</b>					
Direct Services	5,097,884	32,345			5,130,229
Support Services:					
Students	709,883				709,883
Instructional Staff	352,440	500			352,940
General Administration	226,368				226,368
Area Administration	553,419				553,419
Fiscal Services	132,792				132,792
Operation & Maintenance of Building	830,803	22,000			852,803
Transportation	318,525				318,525
Food Services		731			731
Construction Services			130,993		130,993
Debt Service:					
Interest Charges				296,290	296,290
Principal Retirement	-	-	-	495,000	495,000
<b>TOTAL EXPENDITURES</b>	<b>8,222,114</b>	<b>55,576</b>	<b>130,993</b>	<b>791,290</b>	<b>9,199,973</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,026,135</b>	<b>2,466</b>	<b>(123,993)</b>	<b>(791,290)</b>	<b>113,318</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In			40,000	791,290	831,290
Transfers Out	(806,340)	-	-	-	(806,340)
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>219,795</b>	<b>2,466</b>	<b>(83,993)</b>	<b>-</b>	<b>138,268</b>
<b>FUND BALANCE, JULY 1, 2010</b>	<b>92,683</b>	<b>29,246</b>	<b>315,735</b>	<b>-</b>	<b>437,664</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ 312,478</b>	<b>\$ 31,712</b>	<b>\$ 231,742</b>	<b>\$ -</b>	<b>\$ 575,932</b>

The accompanying notes are an integral part of these financial statements

Waterbury -Duxbury Union School District  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of  
 Governmental Funds to the Statement of Activities  
 For The Year Ended June 30, 2011

Net Changes in fund Balances – total governmental funds \$ 138,268

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

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

Expenditures for capital assets	125,503
Less current year depreciation	(368,926)

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

Repayment of bonds	495,000
Repayment of capital lease obligations	5,202

Expense reported in the Statement of Activities does not require  
 the use of current financial resources and is therefore not  
 reported as expenditures in governmental funds:

Accrued Interest Change	<u>1,965</u>
-------------------------	--------------

Change in Net Assets of Governmental Funds \$ 397,012

Waterbury-Duxbury Union School District  
Statement of Revenues, Expenditures and  
Changes in Retained Earnings  
Proprietary Fund Type - Enterprise Fund  
Food Program  
For The Year Ended June 30, 2011

EXHIBIT V

Operating Revenues:		
Sales	\$ 159,654	
Other	<u>340</u>	
Total Operating Revenues		\$ 159,994
Operating Expenses:		
Salaries and Benefits	160,171	
Supplies and Food	91,984	
Utilities	3,099	
Commodities	17,527	
Equipment	851	
Depreciation	<u>6,075</u>	
Total Operating Expenses		<u>279,707</u>
Operating Income (Loss)		(119,713)
Non-Operating Revenue:		
Insurance Reimbursement		
State Sources:		
State Match	2,910	
Child Nutrition Breakfast	528	
Child Nutrition Other	625	
Federal Sources:		
Restricted Grants:		
School Breakfast Program	14,781	
School Lunch Program	63,486	
Commodities	<u>16,259</u>	
Total Non-Operating Revenue		<u>98,589</u>
Income (Loss) Before Transfers		(21,124)
Operating Transfers In (Out)		<u>15,050</u>
Net Income (Loss)		(6,074)
Retained Earnings, July 1, 2010		<u>9,852</u>
Retained Earnings, June 30, 2011		<u>\$ 3,778</u>

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The accompanying notes are an integral part of these financial statements

Waterbury-Duxbury Union School District  
Statement of Cash Flows  
Proprietary Fund Type - Enterprise Fund  
Food Program  
For The Year Ended June 30, 2011

EXHIBIT VI

Cash Flows From Operating Activities:		
Received From Customers	\$ 161,430	
Payments To Employees and Fringe Benefits	(161,123)	
Payments To Vendors and Supplies	<u>(109,564)</u>	
Net Cash Used By Operating Activities		\$ (109,257)
Cash Flows From Noncapital Financing Activities:		
State Aid Received	92,751	
Support From General Fund	<u>16,506</u>	
Net Cash Used By Noncapital Financing Activities		109,257
Cash Flows From Capital and Related Financing Activities:		
None		-
Cash Flows From Investing Activities:		
None		<u>-</u>
Net Increase (Decrease) in Cash		-
Cash, July 1, 2010		<u>-</u>
Cash, June 30, 2011		<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Used By Operating Activities:		
Cash Provided From Operating Activities:		
Operating Income (Loss)		\$ (119,713)
Adjustments to Reconcile Net Income to Cash Provided (Used) By Operating Activities:		
Depreciation	\$ 6,075	
(Increase) Decrease in Accounts Receivable - Other	1,436	
Increase (Decrease) in Accounts Payable - Other	3,897	
Increase (Decrease) in Accrued Expenses	<u>(952)</u>	
Total Adjustments		<u>10,456</u>
Net Cash Provided (Used) By Operating Activities		<u>\$ (109,257)</u>

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The accompanying notes are an integral part of these financial statements

Waterbury -Duxbury Union School District  
Notes to Financial Statements  
For The Year Ended June 30, 2011

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

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

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

Reporting Entity:

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

Government -Wide and Fund Financial Statements:

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

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

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

Waterbury -Duxbury Union School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2011

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

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

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

Governmental Fund Types:

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

Proprietary Fund Types:

Proprietary Fund – The Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues result from providing goods and services in connection with a proprietary fund’s principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are nonoperating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are nonoperating.

Waterbury -Duxbury Union School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2011

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

Fiduciary Funds (Agency Funds):

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

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

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

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

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

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

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

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended

Waterbury -Duxbury Union School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2011

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

by the end of the project period, grantors sometimes require the Union School District to refund all or part of the unused amount.

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting . This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The Union School District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Assets. The fund equity is segregated into invested in capital assets net of related debt, restricted net assets, and unrestricted net assets.

Other Accounting Policies:

Cash and Cash Equivalents:

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

Interfund Receivables and Payables:

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

Accounts Receivable:

The accounts receivable balances at year end are from governmental entities, except in the proprietary funds which may have some receivables from individuals, and no allowance for doubtful accounts is considered necessary.

Inventory:

Inventories consist of expendable items held for consumption. They are valued at cost on a first-in, first-out basis. In the governmental funds, the cost of inventories is recorded as an expenditure when individual items are purchased. Reported inventories are equally offset by a fund balance reserve to indicate that they do not constitute “available spendable resources” even though they are a component of net current assets.

Waterbury -Duxbury Union School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2011

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

Prepaid Items:

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

Capital Assets:

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

Long-term Debt:

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

Budgets:

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

Encumbrances:

Encumbrance accounting, under which purchase orders, contracts and other commitments for the

Waterbury -Duxbury Union School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2011

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

expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Projects Fund. Encumbrances are not liabilities and, therefore, should not be recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Union School District has elected to treat its encumbrances as liabilities for budgetary control purposes.

Net Assets and Fund Balance:

Government -Wide Financial Statements:

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

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

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

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

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

Fund Based Financial Statements:

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

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

Waterbury -Duxbury Union School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2011

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

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

Restricted Fund Balance – Includes amounts that can be spent only for the specific Purposes stipulated by constitution, external resource providers, or through enabling legislation.

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

Function and Object Codes:

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

Memorandum Only Columns:

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

**NOTE 2 - CASH AND REPURCHASE AGREEMENTS**

Cash deposits with financial institutions at June 30th amounted to \$784,005 . As major revenues are received during the year bank deposits may temporarily exceed insured limits.

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

These four levels of risk are as follows:

- Category 1 Deposits which are insured or collateralized with securities held by the Union School District or by its agent in the Union School District’s name. (repurchase agreements)

Waterbury -Duxbury Union School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2011

**NOTE 2 - CASH AND REPURCHASE AGREEMENTS (CONTINUED)**

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

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

Balances held in each area are as follows:

	Carrying Amount	Bank Balance
- Insured (FDIC) and/or (SIPC)	\$506,736	\$ 545,280
- Category 1	0	0
- Category 2	277,270	277,270
- Category 3	0	968,400
- Category 4	0	0
Total deposits	\$784,005	\$1,790,949

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

Collateralization agreements of \$277,270 are securities held by the bank's trust department or agent in the bank's name. Securities consist of municipal bonds, U.S. Government obligations and U.S. Government Agency Bonds.

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

**NOTE 3 - INTERFUND RECEIVABLES**

In compliance with GASB 1300.109 Union School District does not maintain separate bank accounts for each fund, unless it is required by law, or grant agreement. The composition of amounts due to and from other funds as of June 30, 2011 is as follows:

Waterbury -Duxbury Union School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2011

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

Fund Financial Statements:		
Receivable Fund	Payable Fund	Amount
Agency Fund:		
Waterbury School District	General Fund	\$ 4,225
Duxbury School District	General Fund	5,933
Special Revenue Fund:		
Water Damage	General Fund	21,973
Tobacco Grant	General Fund	633
Safe Routes to School	General Fund	406
ELF – IBM Grant	General Fund	1,000
Mobil Grant	General Fund	466
Art/Music Enrichment	General Fund	679
Banners – Displays – TG	General Fund	97
LEGO Robotics	General Fund	9
Taber merchants Library	General Fund	2,012
Fabrics & Fibers Grant	General Fund	1
Garden in Every School	General Fund	619
E-reader Grant	General Fund	500
	Special Revenue Fund:	
General Fund	Drug Free Schools	1,840
Capital Project Fund:		
Construction	General Fund	27,381
	Capital Project Fund:	
General Fund	Building Renovations	7,611
Enterprise Fund:		
Food Program	General Fund	<u>1,546</u>
Total		<u>\$76,931</u>
Government -Wide Financial Statements:		
Receivable Fund	Payable Fund	Amount
Business Type	Governmental Type	\$ 1,546
General Purpose Trust	Governmental Type	<u>10,158</u>
Total		<u>\$11,704</u>

**NOTE 4 – CAPITAL ASSETS**

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

Waterbury -Duxbury Union School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2011

