

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

Board of Trustees
Village of Waterbury, Vermont
Waterbury, Vermont 05676

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Waterbury, Vermont, as of and for the year ended December 31, 2016, and the related notes to the financial statements which collectively comprise the Village of Waterbury, Vermont basic financial statements and have issued my report thereon dated October 5, 2017.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Village of Waterbury, Vermont internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Waterbury, Vermont internal control. Accordingly, I do not express an opinion on the effectiveness of the Village of Waterbury, Vermont internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Waterbury, Vermont financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

William Yacavoni
Certified Public Accountant
Barre, Vermont
License # 92-0000153
October 5, 2017

October 5, 2017

Board of Trustees
Village of Waterbury, Vermont

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Waterbury, Vermont for the year ended December 31, 2016. Professional standards require that I provide you with information about my responsibilities under generally accepted auditing standards (and *Government Auditing Standards*), as well as certain information related to the planned scope and timing of my audit. I have communicated such information in my letter to you dated June 1, 2017. Professional standards also require that I communicate to you the following information related to my 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 the Village of Waterbury, Vermont 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 the year 2016. I 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 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 financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing and completing my audit.

Corrected and Uncorrected Misstatements

Professional standards require me to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. 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, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

Management Representations

I have requested certain representations from management that are included in the management representation letter dated October 5, 2017.

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

Other Audit Findings or Issues

I 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 auditor. However, these discussions occurred in the normal course of my professional relationship and my responses were not a condition to my retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, I made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to my audit of the financial statements.

I compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Trustees and management of the Village of Waterbury, Vermont and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

William Yacavoni
Certified Public Accountant
Barre, Vermont
License #92-0000153

VILLAGE OF WATERBURY, VERMONT
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2016

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Village of Waterbury, Vermont
Waterbury, Vermont 05676

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Waterbury, Vermont, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Village of Waterbury, Vermont basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my 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, each major fund, and the aggregate remaining fund information of the Village of Waterbury, Vermont, as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Waterbury, Vermont basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Board of Trustees
Village of Waterbury, Vermont

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated October 5, 2017, on my consideration of the Village of Waterbury, Vermont internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Waterbury, Vermont internal control over financial reporting and compliance.

William Yacavoni
Certified Public Accountant
Barre, Vermont
License # 92-0000153
October 5, 2017

VILLAGE OF WATERBURY, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

This section of the Village of Waterbury, Vermont annual financial report presents our discussion and analysis of the Village of Waterbury, Vermont financial performance during the year ended December 31, 2016. Please read this in conjunction with the Village of Waterbury, Vermont financial statements which follow this section.

Financial Highlights

The Village of Waterbury, Vermont assets exceeded its liabilities by \$13,695,770 (net position) for the year ended December 31, 2016. This compares to the previous year when assets exceeded liabilities by \$13,512,389.

VILLAGE OF WATERBURY, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

	Governmental Activities December 31, 2016	Business-Type Activities December 31, 2016	Business-Type Activities December 31, 2015	Total December 31, 2016	Total December 31, 2015
<u>ASSETS</u>					
Current and Other Assets	\$ 1,169,234	\$ 1,516,199	\$ 1,661,445	\$ 2,685,433	\$ 2,045,884
Capital and Non-Current Assets	<u>230,437</u>	<u>17,339,452</u>	<u>17,211,824</u>	<u>17,569,889</u>	<u>17,444,750</u>
TOTAL ASSETS	<u>\$ 1,399,671</u>	<u>\$ 18,855,651</u>	<u>\$ 18,873,269</u>	<u>\$ 20,255,322</u>	<u>\$ 19,490,634</u>
<u>LIABILITIES</u>					
Current Liabilities	\$ 758,624	\$ 428,479	\$ 641,977	\$ 1,187,103	\$ 677,686
Long-Term Liabilities	<u>87,009</u>	<u>5,285,440</u>	<u>5,222,778</u>	<u>5,372,449</u>	<u>5,300,559</u>
TOTAL LIABILITIES	<u>\$ 845,633</u>	<u>\$ 5,713,919</u>	<u>\$ 5,864,755</u>	<u>\$ 6,559,552</u>	<u>\$ 5,978,245</u>
<u>NET POSITION</u>					
Invested in Capital Assets					
Net of Related Debt	\$ 185,564	\$ 11,771,115	\$ 12,037,409	\$ 11,956,679	\$ 12,225,890
Unrestricted	<u>368,474</u>	<u>1,370,617</u>	<u>971,105</u>	<u>1,739,091</u>	<u>1,286,499</u>
TOTAL NET POSITION	<u>\$ 554,038</u>	<u>\$ 13,141,732</u>	<u>\$ 13,008,514</u>	<u>\$ 13,695,770</u>	<u>\$ 13,512,389</u>

VILLAGE OF WATERBURY, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

11,956,679

Total net position at December 31, 2016 is comprised of the following:

- 1) Capital assets, net of related debt of ~~\$11,956,671~~, include property, and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
- 2) Unrestricted net position of \$1,739,091 represents the portion available to maintain Village continuing obligation to citizens and creditors.

During the year ended December 31, 2016, the net position of the Village of Waterbury, Vermont increased by \$183,381.

VILLAGE OF WATERBURY, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

	Governmental Activities December 31, 2016	December 31, 2015	Business-Type Activities December 31, 2016	December 31, 2015	Total December 31, 2016	December 31, 2015
Revenue:						
Program Revenue:	\$ 0	\$ 4,010	\$ 1,583,530	\$ 1,552,620	\$ 1,583,530	\$ 1,556,630
Charges for Services						
General Revenue:						
Property Taxes	328,767	276,183	0	0	328,767	276,183
Intergovernmental	57,446	51,932	224,364	457,632	281,810	509,564
Local Fines	8,573	7,860	0	0	8,573	7,860
Interest on Investments	10,991	3,227	37,542	53,818	48,533	57,045
Realized/Unrealized Gain on Marketable Securities	21,988	0	36,700	0	58,688	0
Other	33,617	22,145	118,781	95,628	152,398	117,773
Total Revenue	461,382	365,357	2,000,917	2,159,698	2,462,299	2,525,055
Expenses:						
General Government	78,348	91,786	0	0	78,348	91,786
Public Safety	332,548	356,503	0	0	332,548	356,503
Debt Service Interest	323	552	142,442	178,743	142,765	179,295
Water	0	0	832,497	895,950	832,497	895,950
Sewer	0	0	892,760	922,452	892,760	922,452
Realized/Unrealized Loss on Marketable Securities	0	5,808	0	64,855	0	70,663
Total Expenses	411,219	454,649	1,867,699	2,062,000	2,278,918	2,516,649
Change in Net Position	50,163	(89,292)	133,218	97,698	183,381	8,406
Net Position - Beginning	503,875	593,167	13,008,514	12,910,816	13,512,389	13,503,983
Net Position - Ending	\$554,038	\$503,875	\$13,141,732	\$13,008,514	\$13,695,770	\$13,512,389

VILLAGE OF WATERBURY, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

Governmental Activities

The net position of Governmental Activities increased by \$50163 for the year ended December 31, 2016. Revenue increased by \$96,025 from the prior year to \$461,382 and expenses decreased from \$454,649 to \$411,219.

Business-Type Activities

The net position of Business-Type Activities increased by \$133,218 from \$13,008,514 to \$13,141,732. A substantial portion of this increase was from a phosphorus removal project funded by State and Federal grants.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Village of Waterbury, Vermont basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

Government-wide Financial Statements

The Village annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Village overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Position. This is the government-wide statement of financial position presenting information that includes all of the Village assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village as a whole is improving or deteriorating. Evaluation of the overall economic health of the Village would extend to other nonfinancial factors such as diversification of the taxpayer base in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities which reports how the Village net position changed during the current fiscal year. All current year revenue and expenses are included regardless of when cash is received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the Village distinct activities or functions on revenue provided by the Village taxpayers.

VILLAGE OF WATERBURY, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Village uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Village most significant funds rather than the Village as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The Village has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Village governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financial requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenue, expenditures, and changes in fund balances provide a reconciliation to the government-wide statements to assist in understanding the differences between these two perspectives.

Proprietary funds are reported in the fund financial statements and generally report services for which the Village charges customers a fee. There are two kinds of proprietary funds. These are enterprise funds and internal service funds. The Village of Waterbury, Vermont financial statements include enterprise funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the activities in the government-wide financial statements. Services are provided to customers external to the Village organization.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

VILLAGE OF WATERBURY, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

Financial Analysis of the Village Funds

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$410,610.

Major Government Funds

The General Fund is the Village primary operating fund. The fund balance of the General Fund increased by \$37,201. This brought the Village from a fund deficit of \$23,108 at December 31, 2015 to a fund balance of \$14,093 at December 31, 2016.

General Fund Budgetary Highlights

For the year ended December 31, 2016, the taxpayers approved the budget for the General Fund of \$466,915. This was up 11.29% from the previous year budget of \$419,560. Actual expenditures for the year ended December 31, 2016 were less than the budgeted expenditures by \$67,413.

Capital Assets

The Village investment in capital assets net of accumulated depreciation as of December 31, 2016 was \$17,131,862. The Board of Trustees has set a cost of \$5,000 as the minimum amount of an item to be classified as a capital asset of the Village. During the year ended December 31, 2016, the Village had the following transactions in the capital assets:

	<u>Capital Assets</u>	<u>Accumulated Depreciation</u>	<u>Net Capital Assets</u>
Beginning Balance	\$29,358,105	\$11,975,687	\$17,382,418
Additions	388,868	639,424	(250,556)
Reductions	<u>27,899</u>	<u>27,899</u>	<u>0</u>
Ending Balance	<u>\$29,719,074</u>	<u>\$12,587,212</u>	<u>\$17,131,862</u>

Contacting the Village Financing Department

This financial report is designed to provide a general overview of the Village finances and demonstrate the Village commitment to public accountability. If you have questions about this report, or would like to request additional information, contact the Village finance department at 28 North Main Street, Suite 1, Waterbury, Vermont.

VILLAGE OF WATERBURY, VERMONT
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 410,802	\$ 0	\$ 410,802
Investments	346,128	571,621	917,749
Accounts Receivable	385	239,883	240,268
Due from Other Funds	<u>411,919</u>	<u>704,695</u>	<u>1,116,614</u>
Total Current Assets	<u>1,169,234</u>	<u>1,516,199</u>	<u>2,685,433</u>
Non-Current Assets:			
Capital Assets:			
Capital Assets Net of Accumulated Depreciation	201,564	16,930,298	17,131,862
Advance to Other Funds	<u>0</u>	<u>350,000</u>	<u>350,000</u>
Total Non-Current Assets	<u>201,564</u>	<u>17,280,298</u>	<u>17,481,862</u>
Total Assets	<u>1,370,798</u>	<u>18,796,497</u>	<u>20,167,295</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension Sources	<u>28,873</u>	<u>59,154</u>	<u>88,027</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$1,399,671</u>	<u>\$18,855,651</u>	<u>\$20,255,322</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	\$ 53,929	\$ 952	\$ 54,881
Due to Other Funds	704,695	411,919	1,116,614
Accrued Interest Payable	<u>0</u>	<u>15,608</u>	<u>15,608</u>
Total Current Liabilities	<u>758,624</u>	<u>428,479</u>	<u>1,187,103</u>

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

VILLAGE OF WATERBURY, VERMONT
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Non-Current Liabilities:			
Bonds and Notes Payable	\$ 16,000	\$ 4,793,575	\$ 4,809,575
Accrued Vacation Time Payable	18,728	34,752	53,480
Net Pension Liability	49,584	101,586	151,170
Advance from Other Funds	<u>0</u>	<u>350,000</u>	<u>350,000</u>
Total Non-Current Liabilities	<u>84,312</u>	<u>5,279,913</u>	<u>5,364,225</u>
Total Liabilities	<u>842,936</u>	<u>5,708,392</u>	<u>6,551,238</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension Sources	<u>2,697</u>	<u>5,527</u>	<u>8,224</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>\$ 845,633</u>	<u>\$ 5,713,919</u>	<u>\$ 6,559,552</u>
 <u>NET POSITION</u>			
Invested in Capital Assets Net of Related Debt	\$ 185,564	\$11,771,115	\$11,956,679
Unrestricted	<u>368,474</u>	<u>1,370,617</u>	<u>1,739,091</u>
TOTAL NET POSITION	<u>\$ 554,038</u>	<u>\$13,141,732</u>	<u>\$13,695,770</u>