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

	<u>Primary Government</u>			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depr.				
Construction in Progress	\$ 8,097,360	\$ 125,503	\$8,222,863	\$ 0
Total capital assets not being depreciated	<u>8,097,360</u>	<u>125,503</u>	<u>8,222,863</u>	<u>0</u>
Other Capital Assets:				
Land Improvements	445,416	103,443	0	548,859
Buildings	6,673,380	0	0	6,673,380
Building Improvements	300,516	8,024,036	0	8,324,552
Furniture and Equipment	<u>297,572</u>	<u>95,384</u>	<u>0</u>	<u>392,956</u>
Total other capital assets at historical costs	<u>7,716,884</u>	<u>8,222,863</u>	<u>0</u>	<u>15,939,747</u>
Less accumulated depreciation:				
Land Improvements	318,204	27,442	0	344,646
Buildings	1,942,260	131,420	0	2,073,680
Building Improvements	300,516	160,482	0	460,998
Furniture and Equipment	<u>175,568</u>	<u>49,582</u>	<u>0</u>	<u>225,150</u>
Total accum. depr.	<u>2,536,548</u>	<u>368,926</u>	<u>0</u>	<u>2,905,474</u>
Other Capital Assets, Net	<u>4,980,336</u>	<u>7,853,937</u>	<u>0</u>	<u>12,834,273</u>
Governmental activities Capital Assets, Net	<u>\$13,077,696</u>	<u>\$7,979,440</u>	<u>\$8,222,863</u>	<u>\$12,834,273</u>
Business -type activities:				
Furniture and Equipment	\$ 124,100	\$ 0	\$ 0	\$ 124,100
Less accum. Depr.	<u>116,025</u>	<u>6,075</u>	<u>0</u>	<u>122,100</u>
Business -type activities Capital Assets, Net	<u>\$ 8,075</u>	<u>\$ (6,075)</u>	<u>\$ 0</u>	<u>\$ 2,000</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Direct Services	\$278,834
Support Services:	
Students	9,048
Instructional Staff	23,933
General Administration	0

Waterbury -Duxbury Union School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2011

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

Support Services (continued):	
Area Administration	\$ 7,443
Fiscal Services	0
Operation and Maintenance of Plant	49,668
Transportation	0
Other Support Services	<u>0</u>
Total governmental activities depreciation expense	<u>\$368,926</u>

**NOTE 5 - DEFERRED REVENUE**

The deferred revenues reported at year end are summarized as following:

State funds - Medicaid	<u>\$ 19,695</u>
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**NOTE 6 - SICK LEAVE**

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

Teachers:

Effective July 1, 2007, all returning teachers shall receive the maximum entitlement of ninety (90) paid sick days for the 2007-2008 school year; thereafter, such teachers shall be entitled to twenty (20) paid sick leave days per year, accumulating to a maximum entitlement of ninety (90) days at any given time.

Support Staff:

Effective July 1, 2009, all returning support staff shall be credited with the number of comprehensive leave days he or she had remaining on June 30, 2009; thereafter, all full year support staff shall be entitled to (12) twelve paid sick days per year, accumulating to a maximum of (90) ninety days. All partial year (school year) support staff shall be entitled to (10) ten paid sick days per year, accumulating to a maximum of (90) ninety days.

There are no sick leave buyback provisions.

Waterbury -Duxbury Union School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2011

**NOTE 7 - RETIREMENT INCENTIVES**

From time to time the Board may desire to offer an early retirement incentive to teachers. The decision to offer such an incentive is at the Board's discretion. No such incentive was offered for the 2010-2011 school year.

**NOTE 8 - LONG-TERM DEBT**

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

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

	Balance July 1, 2010	Borrowings	Retirements	Balance June 30, 2011
Vermont Municipal Bond Bank, bond payable, interest at 5.672%, interest paid semi-annually, principle of \$205,000 due on December 1 <sup>st</sup> of each year until 2009, then \$200,000 due on December 1 <sup>st</sup> of each year until 2016, originally borrowed \$4,060,000 on July 11, 1998 for construction of building.	\$1,400,000	\$ 0	\$200,000	\$1,200,000
Vermont Municipal Bond Bank, bond payable, interest at 4.01%, interest paid semi-annually, principle of \$15,000 due on December 1 <sup>st</sup> of each year until 2014, then \$10,000 due on December 1 <sup>st</sup> of each year until 2015, originally borrowed \$150,000 on July 15, 2005 for roof improvements .	70,000	0	15,000	55,000
Vermont Municipal Bond Bank, bond payable, interest at 4.508%, interest paid semi-annually, principle of \$280,000				

Waterbury -Duxbury Union School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2011

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

	Balance July 1, 2010	Borrowings	Retirements	Balance June 30, 2011
due on December 1 <sup>st</sup> of each year until 2021, then \$275,000 due on December 1 <sup>st</sup> of each year until 2027, originally borrowed \$5,565,000 on July 26, 2007 for building renovations.	<u>\$5,005,000</u>	<u>\$ 0</u>	<u>\$280,000</u>	<u>\$4,725,000</u>
Total Long-Term Debt	<u>\$6,475,000</u>	<u>\$ 0</u>	<u>\$495,000</u>	<u>\$5,980,000</u>

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

	Principal	Interest	Total
During the year ended June 30, 2012	\$ 495,000	\$ 272,711	\$ 767,711
2013	495,000	248,832	743,832
2014	495,000	224,669	719,669
2015	490,000	200,351	690,351
2016	480,000	176,076	656,076
Thereafter	<u>3,525,000</u>	<u>922,862</u>	<u>4,447,862</u>
Totals	<u>\$5,980,000</u>	<u>\$2,045,500</u>	<u>\$8,025,500</u>

**NOTE 9 - CAPITAL LEASES**

On July 1, 2009, the Waterbury -Duxbury Union School District entered into a noncancellable lease agreement with Hewlett Packard for the lease of a many Compaq computers. This lease agreement qualifies as a capital lease, for accounting purposes and thus, has been recorded at the present value of the future minimum lease payments at the inception of the lease in the general long-term debt account group. The total amount due is \$45,679, to be paid in yearly installments of \$16,085 over 3 years with a buyout at the end of \$1.

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

During the year ended June 30, 2012	\$16,085
Thereafter	<u>0</u>
Total minimum lease payments	16,085

Waterbury -Duxbury Union School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2011

**NOTE 9 - CAPITAL LEASES (CONTINUED)**

Less amount representing interest	\$ 874
Present value of minimum lease payments	<u>\$15,211</u>

Interest rate on the capitaliz ed lease is approximately 5.752 percent.

On July 1, 2009 the Waterbury -Duxbury Union School District entered into a non-cancellable lease agreement with Apple for the lease of iMac computers. This lease agreement qualifies as a capital lease, for accounting purposes and thus, has been recorded at the present value of the future minimum lease payments at the inception of the lease in the general long-term debt account group. The total amount due is \$64,700.43, to be paid in yearly installments of \$21,566.81 over 3 years with a buyout at the end of \$1.

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

During the year ended June 30, 2012	\$21,566
Thereafter	<u>0</u>
Total minimum lease payments	21,566
Less amount representing interest	<u>585</u>
Present value of minimum lease payments	<u>\$20,981</u>

Interest rate on the capitalized lease is approximately 2.8 percent.

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

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

General Fund:	
Fiscal Year 11-12 Budget	<u>\$ 12,832</u>
Special Revenue Funds:	
Fabrics & Fibers Grant	\$ 1
Water Damage	21,973

Waterbury -Duxbury Union School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2011

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

Special Revenue Funds (continued):

Tobacco Grant	\$ 4,450
ELF IBM Grant	1,000
Mobil Grant	466
Art/Music Enrichment	679
Banners	97
LEGO Robotics	9
Safe Route to School	406
Tabor Merchants Library	2,012
Garden in Every School	<u>619</u>
Total	<u>\$ 31,712</u>

Capital Projects Fund:

Construction Project	\$ 27,381
Maintenance Reserve	<u>212,285</u>
Total	<u>\$239,666</u>

**NOTE 11 – NET ASSETS RESTRICTED (Government -Wide Financial Statements)**

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

Net Assets Restricted For Capital Projects:

Construction Project	\$ 27,381
Maintenance Reserve	<u>212,285</u>
Total	<u>\$239,666</u>

Net Assets Restricted For Other Purposes:

Fiscal Year 11-12 Budget	\$ 12,832
Fabrics & Fibers Grant	1
Water Damage	21,973
Tobacco Grant	4,450
ELF IBM Grant	1,000
Mobil Grant	466
Art/Music Enrichment	679

Waterbury -Duxbury Union School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2011

**NOTE 11 – NET ASSETS RESTRICTED (Government -Wide Financial Statements)**  
**(CONTINUED)**

Net Assets Restricted For Other Purposes (continued):

Banners	\$ 97
LEGO Robotics	9
Safe Route to School	406
Tabor Merchants Library	2,012
Garden in Every School	<u>619</u>
Total	<u>\$ 44,544</u>

**NOTE 12 - PENSIONS**

**VERMONT TEACHERS' RETIREMENT SYSTEM**

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

Required contributions to the system are made by the State of Vermont based upon a valuation report prepared by the System's actuary. TRS is a cost sharing public employee retirement system with one exception: all risks and costs are not shared by the Union School District but are the liability of the State of Vermont. TRS is funded through state and employee contributions and the Union School District has no legal obligation for paying benefits. The Vermont State Teachers Retirement System estimates the contributions on behalf of the Union School District's employees included in the teacher's retirement plan as required by Government Accounting Standards Board (GASB) Statement 24 to be 7.74% or approximately \$294,885.

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

Contributions by the employees are 5% of gross earnings and are withheld pre income tax by the Union School District. Such withholdings totaled \$190,496 during the year and were paid by the Union School District to the State of Vermont. The Union School District has no other liability under the plan. The Union School District's total payroll for all employees during the year was

Waterbury -Duxbury Union School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2011

**NOTE 12 – PENSIONS (CONTINUED)**

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

\$5,031,134 , with \$3,809,880 of such amount related to employees covered by the retirement plan.

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

**VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**

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

The System is an actuarial reserve, joint-contributory program. Both the members and the Union School District make contributions to the fund according to the following schedule:

	Group A	Group B	Group C	Group D
Employees' Contributions (% of gross wages)	2.5%	4.5%	9.0%	11.0%
The School District's contributions (% of gross wages)	4.0%	5.0%	6.5%	9.5%

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

Employee contributions are withheld pre income tax by the Union School District and are remitted to the State of Vermont. Such withholdings totaled \$39,251 during the year. The Union School District contributed \$43,612 during the year. The Union School District's total payroll for all employees during the year was \$5,031,134 , with \$872,249 of such amount related to employees covered by the Vermont Municipal Employees' Retirement System.