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

VILLAGE OF WATERBURY, VERMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Expenses</u>	<u>Program Revenue</u> Charges for Services	<u>Operating</u> Grants and Contributions	<u>Net</u> (Expense) Revenue
Governmental Activities:				
General Government	\$ 78,348	\$ 0	\$ 0	\$ (78,348)
Public Safety	332,548	0	0	(332,548)
Debt Service - Interest	<u>323</u>	<u>0</u>	<u>0</u>	<u>(323)</u>
Total Governmental Activities	<u>\$ 411,219</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (411,219)</u>
Business-Type Activities:				
Water Services	\$ 832,497	\$ 939,249	\$ 0	\$ 106,752
Sewer Services	892,760	644,281	0	(248,479)
Debt Service - Interest	<u>142,442</u>	<u>0</u>	<u>0</u>	<u>(142,442)</u>
Total Business-Type Activities	<u>\$1,867,699</u>	<u>\$1,583,530</u>	<u>\$ 0</u>	<u>\$ (284,169)</u>

	<u>Governmental</u> Activities	<u>Business-Type</u> Activities	<u>Total</u>
Net (Expense) Revenue	\$(411,219)	\$ (284,169)	\$ (695,388)
General Revenue:			
Property Taxes	328,767	0	328,767
Intergovernmental	57,446	224,364	281,810
Local Fines	8,573	0	8,573
Interest on Investments	10,991	37,542	48,533
Transfers from Other Funds	23,110	0	23,110
Realized/Unrealized Gain on Marketable Securities	21,988	36,700	58,688
Other	<u>10,507</u>	<u>118,781</u>	<u>129,288</u>
Total General Revenue	<u>461,382</u>	<u>417,387</u>	<u>878,769</u>
Change in Net Position	50,163	133,218	183,381
Net Position - Beginning	<u>503,875</u>	<u>13,008,514</u>	<u>13,512,389</u>
Net Position - Ending	<u>\$ 554,038</u>	<u>\$13,141,732</u>	<u>\$13,695,770</u>

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

VILLAGE OF WATERBURY, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	<u>General Fund</u>	<u>PERMANENT FUNDS Tax Stabilization Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash	\$360,413	\$ 50,389	\$ 410,802
Investments	0	346,128	346,128
Accounts Receivable	385	0	385
Due from Other Funds	<u>411,919</u>	<u>0</u>	<u>411,919</u>
 TOTAL ASSETS	 <u>\$772,717</u>	 <u>\$396,517</u>	 <u>\$1,169,234</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts Payable	\$ 53,929	\$ 0	\$ 53,929
Due to Other Funds	<u>704,695</u>	<u>0</u>	<u>704,695</u>
 Total Liabilities	 <u>758,624</u>	 <u>0</u>	 <u>758,624</u>
Fund Balances:			
Nonspendable	0	348,675	348,675
Committed	0	47,842	47,842
Unassigned	<u>14,093</u>	<u>0</u>	<u>14,093</u>
 Total Fund Balances	 <u>14,093</u>	 <u>396,517</u>	 <u>410,610</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$772,717</u>	 <u>\$396,517</u>	 <u>\$1,169,234</u>

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

VILLAGE OF WATERBURY, VERMONT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2016

Total Fund Balances - Governmental Funds	\$410,610
1. Capital assets used in Governmental Funds are not financial resources and, therefore, are not reported in the Governmental Funds financial statements net of accumulated depreciation.	201,564
2. Notes payable not requiring current financial resources have not been included in the Governmental Funds financial statements.	(16,000)
3. Net pension liability and related pension source deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the Governmental Fund financial statements.	(23,408)
4. Accrued vacation time payable not requiring current financial resources has not been included in the Governmental Funds financial statements.	<u>(18,728)</u>
Net Position of Governmental Activities	<u>\$554,038</u>

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

VILLAGE OF WATERBURY, VERMONT
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	General Fund	PERMANENT FUNDS Tax Stabilization Fund	Total Governmental Funds
Revenue:			
Property Taxes	\$328,767	\$ 0	\$328,767
Police Fines	8,573	0	8,573
Intergovernmental	57,446	0	57,446
Interest on Investments	0	10,991	10,991
Realized/Unrealized Gain on Marketable Securities	0	21,988	21,988
Other	<u>10,507</u>	<u>0</u>	<u>10,507</u>
Total Revenue	<u>405,293</u>	<u>32,979</u>	<u>438,272</u>
Expenditures:			
General Government	78,348	0	78,348
Public Safety	312,831	0	312,831
Debt Service	<u>8,323</u>	<u>0</u>	<u>8,323</u>
Total Expenditures	<u>399,502</u>	<u>0</u>	<u>399,502</u>
Excess of Revenue Over Expenditures	<u>5,791</u>	<u>32,979</u>	<u>38,770</u>
Other Financing Sources/(Uses):			
Transfers from Other Funds	31,410	0	31,410
Transfers to Other Funds	<u>0</u>	<u>(8,300)</u>	<u>(8,300)</u>
Total Other Financing Sources/(Uses)	<u>31,410</u>	<u>(8,300)</u>	<u>23,110</u>
Net Changes in Fund Balances	37,201	24,679	61,880
Fund Balances - Beginning	<u>(23,108)</u>	<u>371,838</u>	<u>348,730</u>
Fund Balances - Ending	<u>\$ 14,093</u>	<u>\$396,517</u>	<u>\$410,610</u>

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

VILLAGE OF WATERBURY, VERMONT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS
 STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2016

Total Net Changes in Fund Balances - Governmental Funds	\$ 61,880
1. Governmental Funds financial statements report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives and recorded as depreciation.	(10,917)
2. Repayment of debt principal is an expenditure in the Governmental Funds but the repayment reduces long-term liabilities in the Statement of Net Position.	8,000
3. Changes in net pension liability and related pension source deferred outflows of resources do not provide or require current financial resources and, therefore, are not reflected in the Governmental Fund financial statements.	(7,906)
4. Increase in accrued vacation time payable is not recorded as an expenditure in the Governmental Funds financial statements.	<u>(894)</u>
Change in Net Position of Governmental Activities	<u>\$ 50,163</u>

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

VILLAGE OF WATERBURY, VERMONT
 STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget Original and Final	Actual	Variance Favorable (Unfavorable)
Revenue:			
Property Taxes	\$328,035	\$328,767	\$ 732
Intergovernmental	54,865	57,446	2,581
Police Fees and Fines	15,500	8,573	(6,927)
Rent/Lease	9,700	9,836	136
Interest	100	0	(100)
Other	800	671	(129)
Total Revenue	409,000	405,293	(3,707)
Expenditures:			
Special Articles	50,000	2,000	48,000
General Government	82,220	76,348	5,872
Police	326,195	312,831	13,364
Debt Service	8,500	8,323	177
Total Expenditures	466,915	399,502	67,413
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	(57,915)	5,791	63,706
Other Financing Sources			
Proceeds of Long-Term Debt	50,000	0	(50,000)
Transfers from Other Funds	31,635	31,410	(225)
Total Other Financing Sources	81,635	31,410	(50,225)
Excess of Revenue and Other Financing Sources Over Expenditures	\$ 23,720	37,201	\$ 13,481
Fund Balance - Beginning		(23,108)	
Fund Balance - Ending		\$ 14,093	

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

VILLAGE OF WATERBURY, VERMONT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 0	\$ 0	\$ 0
Investments	538,247	33,374	571,621
Accounts Receivable	25,062	214,821	239,883
Due from Other Funds	<u>704,695</u>	<u>0</u>	<u>704,695</u>
Total Current Assets	<u>1,268,004</u>	<u>248,195</u>	<u>1,516,199</u>
Non-Current Assets:			
Capital Assets - Net of Accumulated Depreciation	6,882,241	10,048,057	16,930,298
Advance to Other Funds	<u>350,000</u>	<u>0</u>	<u>350,000</u>
Total Non-Current Assets	<u>7,232,241</u>	<u>10,048,057</u>	<u>17,280,298</u>
Total Assets	<u>8,500,245</u>	<u>10,296,252</u>	<u>18,796,497</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension Sources	<u>34,419</u>	<u>24,735</u>	<u>59,154</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$8,534,664</u>	<u>\$10,320,987</u>	<u>\$18,855,651</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	\$ 952	\$ 0	\$ 952
Due to Other Funds	0	411,919	411,919
Accrued Interest Payable	<u>14,791</u>	<u>817</u>	<u>15,608</u>
Total Current Liabilities	<u>15,743</u>	<u>412,736</u>	<u>428,479</u>

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

VILLAGE OF WATERBURY, VERMONT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Non-Current Liabilities:			
Notes and Bonds Payable	\$3,393,885	\$ 1,399,690	\$ 4,793,575
Accrued Vacation Time Payable	21,844	12,908	34,752
Net Pension Liability	59,107	42,479	101,586
Advance from Other Funds	<u>0</u>	<u>350,000</u>	<u>350,000</u>
Total Non-Current Liabilities	<u>3,474,836</u>	<u>1,805,077</u>	<u>5,279,913</u>
Total Liabilities	<u>3,490,579</u>	<u>2,217,813</u>	<u>5,708,392</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension Sources	<u>3,216</u>	<u>2,311</u>	<u>5,527</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>\$3,493,795</u>	<u>\$ 2,220,124</u>	<u>\$ 5,713,919</u>
 <u>NET POSITION</u>			
Invested in Capital Assets Net of Related Debt Unrestricted	<u>\$3,473,565</u> <u>1,567,304</u>	<u>\$ 8,297,550</u> <u>(196,687)</u>	<u>\$11,771,115</u> <u>1,370,617</u>
TOTAL NET POSITION	<u>\$5,040,869</u>	<u>\$ 8,100,863</u>	<u>\$13,141,732</u>

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

VILLAGE OF WATERBURY, VERMONT
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Operating Revenue:			
User Fees	\$ 826,854	\$ 644,281	\$ 1,471,135
Charges for Services	112,395	0	112,395
Other	<u>52,695</u>	<u>66,086</u>	<u>118,781</u>
Total Operating Revenue	<u>991,944</u>	<u>710,367</u>	<u>1,702,311</u>
Operating Expenses:			
Operations	514,207	582,543	1,096,750
Depreciation	<u>318,290</u>	<u>310,217</u>	<u>628,507</u>
Total Operating Expenses	<u>832,497</u>	<u>892,760</u>	<u>1,725,257</u>
Operating Income/(Loss)	<u>159,447</u>	<u>(182,393)</u>	<u>(22,946)</u>
Non-Operating Revenue/(Expenses):			
Interest on Investments	36,787	755	37,542
Interest on Loans	(112,529)	(29,913)	(142,442)
Realized/Unrealized Gain/(Loss) on Marketable Securities	<u>34,800</u>	<u>1,900</u>	<u>36,700</u>
Total Non-Operating Revenue/(Expenses)	<u>(40,942)</u>	<u>(27,258)</u>	<u>(68,200)</u>
Income/(Loss) Before Contributions and Transfers	118,505	(209,651)	(91,146)
Capital Grants and Contributions	<u>0</u>	<u>224,364</u>	<u>224,364</u>
Changes in Net Position	118,505	14,713	133,218
Net Position - Beginning	<u>4,922,364</u>	<u>8,086,150</u>	<u>13,008,514</u>
Net Position - Ending	<u>\$5,040,869</u>	<u>\$8,100,863</u>	<u>\$13,141,732</u>

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

VILLAGE OF WATERBURY, VERMONT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 994,438	\$ 777,463	\$1,771,901
Cash Payments for Personnel	(260,949)	(540,164)	(801,113)
Cash Payments for Goods or Services	(238,983)	(139,430)	(378,413)
Net Cash Flows from Operating Activities	<u>494,506</u>	<u>97,869</u>	<u>592,375</u>
Cash Flows from Capital and Related Financing Activities:			
Proceeds of Long-Term Debt	11,300	0	11,300
Grants Received	0	224,364	224,364
Acquisition of Capital Assets	0	(388,868)	(388,868)
Interest Paid on Bonds and Notes	(113,214)	(30,020)	(143,234)
Principal Paid on Bonds and Notes	(193,734)	(140,118)	(333,852)
Increase in Due to Other Funds	0	238,018	238,018
Increase in Due from Other Funds	(550,080)	0	(550,080)
Cash Flows from Capital and Related Financing Activities	<u>(845,728)</u>	<u>(96,624)</u>	<u>(942,352)</u>
Cash Flows from Investing Activities:			
Interest on Investments	71,586	2,655	74,241
Sale/(Purchase) of Investments	279,636	(3,900)	275,736
Cash Flows from Investing Activities	<u>351,222</u>	<u>(1,245)</u>	<u>349,977</u>
Net Increase/(Decrease) in Cash	0	0	0
Cash Balance - Beginning	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