Waterbury -Duxbury Union School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2011

**NOTE 13 - RISK MANAGEMENT**

The Union School District is exposed to various risks of loss related to limited torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Union School District carries commercial insurance. There have been no significant reductions in coverage from the prior year. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Union School District.

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

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

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

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

Multi-Line Intermunicipal School Program provides coverage for Property; Inland Marine and Boiler & Machinery; Crime; Commercial General Liability; Automobile/Garagekeepers; and

Waterbury -Duxbury Union School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2011

**NOTE 13 - RISK MANAGEMENT (CONTINUED)**

Educators legal Liability. Annual contributions are based upon appropriate rates applicable to each Member; such rates are set based on recommendations of a qualified actuary, plus a proportionate share of all operational and administrative cost including excess reinsurance premiums incurred by the trust. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and VSBIT is unable to meet its required obligations, the Program will be terminated with each members assessed their proportionate share of the deficit.

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

**NOTE 14 - OPERATING LEASES**

On July 18, 2008 Waterbury -Duxbury Union School District entered into a lease agreement with GE Capital for the lease of 4 Xerox copiers. The total amount due is \$49,800, to be paid in monthly installments of \$1,037.50 plus extra for overage and maintenance over 4 years. The following is a schedule of future minimum lease payments under this lease.

During the year ended June 30, 2012	\$12,450
2013	1,038
Thereafter	<u>0</u>
Total	<u>\$13,488</u>

Total minimum lease payments made this year were \$12,450

**NOTE 15 - SUBSEQUENT EVENTS**

On July 1, 2011, the Union School District borrowed \$750,000 in a Tax Anticipation Note from People's United Bank at 1.79%. The interest and principal are due at maturity on June 29, 2012.

On June 24, 2011, the Union School District entered into an agreement with SB Collins, Inc. for a fixed prepaid rate for 45,000 gallons of fuel @ \$3.298 per gallon. The minimum cost to the Union School District for June 30, 2012, will be \$148,410.

Waterbury -Duxbury Union School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2011

**NOTE 16 - COMMITMENTS**

The Union School District participates in various state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Union School District has not complied with the rules and regulations governing the grants, refunds of any money recovered may be required and the collectibility of any related receivable at June 30, 2011 may be impaired. In the opinion of the Union School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

**NOTE 17 - RELATED PARTY**

The Union School District has an ongoing financial responsibility to Washington West Supervisory Union as defined in GASB 14, paragraph 71. Through Washington West Supervisory Union's assessment process, the Union School District's assessment can be increased to cover a share of any prior year deficits and decreased to share in any prior year surpluses. Included in the assessment process is a transportation agreement between the Supervisory Union and First Student through 2012, on behalf of the Waterbury -Duxbury Union School District. Separate financial statements on Washington West Supervisory Union are available from Washington West Supervisory Union.

The Waterbury -Duxbury Union School District provides services to the following school and school districts:

Duxbury School District

Waterbury School District

Each District has an ongoing financial responsibility to the Union School District as defined in GASB 14 paragraph 71.

**NOTE 18 - CONTINGENCY**

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

Waterbury -Duxbury Union School District  
Notes to Financial Statements (continued)  
For The Year Ended June 30, 2011

**NOTE 18 – CONTINGENCY (CONTINUED)**

The Union School District received State construction aid in the past for various projects. In the event that the school building was to be sold, this construction aid would have to be repaid out of the proceeds. The amount of State construction aid received since July 1970 is available only from the State of Vermont who at this time is unwilling to provide the amount to the School District. The amount of State construction aid is thought to be material.

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

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Investment Income		\$ 75,000	\$ 31,228	\$ (43,772)
After School Program		2,500	-	(2,500)
Building Use		-	8,134	8,134
Miscellaneous		-	101	101
Private/Local:				
Medicaid		52,000	52,000	-
State:				
Education Spending Grant		7,941,602	7,670,608	(270,994)
Transportation Aid		103,087	138,485	35,398
Mainstream Block Grant		218,363	218,363	-
Intensive Reimbursement		453,435	520,165	66,730
Early Essential Education		61,023	61,023	-
Federal:				
ARRA Education Spending Grant		-	270,994	270,994
School Wide Program		158,501	137,074	(21,427)
Title I School Improvement		-	12,560	12,560
IDEA-B		130,000	120,365	(9,635)
IDEA-B Preschool		4,000	1,000	(3,000)
ARRA IDEA-B Preschool		-	6,149	6,149
		<u>9,199,511</u>	<u>9,248,249</u>	<u>48,738</u>
<b>TOTAL REVENUES</b>				
<b>EXPENDITURES:</b>				
Elementary School:				
Regular Instruction 1100:				
Salaries	110	1,036,772	997,798	38,974
Long-Term Substitute Salaries	110	-	23,850	(23,850)
Mentoring Salaries	110	-	2,250	(2,250)
Report Card Committee Salaries	110	-	3,124	(3,124)
Tutors/Summer Salaries	112	7,500	-	7,500
Aides Salaries	115	5,898	5,262	636
Temporary Salaries	120	20,300	32,687	(12,387)
Personal Day Reimbursement	125	2,077	2,079	(2)
Health Insurance	210	214,582	214,097	485
Section 125 Plan	211	2,442	429	2,013
Insurance Compensation	212	1,400	896	504
Social Security	220	81,498	80,783	715
Life Insurance	230	5,184	4,623	561

The accompanying notes are an integral part of these financial statements

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

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Retirement	240	\$ 294	\$ 310	\$ (16)
Workers Compensation	250	5,347	6,411	(1,064)
Unemployment Compensation	260	1,184	1,258	(74)
Professional Development	270	27,790	30,229	(2,439)
Dental Insurance	280	9,855	10,932	(1,077)
Professional Services	330	500	2,258	(1,758)
Testing Services	332	500	473	27
Copier	410	10,000	8,637	1,363
Travel	580	525	824	(299)
Supplies	610	30,800	35,459	(4,659)
Books and Periodicals	640	34,000	31,108	2,892
Equipment	730	900	2,418	(1,518)
Dues and Fees	810	1,500	1,300	200
Subtotal		<u>1,500,848</u>	<u>1,499,495</u>	<u>1,353</u>
Regular Education - Early Education 1100:				
Salaries	110	54,858	51,085	3,773
Long-Term Substitute Salaries	110	-	4,381	(4,381)
Aide Salaries	115	-	7,884	(7,884)
Personal Day Reimbursement	125	132	-	132
Insurance Compensation	212	329	1,260	(931)
Social Security	220	4,207	4,942	(735)
Life Insurance	230	355	352	3
Workers Compensation	250	284	324	(40)
Unemployment Compensation	260	120	65	55
Professional Development	270	1,800	136	1,664
Contract Services	330	139,200	143,758	(4,558)
Purchased Services	332	1,242	219	1,023
Professional Services	333	70	-	70
Supplies	610	440	-	440
Books and Periodicals	640	200	46	154
Subtotal		<u>203,237</u>	<u>214,452</u>	<u>(11,215)</u>
Art 1102:				
Salaries	110	49,357	49,357	-
Personal Day Reimbursement	125	88	64	24
Health Insurance	210	296	-	296
Insurance Compensation	212	560	560	-
Social Security	220	3,783	3,824	(41)
Life Insurance	230	247	245	2

The accompanying notes are an integral part of these financial statements

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

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Workers Compensation	250	\$ 255	\$ 295	\$ (40)
Unemployment Compensation	260	60	58	2
Professional Development	270	1,200	-	1,200
Supplies	610	3,085	2,846	239
Books and Periodicals	640	175	110	65
Subtotal		<u>59,106</u>	<u>57,359</u>	<u>1,747</u>
ESL 1106:				
Salaries	110	42,148	42,148	-
Personal Day Reimbursement	125	110	-	110
Health Insurance	210	5,967	9,403	(3,436)
Social Security	220	3,233	3,116	117
Life Insurance	230	224	221	3
Workers Compensation	250	218	252	(34)
Unemployment Compensation	260	60	50	10
Professional Development	270	1,500	-	1,500
Dental Insurance	280	411	650	(239)
Supplies	610	300	634	(334)
Books and Periodicals	640	300	-	300
Subtotal		<u>54,471</u>	<u>56,474</u>	<u>(2,003)</u>
Physical Education 1108:				
Salaries	110	61,560	65,870	(4,310)
Personal Day Reimbursement	125	138	98	40
Health Insurance	210	15,427	15,060	367
Insurance Compensation	212	-	175	(175)
Social Security	220	4,720	4,887	(167)
Life Insurance	230	378	326	52
Workers Compensation	250	318	366	(48)
Unemployment Compensation	260	120	73	47
Professional Development	270	1,875	-	1,875
Dental Insurance	280	411	408	3
Supplies	610	1,500	1,070	430
Subtotal		<u>86,447</u>	<u>88,333</u>	<u>(1,886)</u>
Music 1112:				
Salaries	110	41,135	49,041	(7,906)
Personal Day Reimbursement	125	88	142	(54)
Health Insurance	210	4,818	-	4,818
Social Security	220	3,154	3,760	(606)
Life Insurance	230	220	245	(25)

The accompanying notes are an integral part of these financial statements

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

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Workers Compensation	250	\$ 213	\$ 248	\$ (35)
Unemployment Compensation	260	60	49	11
Professional Development	270	1,200	-	1,200
Dental Insurance	280	329	34	295
Contract Services	330	700	768	(68)
Supplies	610	1,000	861	139
Books and Periodicals	640	500	583	(83)
Equipment	730	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Subtotal		<u>54,417</u>	<u>56,731</u>	<u>(2,314)</u>
Special Education 1200:				
Salaries	110	157,474	160,547	(3,073)
Tutor	112	26,000	21,675	4,325
Aide	115	165,158	156,962	8,196
Temporary	120	23,575	20,413	3,162
Personal Day Reimbursement	125	1,467	840	627
Health Insurance	210	100,392	95,145	5,247
Insurance	212	2,681	2,933	(252)
Social Security	220	28,791	27,014	1,777
Life Insurance	230	1,910	1,330	580
Retirement	240	8,744	7,969	775
Workers Compensation	250	1,770	2,230	(460)
Unemployment Compensation	260	939	439	500
Professional Development	270	5,443	13,087	(7,644)
Dental Insurance	280	2,267	2,099	168
Counseling Services	330	-	1,149	(1,149)
Testing Services	332	-	7,666	(7,666)
Related Services	333	9,500	7,315	2,185
Postage	531	-	83	(83)
Transition Services	564	400	-	400
Travel	580	500	374	126
Supplies	610	3,300	2,008	1,292
Books and Periodicals	640	2,300	388	1,912
Software	650	900	-	900
Equipment	730	<u>4,050</u>	<u>3,530</u>	<u>520</u>
Subtotal		<u>547,561</u>	<u>535,196</u>	<u>12,365</u>
Essential Early Education 1200:				
Salaries	110	25,543	26,288	(745)
Tutor	112	270	4,140	(3,870)