VILLAGE OF WATERBURY, VERMONT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Reconciliation of Operating Income/(Loss) to Net Cash Flows From Operating Activities:			
Operating Income/(Loss)	\$ 159,447	\$(182,393)	\$ (22,946)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Flows from Operating Activities:			
Depreciation	318,290	310,217	628,507
Increase/(Decrease) in Accounts Payable	952	(101,675)	(100,723)
Increase/(Decrease) in Vacation Time Payable	3,898	(2,149)	1,749
Increase/(Decrease) in Pension Liability	9,425	6,773	16,198
(Increase)/Decrease in Accounts Receivable	<u>2,494</u>	<u>67,096</u>	<u>69,590</u>
Net Cash Flows from Operating Activities	<u>\$ 494,506</u>	<u>\$ 97,869</u>	<u>\$ 592,375</u>

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

VILLAGE OF WATERBURY, VERMONT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2016

	<u>UDAG Fund</u>	<u>CDBG Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 358,391	\$ 553	\$ 358,944
Investments	232,623	0	232,623
Loans Receivable	<u>1,027,011</u>	<u>74,000</u>	<u>1,101,011</u>
TOTAL ASSETS	<u>\$1,618,025</u>	<u>\$ 74,553</u>	<u>\$1,692,578</u>
<u>LIABILITIES</u>			
Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>NET POSITION</u>			
Held in Trust	<u>\$ 1,618,025</u>	<u>\$ 74,553</u>	<u>\$1,692,578</u>

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

VILLAGE OF WATERBURY, VERMONT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>UDAG Fund</u>	<u>CDBG Fund</u>	<u>Total</u>
Additions:			
Interest and Dividends	\$ 37,324	\$ 1	\$ 37,325
Realized/Unrealized Gain on Marketable Securities	<u>12,185</u>	<u>0</u>	<u>12,185</u>
Total Additions	<u>49,509</u>	<u>1</u>	<u>49,510</u>
Deductions	<u>0</u>	<u>0</u>	<u>0</u>
Net Increase Before Transfers	49,509	1	49,510
Transfers to Other Funds	<u>(23,110)</u>	<u>0</u>	<u>(23,110)</u>
Changes in Net Position	26,399	1	26,400
Net Position - Beginning	<u>1,591,626</u>	<u>74,552</u>	<u>1,666,178</u>
Net Position - Ending	<u>\$1,618,025</u>	<u>\$ 74,553</u>	<u>\$1,692,578</u>

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

VILLAGE OF WATERBURY, VERMONT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Waterbury, Vermont (the "Village") is a public entity operating under the applicable laws and regulations of the State of Vermont. It is governed by a three member Board of Trustees elected by registered voters of the Village.

The financial statements of the Village have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification if the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (statements and interpretations), constitutes GAAP for governmental units.

Reporting Entity

The Board of Trustees (the "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. There are no component units included within the reporting entity.

Village-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are Village-wide financial statements. They report information on all of the Village of Waterbury, Vermont nonfiduciary activities with most of the interfund activities removed. Governmental activities include programs supported primarily by taxes, State foundation funds, grants and other intergovernmental revenue. Business-type activities are those that rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function. Program revenue include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenue are reported instead as general revenue.

VILLAGE OF WATERBURY, VERMONT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Village-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund 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 and decreases in current assets (i.e., revenue and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenue in the accounting period in which it becomes both measurable and available 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.

Revenue from local sources consist primarily of property taxes. Property tax revenue and revenue received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenue is recorded as revenue when received in cash because it is 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 revenue until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the Village to refund all or part of the unused amount.

VILLAGE OF WATERBURY, VERMONT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

Fund Accounting

Governmental Funds

The Village reports the following major governmental funds:

1. The General Fund - The General Fund is the Village primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

PERMANENT FUNDS

1. Tax Stabilization Fund - This Fund is used to account for monies transferred from the Capital Improvement Fund. The earnings on these funds can be used to stabilize future tax requests.

Proprietary Funds

The Village reports the following major enterprise funds:

1. Water Fund and Sewer Fund - These funds are established to account for user fees charged to customers to provide water and sewer services.

Fiduciary Funds Financial Statements

The fiduciary funds financial statements include a Statement of Net Position and a Statement of Changes in Net Position. Fiduciary funds balances and activities are excluded from the government-wide financial statements as they do not represent amounts available to the primary government.

Investments

Investments with readily determinable fair values are reported at their fair values in the financial statements. Realized/unrealized gains and losses are included in revenue and expenditures.

Capital Assets

Capital assets which include land, buildings, furniture, and equipment are reported in the applicable governmental activities column in the Village-wide financial statements.

VILLAGE OF WATERBURY, VERMONT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

Capital assets are defined by the Village as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year.

Capital 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 asset life are not capitalized.

All assets that meet the above criteria have been reported in the financial statements except for infrastructure assets. The Village is reporting infrastructure assets beginning with those acquired during the year ended December 31, 2004. Infrastructure assets acquired in prior years are not reported in these financial statements.

Capital assets of the Village are depreciated using the straight-line method over the following estimated useful lives:

Water and Sewer Systems - 50 years
Infrastructure and Bridges - 40 Years
Buildings - 40 Years
Furniture and Equipment - 10 Years
Cars and Light Trucks - 5 Years

Use of Estimates

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

Budgets

The administration and finance office of the Village are responsible for preparing the annual revenue and expenditures budgets. This budget is presented to the Board of Trustees and once the Board has adopted the budget, it is sent to the voters of the Village. The budget is voted on annually in March.

VILLAGE OF WATERBURY, VERMONT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

Net Position and Fund Balance

Village-Wide Financial Statements

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

Investment in Capital Assets, Net of Related Debt - The component of net position that 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 - The component of net position that is legally restricted for specific purposes.

Unrestricted - The difference between the assets and liabilities that is not reported in Net Position Invested in Capital Assets, Net of Related Debt, or Net Position Restricted.

Governmental Fund Financial Statements

In the fund financial statements, governmental funds report fund balances as follows:

Nonspendable Fund Balance - The nonspendable fund balance classification includes amounts that cannot be spent because they are either (1) not in spendable form, i.e.; inventories or prepaid amounts (2) legally or contractually required to be maintained intact.

Restricted Fund Balance - Fund balances are reported as restricted when constraints by outside sources or provisions are placed on the use of the resources.

Committed Fund Balance - These fund balances represent monies that must be spent on specific purposes. These amounts cannot be expended for any other purpose unless the government removes or changes the specified use by taking the same type of action, i.e.: legislation, resolution it employed to previously to commit these amounts.