The accompanying notes are an integral part of these financial statements

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

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Aide	115	\$ 25,617	\$ 29,196	\$ (3,579)
Personal Day Reimbursement	125	237	40	197
Health Insurance	210	21,704	26,960	(5,256)
Social Security	220	3,953	4,285	(332)
Life Insurance	230	423	276	147
Retirement	240	1,281	1,498	(217)
Workers Compensation	250	272	301	(29)
Unemployment Compensation	260	180	61	119
Professional Development	270	923	167	756
Dental Insurance	280	387	384	3
Testing Services	332	5,000	350	4,650
Related Services	333	(2,416)	-	(2,416)
Supplies	610	550	429	121
Equipment	730	2,000	525	1,475
Subtotal		<u>85,924</u>	<u>94,900</u>	<u>(8,976)</u>
Compensatory Education 1250:				
Salaries	110	62,089	63,273	(1,184)
Aide Salaries	115	11,545	7,796	3,749
Personal Day Reimbursement	125	195	119	76
Health Insurance	210	18,751	16,667	2,084
Social Security	220	5,648	5,195	453
Life Insurance	230	689	324	365
Retirement	240	577	390	187
Workers Compensation	250	384	449	(65)
Unemployment Compensation	260	279	87	192
Professional Development	270	1,720	200	1,520
Dental Insurance	280	857	851	6
Supplies	610	1,000	1,072	(72)
Books and Periodicals	640	750	159	591
Subtotal		<u>104,484</u>	<u>96,582</u>	<u>7,902</u>
Early Education - Compensatory Education 1250:				
Salaries	110	-	77	(77)
Social Security	220	-	6	(6)
Subtotal		<u>-</u>	<u>83</u>	<u>(83)</u>
School Wide Program 1270:				
Salaries	110	93,843	93,843	-
Aide Salaries	115	-	(315)	315
Personal Day Reimbursement	125	198	-	198

The accompanying notes are an integral part of these financial statements

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

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Health Insurance	210	\$ 563	\$ -	\$ 563
Insurance Compensation	212	1,260	1,261	(1)
Social Security	220	7,194	6,335	859
Life Insurance	230	571	486	85
Workers Compensation	250	485	546	(61)
Unemployment Compensation	260	180	111	69
Professional Development	270	2,700	-	2,700
Dental Insurance	280	165	163	2
Subtotal		<u>107,159</u>	<u>102,430</u>	<u>4,729</u>
Home School Coordinator/Family Support 2113:				
Aides Salaries	115	25,352	24,885	467
Personal Day Reimbursement	125	105	-	105
Health Insurance	210	5,911	5,912	(1)
Social Security	220	1,947	1,854	93
Life Insurance	230	131	95	36
Retirement	240	1,268	1,244	24
Workers Compensation	250	139	140	(1)
Unemployment Compensation	260	60	28	32
Professional Development	270	100	-	100
Home School Coordinator	320	26,000	21,272	4,728
Subtotal		<u>61,013</u>	<u>55,430</u>	<u>5,583</u>
Guidance 2120:				
Salaries	110	46,193	46,193	-
Personal Day Reimbursement	125	110	-	110
Health Insurance	210	15,334	12,048	3,286
Social Security	220	3,542	3,305	237
Life Insurance	230	237	204	33
Workers Compensation	250	239	277	(38)
Unemployment Compensation	260	60	54	6
Professional Development	270	1,500	1,097	403
Dental Insurance	280	1,165	-	1,165
Travel	580	100	-	100
Supplies	610	150	111	39
Books and Periodicals	640	125	45	80
Subtotal		<u>68,755</u>	<u>63,334</u>	<u>5,421</u>
Health Services 2130:				
Salaries	110	68,856	71,450	(2,594)
Personal Day Reimbursement	125	110	(6)	116

The accompanying notes are an integral part of these financial statements

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

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Health Insurance	210	\$ 11,645	\$ 11,234	\$ 411
Insurance Compensation	212	-	175	(175)
Social Security	220	5,276	5,225	51
Life Insurance	230	273	355	(82)
Workers Compensation	250	294	410	(116)
Unemployment Compensation	260	60	81	(21)
Professional Development	270	1,500	1,579	(79)
Dental Insurance	280	774	769	5
Contract Services	330	500	363	137
Repairs and Maintenance	430	200	192	8
Travel	580	100	-	100
Supplies	610	880	1,007	(127)
Books and Periodicals	640	50	-	50
Subtotal		90,518	92,834	(2,316)
Psychological Services 2140:				
Contract Services	330	23,000	15,838	7,162
Subtotal		23,000	15,838	7,162
EEE Psychological Services 2140:				
Contract Services	330	7,016	6,149	867
Subtotal		7,016	6,149	867
Speech Language Pathologist 2150:				
Salaries	110	138,756	138,756	-
Personal Day Reimbursement	125	286	135	151
Health Insurance	210	33,861	33,034	827
Insurance Compensation	212	-	38	(38)
Social Security	220	10,637	9,766	871
Life Insurance	230	716	703	13
Workers Compensation	250	717	830	(113)
Unemployment Compensation	260	180	164	16
Professional Development	270	3,900	2,798	1,102
Dental Insurance	280	2,403	2,388	15
Contract Services	333	1,350	6,482	(5,132)
Supplies	610	2,200	2,935	(735)
Subtotal		195,006	198,029	(3,023)
EEE Speech Language Pathologist 2150:				
Contract Services	330	-	1,562	(1,562)
Subtotal		-	1,562	(1,562)

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

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Occupational Therapy 2160:				
Contract Services	330	\$ 10,000	\$ 16,006	\$ (6,006)
Subtotal		<u>10,000</u>	<u>16,006</u>	<u>(6,006)</u>
EEE Occupational/Physical Therapy 2160:				
Contract Services	330	1,000	1,777	(777)
Subtotal		<u>1,000</u>	<u>1,777</u>	<u>(777)</u>
Physical Therapy 2190:				
Contract Services	330	2,500	3,670	(1,170)
Subtotal		<u>2,500</u>	<u>3,670</u>	<u>(1,170)</u>
EEE Physical Therapy 2190:				
Contract Services	330	-	3,456	(3,456)
Subtotal		<u>-</u>	<u>3,456</u>	<u>(3,456)</u>
Media Center 2220:				
Salaries	110	55,727	55,727	-
Aide Salaries	115	8,852	8,273	579
Personal Day Reimbursement	125	923	139	784
Health Insurance	210	22,363	15,060	7,303
Insurance Compensation	212	-	420	(420)
Social Security	220	6,816	4,764	2,052
Life Insurance	230	334	308	26
Retirement	240	443	(8)	451
Workers Compensation	250	336	386	(50)
Unemployment Compensation	260	120	76	44
Professional Development	270	1,560	2,326	(766)
Dental Insurance	280	1,165	1,158	7
Travel	580	100	-	100
Supplies	610	1,500	1,600	(100)
Audio Visual Materials	611	3,500	3,693	(193)
Books and Periodicals	640	11,000	10,633	367
Equipment	730	700	829	(129)
Dues and Fees	810	250	185	65
Subtotal		<u>115,689</u>	<u>105,569</u>	<u>10,120</u>
Technology 2229:				
Salaries	110	23,603	24,714	(1,111)
Coordinator Salaries	114	-	1,301	(1,301)
Assistant Salaries	115	9,407	9,815	(408)
Personal Day Reimbursement	125	108	70	38

The accompanying notes are an integral part of these financial statements

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

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Health Insurance	210	\$ 7,670	\$ 7,530	\$ 140
Insurance Compensation	212	350	350	-
Social Security	220	2,525	2,704	(179)
Life Insurance	230	233	165	68
Retirement	240	471	1,060	(589)
Workers Compensation	250	173	197	(24)
Unemployment Compensation	260	120	39	81
Professional Development	270	800	-	800
Dental Insurance	280	583	479	104
Repairs and Maintenance	430	1,000	103	897
Telecommunications	530	200	118	82
Supplies	610	200	137	63
Software	650	4,750	5,478	(728)
Equipment	730	17,561	19,159	(1,598)
Subtotal		<u>69,754</u>	<u>73,419</u>	<u>(3,665)</u>
Board of Education 2310:				
Secretary Salaries	115	400	-	400
Social Security	220	31	150	(119)
Professional Services	310	2,029	1,750	279
Legal Services	360	6,500	3,528	2,972
Audit Services	370	2,750	2,100	650
Insurance	523	-	3,615	(3,615)
Advertising	540	2,000	848	1,152
Miscellaneous	590	2,000	1,974	26
VSBA Dues	810	1,000	1,079	(79)
Subtotal		<u>16,710</u>	<u>15,044</u>	<u>1,666</u>
Supervisory Union 2321:				
Assessment	331	96,131	96,131	-
Subtotal		<u>96,131</u>	<u>96,131</u>	<u>-</u>
Administration 2400:				
Salaries	110	143,296	143,296	-
Support Staff Salaries	111	57,233	56,009	1,224
Temporary Salaries	120	-	4,500	(4,500)
Personal Day Reimbursement	125	430	101	329
Health Insurance	210	27,537	26,591	946
Insurance	212	1,400	1,400	-
Social Security	220	15,480	15,336	144
Life Insurance	230	930	990	(60)