VILLAGE OF WATERBURY, VERMONT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2016

Assigned Fund Balance - These amounts are for constraints by the government's intent to be used for specific purposes but are not restricted or committed.

Unassigned Fund Balance - These monies are not restricted or committed and have not been assigned to other funds. These monies are available for budgeting in future periods.

Liability for Compensated Absences

Employees of the Village of Waterbury, Vermont are granted sick leave and vacation leave in varying amounts. Employees can only utilize sick leave when sick and are not compensated for unused sick days. Employees are reimbursed for unused vacation days when terminating employment with the Village. Vacation pay is charged to operations when taken by the employee.

Note 2: CASH DEPOSITS

The Village of Waterbury, Vermont invests its funds in interest-bearing accounts. The depository bank places approved pledged securities in a collateral pool sufficient to cover the Village deposits in excess of the amount of deposits insured by the Federal Deposit Insurance Corporation (FDIC).

At December 31, 2016, the carrying amount of the Village deposits (cash, certificate of deposits and savings accounts) was \$769,746 and the bank balance was \$781,131. These amounts were covered by FDIC or collateralized as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	\$280,000	\$280,000
◆ Uninsured - Collateralized	<u>489,746</u>	<u>501,131</u>
Total	<u>\$769,746</u>	<u>\$781,131</u>

- ◆ Uninsured and collateralized by pledging bank's trust department, not in the Village of Waterbury, Vermont name.

The cash deposits during the fiscal year were entirely covered by FDIC or by pledged securities.

Deposits and investments at December 31, 2016 consisted of the following:

Demand Deposits with Financial Institutions	<u>\$769,746</u>
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VILLAGE OF WATERBURY, VERMONT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 3: CAPITAL ASSET ACTIVITY

Capital asset activity for the year ended December 31, 2016 was as follows:

Governmental Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirement</u>	<u>Ending Balance</u>
Furniture, Equipment and Vehicles	\$ 157,145	\$ 0	\$ 0	\$ 157,145
Land	<u>177,704</u>	<u>0</u>	<u>0</u>	<u>177,704</u>
Total	334,849	0	0	334,849
Less: Accumulated Depreciation	<u>122,368</u>	<u>10,917</u>	<u>0</u>	<u>133,285</u>
Capital Assets - Net	<u>\$ 212,481</u>	<u>\$ (10,917)</u>	<u>\$ 0</u>	<u>\$ 201,564</u>

Business-Type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirement</u>	<u>Ending Balance</u>
Water and Sewer Systems	\$28,459,212	\$ 207,175	\$ 0	\$28,666,387
Equipment and Vehicles	<u>564,044</u>	<u>181,693</u>	<u>27,899</u>	<u>717,838</u>
Total	29,023,256	388,868	27,899	29,384,225
Less: Accumulated Depreciation	<u>11,853,319</u>	<u>628,507</u>	<u>27,899</u>	<u>12,453,927</u>
Capital Assets - Net	<u>\$17,169,937</u>	<u>\$ (239,639)</u>	<u>\$ 0</u>	<u>\$16,930,298</u>

Depreciation expense was charged to functions as follows:

Governmental Activities

Public Safety \$ 10,917

VILLAGE OF WATERBURY, VERMONT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

Business-Type Activities

Water	\$318,290
Sewer	<u>310,217</u>
Total	<u>\$628,507</u>

Note 4: LONG-TERM DEBT

At December 31, 2016, the Village of Waterbury, Vermont had the following long-term debt outstanding:

Governmental Activities

Police Cruiser Note Payable to People's United Bank, Interest at 1.35%, Annual Principal Payments of \$8,000, Matures December 16, 2018	\$ <u>16,000</u>
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Business-Type Activities

Sewer Bond Payable to the Vermont Municipal Bond Bank, Net Interest of 5.097%, Variable Annual Principal Payments, Matures December 2019	50,000
Sewer Construction Bond Payable to the Vermont Municipal Bond Bank, Net Interest of 4.408%, Variable Annual Principal Payments, Matures December 2024	203,240
Water Construction Bond Payable to the Vermont Municipal Bond Bank, Net Interest of 4.408%, Variable Annual Principal Payments, Matures December 2024	261,760
Sewer Capital Improvement Note Payable to the People's United, Interest at 1.35%, Annual Principal Payments of \$27,400, Matures December 2017	27,400

VILLAGE OF WATERBURY, VERMONT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2016

Water Capital Improvement Bond Payable to the Vermont Municipal Bond Bank	\$ 11,300
Sewer Capital Improvement Note Payable to People's United, Interest at 1.35%, Annual Principal Payments of \$28,000, Matures December 2019	84,000
Water Capital Improvement Note Payable to People's United, Interest at 1.35%, Annual Principal Payments of \$29,800, Matures December 2019	89,400
Sewer Capital Improvement Bond Payable to the Vermont Municipal Bond Bank, Net Interest at 3.843%, Annual Principal Payments of \$15,000, Matures December 2031	225,000
Water Construction Note Payable to the Vermont Municipal Bond Bank, Interest at 1.00%, Matures February 2031	80,130
Water Construction Note Payable to the Vermont Municipal Bond Bank, Interest at 1.00%, Matures February 2031	159,974
Sewer Construction Note Payable to the Vermont Municipal Bond Bank, Interest at 0.00%, Matures January 2031	464,720
Water Bond Payable to the Vermont Municipal Bond Bank, Interest at 3.93%, Variable Annual Principal Payments, Matures November 2033	2,791,321
Sewer Phosphorus Removal Note Payable to the Vermont Municipal Bond Bank, Non-Interest-Bearing, Principal to be Repaid Over Five Years Commencing October 2015	<u>345,330</u>
Total Business-Type Activities	<u>4,793,575</u>
Total Bonds and Notes Payable	<u>\$4,809,575</u>

VILLAGE OF WATERBURY, VERMONT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

Annual debt service requirements are as follows:

Governmental Activities

<u>For the Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 8,000	\$ 216	\$ 8,216
2018	<u>8,000</u>	<u>108</u>	<u>8,108</u>
Total	<u>\$ 16,000</u>	<u>\$ 324</u>	<u>\$ 16,324</u>

Business-Type Activities

<u>For the Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 380,337	\$ 162,888	\$ 543,225
2018	359,150	152,113	511,263
2019	361,969	141,372	503,341
2020	290,203	130,192	420,395
2021	296,458	120,956	417,414
2022-2026	1,419,244	452,971	1,872,215
2027-2031	1,286,990	251,936	1,538,926
2032-2033	<u>415,224</u>	<u>24,634</u>	<u>439,858</u>
Total	<u>\$ 4,809,575</u>	<u>\$1,437,062</u>	<u>\$6,246,637</u>

The following is a summary of changes in long-term debt outstanding for the year ended December 31, 2016:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Beginning Balance	\$ 24,000	\$5,116,127	\$5,140,127
Proceeds of Long-Term Debt	0	11,300	11,300
Repayments/Retirements	<u>(8,000)</u>	<u>(333,852)</u>	<u>(341,852)</u>
Ending Balance	<u>\$ 16,000</u>	<u>\$4,793,575</u>	<u>\$4,809,575</u>

Note 5: CLAIMS AND JUDGMENTS

The Village of Waterbury, Vermont participates in a number of federal and state programs that are fully or partially funded by grants. Expenditures financed by these grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Village may be required to reimburse the grantor government.

VILLAGE OF WATERBURY, VERMONT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2016

At December 31, 2016, significant amounts of grant expenditures have not been audited but the Village believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the Village.

Note 6: RISK MANAGEMENT

The Village is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. The Village maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. Settled claims have not exceeded this commercial coverage in any of the past three (3) fiscal years.

Note 7: ACCOUNTS RECEIVABLE

Accounts receivable represents monies owed to the Village at December 31, 2016 and consisted of the following:

Customers - User Fees	\$ 41,125
State and Federal Government	156,049
Other	<u>43,094</u>
Total	<u>\$240,268</u>

Note 8: INTERFUND RECEIVABLES/PAYABLES

As of December 31, 2016, interfund receivables and payables that resulted from interfund transactions were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 411,919	\$ 704,695
Water Fund	704,695	0
Sewer Fund	<u>0</u>	<u>411,919</u>
Total	<u>\$1,116,614</u>	<u>\$1,116,614</u>

VILLAGE OF WATERBURY, VERMONT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 9: PROPERTY TAXES

The Town of Waterbury, Vermont is responsible for assessing and collecting property taxes for the Town, the School District, and the Village of Waterbury, Vermont. As part of this process, the Town of Waterbury, Vermont agreed to assume all delinquent taxes and the Village of Waterbury, Vermont will be paid its full property tax assessment regardless of the amounts actually collected.

For assuming all delinquencies, the Town of Waterbury, Vermont will receive all interest and penalty fees assessed to taxpayers.

For the year ended December 31, 2016, property taxes were assessed and accounted for as follows:

Grand List Valuation:

Total Property Valuations	\$2,121,077
Tax Rate	X <u>.1550</u>
Taxes Billed	\$ <u>328,767</u>

Note 10: LOANS RECEIVABLE

Deferred revenue at December 31, 2016 is comprised of the following:

UDAG Fund and CDBG Fund:

Loans receivable in these funds represent the amounts of loans to the community which will be received over a period of years,

UDAG Fund	\$1,027,011
CDBG Fund	<u>74,000</u>
Total	\$ <u>1,101,011</u>

VILLAGE OF WATERBURY, VERMONT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 11: CONTINGENCIES

As of the report date, the Village of Waterbury, Vermont is a defendant in a case filed by a dismissed employee. This case is currently pending in the Vermont Superior Court. The plaintiff has filed the lawsuit for wrongful discharge and is seeking back pay and benefits from the Village.

Although the outcome of this lawsuit is not presently determinable, it is the opinion of the Village's legal counsel that the Village will likely prevail in having the court dismiss the lawsuit.

Note 12: INVESTMENTS

The Village of Waterbury, Vermont has adopted an investment policy. Under this policy, the Village of Waterbury, Vermont has established certain investment guidelines and investment limitations to allow maximization of long-term growth of the investments factoring in risk tolerance and diversification.

Interest Rate Risk:

Interest rate risk is that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village of Waterbury, Vermont does not have any policy to limit the exposure to interest rate risk.

The Village of Waterbury, Vermont current investments consist of the following:

Corporate Bonds	\$ 23,379
Money Market Mutual Funds	95,644
Mutual Funds	<u>1,031,349</u>
Total	<u>\$1,150,372</u>

Information about the sensitivity of the fair values to maturity of the investments is not reported. The mutual funds are open-ended and, therefore, are excluded from the credit risk analysis.

VILLAGE OF WATERBURY, VERMONT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 13: BUDGETED SURPLUS

The Village of Waterbury, Vermont General Fund had a budgeted surplus of \$23,720 for the year ended December 31, 2016. It was the Board of Trustees intent to increase its tax request to cover a deficit coming forward from the year ended December 31, 2015.

Note 14: PENSION PLAN

Plan Description

The Village of Waterbury, Vermont contributes to the Vermont Municipal Employees' Retirement System, which is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees.

The Plan is designed for school districts and other municipal employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds.

An employee of any employer that becomes affiliated with the System may join at that time or any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirement is required to join the System.

During the year ended December 31, 2016, the retirement system consisted of 437 participating employers.

The Plan was established effective July 1, 1975 and is governed by Title 24, V.S.A. Chapter 125, by the membership of the System and the employer representatives, one elected by the governing bodies of participating employees of the System and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members.

VILLAGE OF WATERBURY, VERMONT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

Employee membership data related to the Plan at December 31, 2015 was as follows:

Retirees and beneficiaries currently receiving benefits	2,539
Terminated employees entitled to but not yet receiving benefits	837
Active plan members	6,685
Inactive plan members	<u>1,958</u>
Total	<u>12,019</u>

Pension Benefit

The Plan provides retirement, disability, death, and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and average final compensation. Members are eligible for retirement benefits upon attainment of ages and years of service. Members become fully vested in the retirement benefits with five (5) years of service.

The benefit payments for the Plan are calculated using a benefit formula adopted by the plan. There are four plans available to members, each requiring different contributions and benefits.

The Plan is required to provide annual increases based on one-half of the percentage increase in consumer price index but not more than 2.0% per year for Group A plans and 3.0% for Group B, C, and D plans. The contribution rates for employees and employers are established annually and vary by plans (Groups).

All employees of the Village of Waterbury, Vermont are covered under Group B or Group C. The employee contribution rate was 4.875% under Group B, and 10.000% under Group C. The employer contribution rate was 5.500% for Group B, and 7.250% for Group C. For the year ended December 31, 2016, covered wages were \$299,419. Employee contributions were \$14,596 and the Village of Waterbury, Vermont contributions were \$16,468.