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

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Retirement	240	\$ 2,862	\$ 911	\$ 1,951
VMERS Retirement	245	-	1,937	(1,937)
Workers Compensation	250	1,054	1,214	(160)
Unemployment Compensation	260	240	239	1
Professional Development	270	1,650	1,168	482
Dental Insurance	280	2,975	2,689	286
Postage	531	3,000	2,362	638
Travel	580	300	530	(230)
Supplies	610	4,300	4,352	(52)
Equipment	730	1,956	1,465	491
Miscellaneous	810	<u>1,500</u>	<u>3,649</u>	<u>(2,149)</u>
Subtotal		<u>266,143</u>	<u>268,739</u>	<u>(2,596)</u>
Short-Term Debt 2520:				
Current Interest	830	<u>23,500</u>	<u>7,272</u>	<u>16,228</u>
Subtotal		<u>23,500</u>	<u>7,272</u>	<u>16,228</u>
Fiscal Services 2521:				
Business Manager Assessments	331	<u>19,305</u>	<u>19,305</u>	-
Subtotal		<u>19,305</u>	<u>19,305</u>	-
Bookkeeper 2525:				
Accounting Services Assessment	331	<u>39,818</u>	<u>39,819</u>	<u>(1)</u>
Subtotal		<u>39,818</u>	<u>39,819</u>	<u>(1)</u>
Buildings/Grounds Maintenance 2600:				
Salaries	115	115,713	100,354	15,359
Summer Services Salaries	116	-	5,306	(5,306)
Temporary Salaries	120	3,250	20,013	(16,763)
Personal Day Reimbursement	125	384	53	331
Overtime	130	1,000	-	1,000
Health Insurance	210	33,107	32,947	160
Insurance Compensation	212	458	114	344
Social Security	220	9,242	9,317	(75)
Life Insurance	230	584	447	137
Retirement	240	5,786	4,755	1,031
Workers Compensation	250	7,612	736	6,876
Unemployment Compensation	260	240	140	100
Professional Development	270	365	-	365
Dental Insurance	280	619	338	281
Contract Services	330	-	360	(360)

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

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Sewer and Water	411	\$ 15,500	\$ 16,400	\$ (900)
Trash Removal	421	4,500	1,716	2,784
Snow Removal	422	7,000	8,585	(1,585)
Repairs and Maintenance	430	13,000	23,362	(10,362)
Long-Term Maintenance	445	20,000	20,000	-
Short-Term Maintenance	450	29,112	21,077	8,035
Property Insurance	521	13,000	13,541	(541)
Telephone	530	4,300	3,074	1,226
Supplies	610	19,000	20,271	(1,271)
Maintenance Supplies	611	2,500	3,350	(850)
Electricity	622	39,710	38,908	802
Gas	623	600	819	(219)
Oil	624	67,500	51,921	15,579
Equipment	730	<u>3,000</u>	<u>4,173</u>	<u>(1,173)</u>
Subtotal		<u>417,082</u>	<u>402,077</u>	<u>15,005</u>
Special Education Transportation 2700:				
Contract Services	519	<u>-</u>	<u>55</u>	<u>(55)</u>
Subtotal		<u>-</u>	<u>55</u>	<u>(55)</u>
Pupil Transportation 2710:				
Contract Services	519	<u>178,063</u>	<u>161,192</u>	<u>16,871</u>
Subtotal		<u>178,063</u>	<u>161,192</u>	<u>16,871</u>
Field Trips 2720:				
Contract Services	519	<u>5,000</u>	<u>4,331</u>	<u>669</u>
Subtotal		<u>5,000</u>	<u>4,331</u>	<u>669</u>
 Total Elementary School		 <u>4,509,657</u>	 <u>4,453,073</u>	 <u>56,584</u>
 Middle School:				
Regular Instruction 1100:				
Salaries	110	747,942	721,828	26,114
Long-Term Substitute Salaries	110	-	1,801	(1,801)
Mentoring Salaries	110	3,000	3,525	(525)
Power School Advisor Salaries	110	2,500	2,500	-
Temporary Salaries	120	25,000	32,552	(7,552)
Substitute Coordinator Salaries	120	1,200	600	600
Personal Day Reimbursement	125	1,575	1,614	(39)
Health Insurance	210	157,050	154,050	3,000

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

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Section 125 Plan	211	\$ 1,914	\$ 526	\$ 1,388
Insurance Compensation	212	2,100	1,960	140
Social Security	220	58,592	56,320	2,272
Life Insurance	230	3,777	3,526	251
Retirement	240	-	211	(211)
Workers Compensation	250	3,784	4,818	(1,034)
Unemployment Compensation	260	900	915	(15)
Professional Development	270	22,305	24,743	(2,438)
Dental Insurance	280	8,636	8,193	443
Professional Services	330	-	1,448	(1,448)
Testing Services	332	1,250	1,073	177
Copier	410	9,759	8,700	1,059
Supplies	610	19,949	17,313	2,636
Books and Periodicals	640	24,937	10,616	14,321
Equipment	730	<u>5,052</u>	<u>460</u>	<u>4,592</u>
Subtotal		<u>1,101,222</u>	<u>1,059,292</u>	<u>41,930</u>
ESL 1101:				
Salaries	110	26,821	26,821	-
Personal Day Reimbursement	125	63	-	63
Health Insurance	210	9,195	9,036	159
Social Security	220	2,052	1,383	669
Life Insurance	230	87	142	(55)
Workers Compensation	250	139	124	15
Unemployment Compensation	260	60	73	(13)
Professional Development	270	892	-	892
Dental Insurance	280	699	695	4
Travel	580	200	57	143
Supplies	610	550	150	400
Books and Periodicals	640	<u>300</u>	<u>376</u>	<u>(76)</u>
Subtotal		<u>41,058</u>	<u>38,857</u>	<u>2,201</u>
Art 1102:				
Salaries	110	52,577	52,577	-
Personal Day Reimbursement	125	105	156	(51)
Health Insurance	210	15,303	15,060	243
Social Security	220	4,030	3,780	250
Life Insurance	230	260	197	63
Workers Compensation	250	272	325	(53)
Unemployment Compensation	260	60	62	(2)

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

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Professional Development	270	\$ 1,487	\$ 1,450	\$ 37
Dental Insurance	280	1,165	1,158	7
Supplies	610	3,158	3,376	(218)
Books and Periodicals	640	295	70	225
Equipment	730	500	459	41
Subtotal		<u>79,212</u>	<u>78,670</u>	<u>542</u>
Foreign Language 1106:				
Salaries	110	44,659	47,205	(2,546)
Personal Day Reimbursement	125	105	185	(80)
Health Insurance	210	5,982	5,715	267
Social Security	220	3,424	3,559	(135)
Life Insurance	230	234	191	43
Retirement	240	-	(1,400)	1,400
Workers Compensation	250	231	276	(45)
Unemployment Compensation	260	60	53	7
Professional Development	270	1,487	1,885	(398)
Dental Insurance	280	411	408	3
Supplies	610	1,700	1,055	645
Subtotal		<u>58,293</u>	<u>59,132</u>	<u>(839)</u>
Physical Education 1108:				
Salaries	110	69,253	74,861	(5,608)
Personal Day Reimbursement	125	158	36	122
Health Insurance	210	20,133	20,049	84
Social Security	220	5,310	5,349	(39)
Life Insurance	230	403	351	52
Workers Compensation	250	358	428	(70)
Unemployment Compensation	260	120	82	38
Professional Development	270	2,231	433	1,798
Dental Insurance	280	580	577	3
Supplies	610	564	378	186
Equipment	730	3,969	2,924	1,045
Subtotal		<u>103,079</u>	<u>105,468</u>	<u>(2,389)</u>
Family/Consumer Education 1109:				
Salaries	110	18,496	18,496	-
Personal Day Reimbursement	125	53	105	(52)
Health Insurance	210	111	-	111
Insurance Compensation	212	350	350	-
Social Security	220	1,419	1,450	(31)

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

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Life Insurance	230	\$ 146	\$ 144	\$ 2
Workers Compensation	250	96	114	(18)
Unemployment Compensation	260	60	22	38
Professional Development	270	744	1,524	(780)
Repairs and Maintenance	430	300	300	-
Supplies	610	2,300	860	1,440
Books and Periodicals	640	194	85	109
Equipment	730	600	170	430
Subtotal		<u>24,869</u>	<u>23,620</u>	<u>1,249</u>
Technology 1110:				
Salaries	110	61,696	61,696	-
Personal Day Reimbursement	125	105	105	-
Health Insurance	210	11,602	11,234	368
Social Security	220	4,728	4,596	132
Life Insurance	230	289	285	4
Workers Compensation	250	319	381	(62)
Unemployment Compensation	260	60	73	(13)
Professional Development	270	1,487	1,315	172
Dental Insurance	280	1,165	769	396
Repairs and Maintenance	430	200	-	200
Supplies	610	4,200	3,445	755
Subtotal		<u>85,851</u>	<u>83,899</u>	<u>1,952</u>
Music 1112:				
Salaries	110	104,292	96,386	7,906
Personal Day Reimbursement	125	189	8	181
Health Insurance	210	24,987	20,775	4,212
Insurance Compensation	212	-	560	(560)
Social Security	220	7,993	7,023	970
Life Insurance	230	481	481	-
Workers Compensation	250	486	644	(158)
Unemployment Compensation	260	120	123	(3)
Professional Development	270	2,677	2,065	612
Dental Insurance	280	1,788	1,533	255
Repairs and Maintenance	430	500	641	(141)
Supplies	610	3,000	2,076	924
Instrumental Music	611	2,200	1,564	636
Books and Periodicals	640	200	-	200
Software	650	350	-	350

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

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Equipment	730	\$ -	\$ 317	\$ (317)
Instruments	732	<u>300</u>	<u>468</u>	<u>(168)</u>
Subtotal		<u>149,563</u>	<u>134,664</u>	<u>14,899</u>
Special Education 1200:				
Salaries	110	100,939	113,447	(12,508)
Tutor	112	10,000	7,645	2,355
Aide	115	159,052	149,417	9,635
Temporary	120	7,995	22,375	(14,380)
Personal Day Reimbursement	125	1,160	705	455
Health Insurance	210	49,432	47,855	1,577
Insurance	212	3,500	2,800	700
Social Security	220	21,361	20,720	641
Life Insurance	230	1,398	1,048	350
Retirement	240	7,953	7,595	358
Workers Compensation	250	1,392	2,007	(615)
Unemployment Compensation	260	672	383	289
Professional Development	270	4,226	2,344	1,882
Dental Insurance	280	2,057	997	1,060
Testing Services	332	-	1,209	(1,209)
Related Services	333	2,380	4,153	(1,773)
Washington County Mental Health	337	50,728	50,728	-
Postage	531	150	-	150
Tuition - State	561	15,272	3,290	11,982
Supplies	610	2,000	1,464	536
Books and Periodicals	640	400	789	(389)
Software	650	1,100	86	1,014
Equipment	730	<u>2,275</u>	<u>1,491</u>	<u>784</u>
Subtotal		<u>445,442</u>	<u>442,548</u>	<u>2,894</u>
IDEIA-B Special Education 1230:				
Salaries	110	46,670	46,519	151
Aide Salaries	115	-	(548)	548
Personal Day Reimbursement	125	79	98	(19)
Health Insurance	210	8,984	8,425	559
Social Security	220	3,570	3,380	190
Life Insurance	230	240	215	25
Retirement	240	-	(23)	23
Workers Compensation	250	241	-	241
Unemployment Compensation	260	93	-	93

The accompanying notes are an integral part of these financial statements

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

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Professional Development	270	\$ 1,115	\$ -	\$ 1,115
Dental Insurance	280	<u>580</u>	<u>577</u>	<u>3</u>
Subtotal		<u>61,572</u>	<u>58,643</u>	<u>2,929</u>
Compensatory Education 1250:				
Salaries	110	49,197	53,322	(4,125)
Aide Salaries	115	15,355	16,089	(734)
Personal Day Reimbursement	125	231	70	161
Health Insurance	210	42,216	20,096	22,120
Social Security	220	4,755	4,769	(14)
Life Insurance	230	739	295	444
Retirement	240	1,834	808	1,026
Workers Compensation	250	487	403	84
Unemployment Compensation	260	375	77	298
Professional Development	270	1,587	-	1,587
Dental Insurance	280	<u>1,262</u>	<u>781</u>	<u>481</u>
Subtotal		<u>118,038</u>	<u>96,710</u>	<u>21,328</u>
School Wide Program 1270:				
Salaries	110	9,852	9,852	-
Aide Salaries	115	16,986	10,067	6,919
Health Insurance	210	-	6,852	(6,852)
Insurance Compensation	212	140	139	1
Social Security	220	2,254	770	1,484
Life Insurance	230	-	66	(66)
Retirement	240	895	503	392
Workers Compensation	250	-	161	(161)
Unemployment Compensation	260	-	31	(31)
Dental Insurance	280	<u>-</u>	<u>82</u>	<u>(82)</u>
Subtotal		<u>30,127</u>	<u>28,523</u>	<u>1,604</u>
Co-Curricular 1400:				
Salaries	110	21,000	17,480	3,520
Aide Salaries	115	2,500	4,962	(2,462)
Social Security	220	1,607	1,584	23
Retirement	240	-	16	(16)
Workers Compensation	250	88	145	(57)
Unemployment Compensation	260	81	28	53
Professional Development	270	-	100	(100)
Club Activities	275	800	800	-
Purchased Services	320	10,000	8,099	1,901

The accompanying notes are an integral part of these financial statements

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

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Transportation	519	\$ 6,000	\$ 2,524	\$ 3,476
Supplies	610	1,284	317	967
Graduation	670	1,000	-	1,000
Equipment	730	1,500	2,439	(939)
Activities	932	<u>5,280</u>	<u>3,880</u>	<u>1,400</u>
Subtotal		<u>51,140</u>	<u>42,374</u>	<u>8,766</u>
Planning Learning Center 1400:				
Aide Salaries	115	22,732	29,043	(6,311)
Personal Day Reimbursement	125	-	20	(20)
Health Insurance	210	5,314	10,681	(5,367)
Social Security	220	1,739	1,964	(225)
Life Insurance	230	148	120	28
Retirement	240	1,137	1,453	(316)
Workers Compensation	250	124	141	(17)
Unemployment Compensation	260	87	27	60
Professional Development	270	<u>116</u>	<u>-</u>	<u>116</u>
Subtotal		<u>31,397</u>	<u>43,449</u>	<u>(12,052)</u>
Home School 2113:				
Coordinator	320	<u>26,000</u>	<u>21,272</u>	<u>4,728</u>
Subtotal		<u>26,000</u>	<u>21,272</u>	<u>4,728</u>
Guidance 2120:				
Salaries	110	43,424	31,311	12,113
Long-Term Substitute Salaries	110	-	16,257	(16,257)
Summer Salaries	112	1,143	-	1,143
Personal Day Reimbursement	125	105	43	62
Health Insurance	210	11,493	13,150	(1,657)
Social Security	220	3,330	3,424	(94)
Life Insurance	230	226	225	1
Workers Compensation	250	60	276	(216)
Unemployment Compensation	260	225	53	172
Professional Development	270	1,487	-	1,487
Dental Insurance	280	411	408	3
Contract Services	330	-	1,143	(1,143)
Travel	580	100	-	100
Supplies	610	417	314	103
Books and Periodicals	640	<u>97</u>	<u>-</u>	<u>97</u>
Subtotal		<u>62,518</u>	<u>66,604</u>	<u>(4,086)</u>

The accompanying notes are an integral part of these financial statements

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

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Health Services 2130:				
Salaries	110	\$ 62,517	\$ 61,007	\$ 1,510
Personal Day Reimbursement	125	131	121	10
Health Insurance	210	11,233	10,969	264
Social Security	220	4,793	4,442	351
Life Insurance	230	471	320	151
Workers Compensation	250	323	386	(63)
Unemployment Compensation	260	180	74	106
Professional Development	270	1,859	1,301	558
Dental Insurance	280	502	499	3
Contract Services	330	600	451	149
Repairs and Maintenance	430	-	211	(211)
Supplies	610	836	999	(163)
Books and Periodicals	640	825	245	580
Equipment	730	400	379	21
Subtotal		84,670	81,404	3,266
Psychological Services 2140:				
Contracted Services	330	30,000	31,875	(1,875)
Subtotal		30,000	31,875	(1,875)
Speech Language Pathologist 2150:				
Salaries	110	43,424	44,701	(1,277)
Personal Day Reimbursement	125	105	43	62
Insurance Compensation	212	224	700	(476)
Social Security	220	3,330	3,476	(146)
Life Insurance	230	228	209	19
Workers Compensation	250	225	268	(43)
Unemployment Compensation	260	60	51	9
Professional Development	270	1,487	325	1,162
Contracted Services	333	975	255	720
Supplies	610	500	229	271
Books and Periodicals	640	500	386	114
Subtotal		51,058	50,643	415
Occupational Therapy Services 2160:				
Contracted Services	330	10,000	-	10,000
Subtotal		10,000	-	10,000

The accompanying notes are an integral part of these financial statements

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

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Physical Therapy Services 2190:				
Contracted Services	330	\$ 2,500	\$ -	\$ 2,500
Subtotal		<u>2,500</u>	<u>-</u>	<u>2,500</u>
Media Center 2220:				
Salaries	110	42,148	42,148	-
Personal Day Reimbursement	125	105	36	69
Health Insurance	210	15,310	15,060	250
Social Security	220	5,418	3,053	2,365
Life Insurance	230	224	221	3
Workers Compensation	250	218	260	(42)
Unemployment Compensation	260	60	50	10
Professional Development	270	1,487	3,382	(1,895)
Dental Insurance	280	774	746	28
Contract Services	330	725	725	-
Repairs and Maintenance	430	150	149	1
Travel	580	100	100	-
Supplies	610	994	988	6
Audio Visual Materials	611	4,220	3,849	371
Books and Periodicals	640	8,842	8,800	42
Software	650	2,840	2,840	-
Equipment	730	610	595	15
Subtotal		<u>84,225</u>	<u>83,002</u>	<u>1,223</u>
Technology 2229:				
Salaries	110	28,571	24,713	3,858
Coordinator Salaries	114	-	1,301	(1,301)
Assistant Salaries	115	9,412	9,815	(403)
Personal Day Reimbursement	125	105	70	35
Health Insurance	210	7,670	7,530	140
Insurance Compensation	212	350	350	-
Social Security	220	2,906	2,679	227
Life Insurance	230	232	165	67
Retirement	240	471	1,060	(589)
Workers Compensation	250	173	235	(62)
Unemployment Compensation	260	120	45	75
Professional Development	270	794	1,596	(802)
Dental Insurance	280	583	479	104
Repairs and Maintenance	430	1,000	973	27
Telecommunications	530	200	200	-

The accompanying notes are an integral part of these financial statements

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

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Travel	580	\$ 225	\$ -	\$ 225
Supplies	610	750	470	280
Software	650	6,100	6,169	(69)
Equipment	730	<u>32,400</u>	<u>32,600</u>	<u>(200)</u>
Subtotal		<u>92,062</u>	<u>90,450</u>	<u>1,612</u>
Board of Education 2310:				
Secretary Salaries	115	400	-	400
Social Security	220	31	101	(70)
Reimbursements	310	1,931	1,750	181
Legal Services	360	6,500	9,273	(2,773)
Audit Services	370	2,750	2,100	650
Insurance	523	-	3,114	(3,114)
Advertising	540	2,780	742	2,038
Elections	590	2,000	948	1,052
VSBA Dues	810	<u>1,000</u>	<u>1,034</u>	<u>(34)</u>
Subtotal		<u>17,392</u>	<u>19,062</u>	<u>(1,670)</u>
Supervisory Union 2321:				
Assessment	331	<u>96,131</u>	<u>96,131</u>	<u>-</u>
Subtotal		<u>96,131</u>	<u>96,131</u>	<u>-</u>
Administration 2400:				
Salaries	110	153,000	153,000	-
Support Staff	111	56,838	55,427	1,411
Temporary Salaries	120	500	3,575	(3,075)
Personal Day Reimbursement	125	420	752	(332)
Health Insurance	210	38,827	37,726	1,101
Insurance	212	700	700	-
Social Security	220	16,123	15,474	649
Life Insurance	230	955	1,027	(72)
Retirement	240	2,802	2,796	6
Workers Compensation	250	1,102	1,314	(212)
Unemployment Compensation	260	246	251	(5)
Professional Development	270	1,650	2,271	(621)
Dental Insurance	280	2,632	2,296	336
Repairs and Maintenance	430	200	140	60
Postage	531	3,600	1,149	2,451
Travel	580	550	628	(78)
Supplies	610	3,927	1,879	2,048
Equipment	730	1,009	1,009	-