Pension Liabilities, Pension Expense/(Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2016, the Village of Waterbury, Vermont reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2016 and the total pension liability used to calculate the pension liability was determined by an actuarial valuation as of that date.

VILLAGE OF WATERBURY, VERMONT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2016

The Village of Waterbury, Vermont proportion of the net liability was based on the Village of Waterbury, Vermont share of contributions in the Plan relative to the total contributions of all participating employers. At July 1, 2016, the Village of Waterbury, Vermont proportion was .11746 percent.

For the year ended December 31, 2016, the Village of Waterbury, Vermont recognized pension expense of \$41,957. At December 31, 2016, the Village of Waterbury, Vermont reported deferred outflows and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference Between Projected and Actual Investment Earnings, Changes in Assumptions and Difference Between Expected and Actual Experience	\$ 88,027	\$ 0
Employer Contributions Subsequent to the Measurement Date	16,468	0
Changes in Proportional Share of Contributions	<u>0</u>	<u>8,224</u>
Total	<u>\$104,495</u>	<u>\$ 8,224</u>

The \$16,468 reported as deferred outflows of resources related to pension results from the Village of Waterbury, Vermont contributions made subsequent to the measurement date will be recognized as an addition to the pension expense or reduction of the pension plan revenue in the year ending December 31, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses/(revenue) as follows:

<u>Year Ending December 31,</u>	
2017	\$(21,393)
2018	(21,393)
2019	(28,560)
2020	<u>(8,457)</u>
Total	<u>\$(79,803)</u>

VILLAGE OF WATERBURY, VERMONT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

Actuarial Assumptions

Actuarial assumptions of the Vermont Municipal Employee Retirement System involves estimates of the reported amount and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Significant Actuarial Assumptions and Other Inputs Used to Measure the Total Pension Liability:

Measurement Date	July 1, 2016
Valuation Date	July 1, 2016
Expected Return on Investments	7.950%
Salary Increases	5.0% Per Year
Inflation 3.0% Per Year	
Cost of Living Adjustment	1.5% to 1.80%

Mortality Assumptions

Active Participants - 50.0% of the probabilities in the 1995 Buck Mortality Tables for Males and Females

Non-Disabled Retirees and Terminated Vested Participants - The 1995 Buck Mortality Tables with No Set-Back for Males and One-Year Set-Back for Females

Disabled Retirees - RP 2000 Disabled Life Tables, Beneficiaries, 1995 Buck Mortality Tables for Males and Females

Long-Term Expected Rate of Return

The long-term expected rate of return on System investments are determined using best estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), developed for each major asset class using an econometric model that forecasts a variety of economic environments and then calculates asset class returns based on functional relationships between the economic variable and the asset classes.

These best estimate ranges were combined to produce forecasts of the short, intermediate, and long-term horizons by weighting the expected future nominal rates of return by the target asset allocation percentage.

VILLAGE OF WATERBURY, VERMONT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2016

The various time horizons in the forecast are intended to capture more recent economic and capital market conditions as well as other plausible environments that could develop in the future over economic cycles. To reflect this in the rate of return assumption, a select and ultimate assumption setting approach, which is cited in Section 3.8.4 of Actuarial Standard of Practice No. 27 as an alternative to a simple assumed rate of return, is employed.

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of July 1, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	31.50%	8.540%
Fixed Income	33.00%	2.360%
Alternatives	15.50%	8.350%
Multi-Strategy	20.00%	4.900%

Nominal long-term expected rates of return for these asset classes are equal to the sum of the expected long-term real rates and the expected long-term inflation rate of 3.0%.

Discount Rate

The discount rate used to measure the total pension liability was 7.950%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current System members.

The assumed discount rate has been determined in accordance with the method prescribed in GASB 68.

The following presents the entities share of the net pension liability calculated using the discount rate of 7.950 percent as well as what the proportionate share would be if it was calculated using a discount rate that is one percent lower (6.950%) and one percent higher (8.950%):

<u>Discount Rate</u>	<u>Proportionate Share of Net Pension Liability/(Asset)</u>
1.000% Decrease (6.950%)	\$250,958
7.950%	\$151,170
1.000% Increase (8.950%)	\$ 67,619

VILLAGE OF WATERBURY, VERMONT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

The Vermont Municipal Employee Retirement System does not issue stand-alone financial reports but instead are included as part of the State of Vermont Comprehensive Annual Financial Report (CAFR). The CAFR can be viewed on the State of Vermont Department of Finance and Management website at:

<http://finance.vermont.gov/reportsandpublications/cafr>

VILLAGE OF WATERBURY, VERMONT
 SCHEDULE OF EMPLOYER SHARE OF
 NET PENSION LIABILITY
 VERMONT MUNICIPAL EMPLOYEE RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS

	<u>DECEMBER 31, 2016</u>	<u>DECEMBER 31, 2015</u>	<u>DECEMBER 31, 2014</u>
Village's Portion of the Net Pension Liability	.11746%	.14215%	.09997%
Village's Proportionate Share of the Net Pension Liability	\$151,170	\$109,595	\$ 9,124
Village's Covered Employee Payroll	\$299,419	\$410,444	\$414,217
Village's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	50.49%	26.70%	22.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.42%	98.32%	87.42%

GASB 68 requires ten (10) years of information to be presented in this table. However, until a 10-year period is compiled, only those years for which information is available will be presented.

Data reported is measured using the beginning fiscal year measurement date.

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

VILLAGE OF WATERBURY, VERMONT
 SCHEDULE OF EMPLOYER CONTRIBUTION
 VERMONT MUNICIPAL EMPLOYEE RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS

	<u>DECEMBER 31, 2016</u>	<u>DECEMBER 31, 2015</u>	<u>DECEMBER 31, 2014</u>
Statutorily Required Contribution	\$ 16,468	\$ 22,173	\$ 21,694
Contribution in Relation to the Statutorily Required Contribution	<u>16,468</u>	<u>22,173</u>	<u>21,694</u>
Contribution Deficiency/(Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Village's Covered Employee Payroll	<u>\$299,419</u>	<u>\$410,444</u>	<u>\$414,217</u>
Contribution as a Percentage of Covered Employee Payroll	5.500%	5.402%	5.237%

GASB 68 requires ten (10) years of information to be presented in this table. However, until a 10-year period is compiled, only those years for which information is available will be presented.

Data reported is measured as of each year's most recent fiscal year end.

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