The accompanying notes are an integral part of these financial statements

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

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Miscellaneous	810	\$ 2,656	\$ 3,266	\$ (610)
Subtotal		<u>287,737</u>	<u>284,680</u>	<u>3,057</u>
Short-Term Debt 2520:				
Current Interest	830	23,500	7,272	16,228
Subtotal		<u>23,500</u>	<u>7,272</u>	<u>16,228</u>
Fiscal Services 2521:				
Business Manager	331	19,305	19,305	-
Subtotal		<u>19,305</u>	<u>19,305</u>	<u>-</u>
Bookkeeper 2525:				
Accounting Services Assessment	331	39,818	39,819	(1)
Subtotal		<u>39,818</u>	<u>39,819</u>	<u>(1)</u>
Buildings/Grounds Maintenance 2600:				
Aide Salaries	115	122,906	118,155	4,751
Summer Services	116	-	3,086	(3,086)
Temporary Salaries	120	1,000	-	1,000
Personal Day Reimbursement	125	420	770	(350)
Health Insurance	210	29,353	28,704	649
Insurance	212	-	58	(58)
Social Security	220	9,511	9,056	455
Life Insurance	230	615	463	152
Retirement	240	6,145	5,988	157
Workers Compensation	250	8,091	734	7,357
Unemployment Compensation	260	240	146	94
Professional Development	270	400	79	321
Dental Insurance	280	1,330	1,254	76
Water and Sewer	411	24,000	24,379	(379)
Trash Removal	421	6,300	3,564	2,736
Snow Removal	422	7,000	7,660	(660)
Repairs and Maintenance	430	13,000	20,121	(7,121)
Long-Term Maintenance	445	20,000	20,000	-
Short-Term Maintenance	450	29,112	27,487	1,625
Property Insurance	521	13,564	12,657	907
Telephone	530	4,000	3,081	919
Supplies	610	17,050	15,929	1,121
Maintenance Supplies	611	5,560	4,987	573
Electricity	622	64,790	60,227	4,563
Oil	624	67,500	58,425	9,075

The accompanying notes are an integral part of these financial statements

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

Schedule 1

	Object	Budget	Actual	Variance Favorable (Unfavorable)
Equipment	730	\$ 3,800	\$ 1,716	\$ 2,084
Subtotal		<u>455,687</u>	<u>428,726</u>	<u>26,961</u>
Special Education Transportation 2700:				
Contract Services	519	<u>24,000</u>	<u>7,598</u>	<u>16,402</u>
Subtotal		<u>24,000</u>	<u>7,598</u>	<u>16,402</u>
Student Transportation 2710:				
Contract Services	519	<u>160,947</u>	<u>145,349</u>	<u>15,598</u>
Subtotal		<u>160,947</u>	<u>145,349</u>	<u>15,598</u>
Total Middle School		<u>3,948,413</u>	<u>3,769,041</u>	<u>179,372</u>
TOTAL EXPENDITURES		<u>8,458,070</u>	<u>8,222,114</u>	<u>235,956</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		741,441	1,026,135	284,694
OTHER FINANCING SOURCES (USES):				
Transfer To Debt Service Fund		(791,290)	(791,290)	-
Transfer To Enterprise Fund		<u>(30,000)</u>	<u>(15,050)</u>	<u>14,950</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		(79,849)	219,795	299,644
FUND BALANCE, JULY 1, 2010		<u>79,849</u>	<u>92,683</u>	<u>12,834</u>
FUND BALANCE, JUNE 30, 2011		<u>\$ -</u>	<u>\$ 312,478</u>	<u>\$ 312,478</u>

The accompanying notes are an integral part of these financial statements

Waterbury-Duxbury Union School District  
Combining Balance Sheet  
Special Revenue Funds  
June 30, 2011

Schedule 2  
(page 1 of 2)

	Tobacco Grant	Title IV Drug Free	Thatcher Brook Water Damage	Safe Routes to School	ELF-IBM	Mobil Grant	Art/Music Enrichment	Subtotals
<b>ASSETS:</b>								
<b>Current Assets:</b>								
Accounts Receivable - Supervisory Union	\$ 3,466	\$ 1,840						\$ 5,306
Accounts Receivable - Other	351							351
Due From Other Funds	<u>633</u>	<u>-</u>	<u>\$ 21,973</u>	<u>\$ 406</u>	<u>\$ 1,000</u>	<u>\$ 466</u>	<u>\$ 679</u>	<u>25,157</u>
Total Current Assets	<u>4,450</u>	<u>1,840</u>	<u>21,973</u>	<u>406</u>	<u>1,000</u>	<u>466</u>	<u>679</u>	<u>30,814</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 4,450</u></b>	<b><u>\$ 1,840</u></b>	<b><u>\$ 21,973</u></b>	<b><u>\$ 406</u></b>	<b><u>\$ 1,000</u></b>	<b><u>\$ 466</u></b>	<b><u>\$ 679</u></b>	<b><u>\$ 30,814</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>								
<b>Liabilities:</b>								
Accounts Payable - Other								\$ -
Due To Other Funds	<u>-</u>	<u>\$ 1,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,840</u>
Total Liabilities	<u>\$ -</u>	<u>1,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,840</u>
<b>Fund Balances:</b>								
Restricted	<u>4,450</u>	<u>-</u>	<u>21,973</u>	<u>406</u>	<u>1,000</u>	<u>466</u>	<u>679</u>	<u>28,974</u>
Total Fund Balances	<u>4,450</u>	<u>-</u>	<u>21,973</u>	<u>406</u>	<u>1,000</u>	<u>466</u>	<u>679</u>	<u>28,974</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b><u>\$ 4,450</u></b>	<b><u>\$ 1,840</u></b>	<b><u>\$ 21,973</u></b>	<b><u>\$ 406</u></b>	<b><u>\$ 1,000</u></b>	<b><u>\$ 466</u></b>	<b><u>\$ 679</u></b>	<b><u>\$ 30,814</u></b>

The accompanying notes are an integral part of these financial statements

Waterbury-Duxbury Union School District  
Combining Balance Sheet  
Special Revenue Funds  
June 30, 2011

Schedule 2  
(page 2 of 2)

	Banners	Lego Robotics	Taber Merchants Library	Fabrics & Fibers Grant	Garden in Every School	Ereader Grant	Subtotals	Totals
<b>ASSETS:</b>								
<b>Current Assets:</b>								
Accounts Receivable - Supervisory Union							\$ -	\$ 5,306
Accounts Receivable - Other							-	351
Due From Other Funds	\$ 97	\$ 9	\$ 2,012	\$ 1	\$ 619	\$ 500	<u>3,238</u>	<u>28,395</u>
Total Current Assets	<u>97</u>	<u>9</u>	<u>2,012</u>	<u>1</u>	<u>619</u>	<u>500</u>	<u>3,238</u>	<u>34,052</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 97</u></b>	<b><u>\$ 9</u></b>	<b><u>\$ 2,012</u></b>	<b><u>\$ 1</u></b>	<b><u>\$ 619</u></b>	<b><u>\$ 500</u></b>	<b><u>\$ 3,238</u></b>	<b><u>\$ 34,052</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>								
<b>Liabilities:</b>								
Accounts Payable - Other						\$ 500	\$ 500	\$ 500
Due To Other Funds	-	-	-	-	-	-	-	1,840
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>500</u>	<u>500</u>	<u>2,340</u>
<b>Fund Balances:</b>								
Restricted	<u>97</u>	<u>9</u>	<u>2,012</u>	<u>1</u>	<u>619</u>	<u>-</u>	<u>2,738</u>	<u>31,712</u>
Total Fund Balances	<u>97</u>	<u>9</u>	<u>2,012</u>	<u>1</u>	<u>619</u>	<u>-</u>	<u>2,738</u>	<u>31,712</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b><u>\$ 97</u></b>	<b><u>\$ 9</u></b>	<b><u>\$ 2,012</u></b>	<b><u>\$ 1</u></b>	<b><u>\$ 619</u></b>	<b><u>\$ 500</u></b>	<b><u>\$ 3,238</u></b>	<b><u>\$ 34,052</u></b>

The accompanying notes are an integral part of these financial statements

Waterbury-Duxbury Union School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Special Revenue Funds  
For The Year Ended June 30, 2011

Schedule 3  
(page 1 of 3)

	Tobacco Grant	Student Assistance Programs	Title IV Drug Free	Refugee Grant	Thatcher Brook Water Damage	Safe Routes to School	Title III	ELF-IBM	Subtotals
REVENUES:									
Private/Local	\$ 8,740								\$ 8,740
State						\$ 1,818			1,818
Federal	-	\$ 8,906	\$ 2,500	-	-	-	-	-	11,406
	<u>8,740</u>	<u>8,906</u>	<u>2,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,818</u>	<u>\$ -</u>	<u>\$ -</u>	<u>21,964</u>
TOTAL REVENUES									
EXPENDITURES:									
Direct Services	11,460	8,586	2,500				11		22,557
Support Services:									
Instructional Staff									-
Operation and Maintenance of Building									-
Food Services	-	-	-	-	-	-	-	-	-
	<u>11,460</u>	<u>8,586</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>22,557</u>
TOTAL EXPENDITURES									
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,720)	320	-	-	-	1,818	(11)	-	(593)
OTHER FINANCING SOURCES (USES):									
Transfers In				25					25
Transfers Out	-	-	-	-	-	-	(25)	-	(25)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25)</u>	<u>-</u>	<u>(25)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,720)	320	-	25	-	1,818	(36)	-	(593)
FUND BALANCES, JULY 1, 2010	<u>7,170</u>	<u>(320)</u>	<u>-</u>	<u>(25)</u>	<u>21,973</u>	<u>(1,412)</u>	<u>36</u>	<u>1,000</u>	<u>28,422</u>
FUND BALANCES, JUNE 30, 2011	<u>\$ 4,450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,973</u>	<u>\$ 406</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 27,829</u>

The accompanying notes are an integral part of these financial statements

Waterbury-Duxbury Union School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Special Revenue Funds  
For The Year Ended June 30, 2011

Schedule 3  
(page 2 of 3)

	Mobil Grant	Energy Equipment	Art/Music Enrichment	Banners	Lego Robotics	Food Service Equipment	Energy Equipment	VKAT Youth Coalition	Subtotals
REVENUES:									
Private/Local			\$ 2,800		\$ 500		\$ 12,000		\$ 15,300
State						\$ 600			600
Federal	-	\$ 10,000	-	-	-	-	-	\$ 1,000	11,000
TOTAL REVENUES	\$ -	10,000	2,800	\$ -	500	600	12,000	1,000	26,900
EXPENDITURES:									
Direct Services			2,321		552			1,000	3,873
Support Services:									
Instructional Staff									-
Operation and Maintenance of Building		10,000					12,000		22,000
Food Services	-	-	-	-	-	600	-	-	600
TOTAL EXPENDITURES	-	10,000	2,321	-	552	600	12,000	1,000	26,473
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	479	-	(52)	-	-	-	427
OTHER FINANCING SOURCES (USES):									
Transfers In									-
Transfers Out	-	-	-	-	-	-	-	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	479	-	(52)	-	-	-	427
FUND BALANCES, JULY 1, 2010	466	-	200	97	61	-	-	-	824
FUND BALANCES, JUNE 30, 2011	\$ 466	\$ -	\$ 679	\$ 97	\$ 9	\$ -	\$ -	\$ -	\$ 1,251

The accompanying notes are an integral part of these financial statements

Waterbury-Duxbury Union School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Special Revenue Funds  
For The Year Ended June 30, 2011

Schedule 3  
(page 3 of 3)

	Concept 2	Taber Merchants Library	Fabrics & Fibers Grant	Club Cougar	Garden in Every School	Ereader Grant	Subtotals	Totals
<b>REVENUES:</b>								
Private/Local	\$ 500	\$ 2,012	\$ 500	\$ 4,916	\$ 750	\$ 500	\$ 9,178	\$ 33,218
State							-	2,418
Federal	-	-	-	-	-	-	-	22,406
	<u>500</u>	<u>2,012</u>	<u>500</u>	<u>4,916</u>	<u>750</u>	<u>500</u>	<u>9,178</u>	<u>58,042</u>
<b>TOTAL REVENUES</b>								
<b>EXPENDITURES:</b>								
Direct Services	500		499	4,916			5,915	32,345
Support Services:								
Instructional Staff						500	500	500
Operation and Maintenance of Building							-	22,000
Food Services	-	-	-	-	131	-	131	731
	<u>500</u>	<u>-</u>	<u>499</u>	<u>4,916</u>	<u>131</u>	<u>500</u>	<u>6,546</u>	<u>55,576</u>
<b>TOTAL EXPENDITURES</b>								
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	2,012	1	-	619	-	2,632	2,466
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers In							-	25
Transfers Out	-	-	-	-	-	-	-	(25)
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>								
	-	2,012	1	-	619	-	2,632	2,466
FUND BALANCES, JULY 1, 2010	-	-	-	-	-	-	-	29,246
FUND BALANCES, JUNE 30, 2011	<u>\$ -</u>	<u>\$ 2,012</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 619</u>	<u>\$ -</u>	<u>\$ 2,632</u>	<u>\$ 31,712</u>

The accompanying notes are an integral part of these financial statements

Waterbury-Duxbury Union School District  
 Combining Balance Sheet  
 Capital Project Funds  
 June 30, 2011

Schedule 4

	Crossett Brook Capital Projects	Capital Reserve	Thatcher Brook Building Renovations	Totals
<b>ASSETS:</b>				
<b>Current Assets:</b>				
Cash		\$ 212,285		\$ 212,285
Due From Other Funds	\$ 27,381	-	-	27,381
Total Current Assets	<u>27,381</u>	<u>212,285</u>	<u>\$ -</u>	<u>239,666</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 27,381</b></u>	<u><b>\$ 212,285</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 239,666</b></u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Accounts Payable - Other	\$ 313			\$ 313
Due To Other Funds	-	-	\$ 7,611	7,611
Total Liabilities	<u>313</u>	<u>\$ -</u>	<u>7,611</u>	<u>7,924</u>
<b>Fund Balances:</b>				
Unassigned			(7,611)	(7,611)
Committed	27,068	212,285	-	239,353
Total Fund Balances	<u>27,068</u>	<u>212,285</u>	<u>(7,611)</u>	<u>231,742</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<u><b>\$ 27,381</b></u>	<u><b>\$ 212,285</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 239,666</b></u>

The accompanying notes are an integral part of these financial statements

Waterbury-Duxbury Union School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Capital Project Funds  
For The Year Ended June 30, 2011

Schedule 5

	Crossett Brook Capital Projects	Capital Reserve	Thatcher Brook Building Renovations	Totals
REVENUES:				
Investment Income		\$ 653		\$ 653
Private/Local	\$ 2,250			2,250
State	<u>-</u>	<u>-</u>	<u>\$ 4,097</u>	<u>4,097</u>
 TOTAL REVENUES	 <u>2,250</u>	 <u>653</u>	 <u>4,097</u>	 <u>7,000</u>
EXPENDITURES:				
Construction Services	<u>124,993</u>	<u>-</u>	<u>6,000</u>	<u>130,993</u>
 TOTAL EXPENDITURES	 <u>124,993</u>	 <u>-</u>	 <u>6,000</u>	 <u>130,993</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 (122,743)	 653	 (1,903)	 (123,993)
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
 EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	 (122,743)	 40,653	 (1,903)	 (83,993)
 FUND BALANCES, JULY 1, 2010	 <u>149,811</u>	 <u>171,632</u>	 <u>(5,708)</u>	 <u>315,735</u>
 FUND BALANCES, JUNE 30, 2011	 <u>\$ 27,068</u>	 <u>\$ 212,285</u>	 <u>\$ (7,611)</u>	 <u>\$ 231,742</u>

The accompanying notes are an integral part of these financial statements

Waterbury-Duxbury Union School District  
Statement of Changes in Assets and Liabilities  
Fiduciary Fund Types - Agency Funds  
For The Year Ended June 30, 2011

Schedule 6

	Balance July 1, 2010	Receipts	Disbursements	Balance June 30, 2011
<b>Assets:</b>				
Cash - Crossett Brook	\$ 34,874	\$ 89,572	\$ 91,964	\$ 32,482
Cash - Thatcher Brook	17,201	25,730	33,470	9,461
Accounts Receivable - Waterbury	(60)	-	-	(60)
Due From Other Funds - Waterbury	4,225	-	-	4,225
Due From Other Funds - Duxbury	<u>5,724</u>	<u>27,922</u>	<u>27,713</u>	<u>5,933</u>
<b>Total Assets</b>	<b><u>\$ 61,964</u></b>	<b><u>\$ 143,224</u></b>	<b><u>\$ 153,147</u></b>	<b><u>\$ 52,041</u></b>
<b>Liabilities:</b>				
Amount Held for Agency Funds	<u>\$ 61,964</u>	<u>\$ 143,224</u>	<u>\$ 153,147</u>	<u>\$ 52,041</u>
<b>Total Liabilities</b>	<b><u>\$ 61,964</u></b>	<b><u>\$ 143,224</u></b>	<b><u>\$ 153,147</u></b>	<b><u>\$ 52,041</u></b>

The accompanying notes are an integral part of these financial statements



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

To the School Board  
Waterbury -Duxbury Union School District

We have audited the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of Waterbury -Duxbury Union School District, Vermont as of and for the year ended June 30, 2011, which collectively comprise the entity's basic financial statements and have issued our report thereon dated January 27, 2012. 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 Waterbury -Duxbury Union School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Waterbury -Duxbury Union School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Waterbury -Duxbury Union School District's internal control over financial reporting.

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of Waterbury -Duxbury Union School District in a separate letter dated January 27, 2012.

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

*Angolano & Company*

Angolano & Company  
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January 27, 2012



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To the School Board  
Waterbury-Duxbury Union School District

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

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

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

In addition, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below. We previously reported on the Waterbury-Duxbury Union School District's internal control in our report dated January 27, 2012. This letter does not affect our report dated January 27, 2012 in the financial statements of Waterbury-Duxbury Union School District.

Deficiencies:

Coding:

- When testing long-term debt we found that incorrect expense codes are being used when dealing with payments on capital leases. We expect this is happening because with leases

being capital leases, there is the option to buy the equipment at the end. Only equipment purchases should be coded to code 730, while all lease payments should be coded to code 440. We suggest making this change in the future so as to comply with State of VT standards.

Immaterial Noncompliance With Laws and Regulations:

Banking:

- When testing bank reconciliations we came across old outstanding checks going back to 2009 and 2010, totaling \$1,349.54. For checks over 6 months old, since banks are not supposed to honor them, the following procedures should be followed and documented:
  - a) Search back into the records to identify who the check was written to.
  - b) Contact the payee to see why the check was not cashed. If the payee feels they are not owed the money, void the check. If they are due the money, void the old check and issue a new one.
  - c) If the payee cannot be located, complete the “abandoned” property forms for the State Treasurer, void the old check, and send the payment to the State Treasurer. For payroll checks over 1 year old and accounts payable checks over 2 years, it is mandatory that “abandoned property” forms be filled out.

Other Matters and Suggestions:

Liabilities:

- While testing the liability accounts on the Balance Sheet, we noted an account balance that had not changed from last year’s audit ending balance. Upon further research, we discovered the Section 125 Payable account balance has been at \$11,028.55 since January 2010. Based on discussion with the payroll administrator and the accounting manager, this balance goes back to activity prior to January 2010 when the Section 125 Plan was handled differently by their administrator, Future Planning. Based on the fact that this balance has not changed since January 2010, and the staff confirming that the District does not owe either Future Planning or the employees a total of \$11,028.55, we agree that this balance should not be in the account. We suggest the account be researched, so as determine why this account balance built up prior to January 2010 and how the balance should be written off.

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

This communication is intended solely for the information and use of the School Board, management, others within the entity, and state and federal awarding agencies and pass-through

entities and is not intended to be and should not be used by anyone other than these specified parties.

*Angolano & Company*

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January 27, 2012



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August 24, 2011

To the School Board  
Waterbury-Duxbury Union School District

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Waterbury - Duxbury Union School District** for the year ended June 30, 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, Government Auditing Standards and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 24, 2011. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

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

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Waterbury -Duxbury Union School District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during June 30, 2011. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of the lives of property, plant, and equipment is based on expected usefulness. We evaluated the key factors and assumptions used to develop

the lives of property, plant, and equipment in determining that it is reasonable in relation to the financial statements taken as a whole.

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

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

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

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

#### *Corrected and Uncorrected Misstatements*

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

#### *Disagreements with Management*

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

#### *Management Representations*

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

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

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

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

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

Very truly yours,

*Angolano & Company*

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