

VILLAGE OF WOODSTOCK, VERMONT

FINANCIAL STATEMENTS

JUNE 30, 2015

AND

INDEPENDENT AUDITOR'S REPORTS

VILLAGE OF WOODSTOCK, VERMONT

JUNE 30, 2015

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Village of Woodstock, Vermont

Report on the Financial Statements

We 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 Woodstock, Vermont (the Village) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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, each major fund and the aggregate remaining fund information of the Village of Woodstock, Vermont as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the

General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying schedules 1, 2, and 3 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying schedules 1 through 3 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedules 1 through 3 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2015 on our consideration of the Village's internal control over financial reporting; on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements; and on 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* in considering the Village's internal control over financial reporting and compliance.

Montpelier, Vermont
December 28, 2015

*Mudgett, Jennett &
Krogh-Wisner, P.C.*

Management's Discussion and Analysis

The Village of Woodstock is at the heart of Woodstock. Everyone is welcome, to spend the day or to settle down for a life time.

The Village of Woodstock is a part of the Town of Woodstock. However an elected five-member Board of Trustees is responsible for providing municipal services within the Village boundaries. These services include public safety services, planning and zoning, sidewalks, parks, street lights and road maintenance.

The following is a discussion and analysis of the Village of Woodstock's (the Village) financial performance, including an overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2015. Readers should consider this information in conjunction with the Village's financial statements which are located after this analysis. The Village implemented the new reporting standard, Governmental Accounting Standards Board (GASB) Statement No.68, *Accounting and Financial Reporting for Pensions* during FY 15.

GENERAL FUND BUDGETARY HIGHLIGHTS

On March 18, 2014 the voters of the Village of Woodstock convened at the Town Hall for the annual Village Meeting. A budget (excluding special articles) of \$1,454,850 (for fiscal year 2015) was presented which included specific sums of money to operate the various Village departments. To defray operating costs, the amount needed to be raised by taxation was \$627,195. The budget was voted and adopted.

This budget increased by \$114,090 over the FY 14 budget. The change was primarily due to increases in the amount needed for police safety services.

The amount to be raised by taxation (excluding special articles) of \$627,195 was a decrease of 0.3% over the previous year's amount. No amount was used from the surplus for the purpose of tax stabilization for the fiscal year 2015.

FINANCIAL HIGHLIGHTS

Government-wide Highlights

The Village's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2015, by \$1,862,481. Net position for governmental activities decreased by \$117,696 and net position for business-type activities increased by \$1. There were deferred inflows of resources of 81,464.

Fund Highlights

At the end of the fiscal year, the Village's governmental funds reported a combined ending fund balance of \$643,312, an increase of \$2,505 compared to the prior year. The unassigned portion of the combined fund balance includes the General Fund unassigned balance of \$28,416 and the Capital Reserve Fund unassigned deficit of \$173 for a net unassigned balance of \$28,243. The remaining \$615,069 represents amounts classified for specific purposes, such as endowments and subsequent year's expenditures. The proprietary funds reported a net position at June 30, 2015, of \$5,008.

Long-term Debt

The Village's accrued compensated absences increased during the fiscal year to \$149,155.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) establishes accounting principles generally accepted in the United States of America (U.S. GAAP) for governmental entities. The Village's financial statements for the year ended June 30, 2015 are prepared and presented using the guidelines established by the GASB.

The Village's basic financial statements consist of the following three components:

- **Management's Discussion and Analysis** - An introduction to the basic financial statements that is intended to be an easily read analysis of the Village's financial activities based on currently known facts, decisions or conditions.
- **Basic Financial Statements** - This section of the report includes government-wide financial statements, fund financial statements and notes to the financial statements. The government-wide financial statements present the financial position and activities of the Village as a whole using accounting methods similar to those used by private-sector companies. The fund financial statements present financial information on specific activities of the Village. The notes to the financial statements provide additional disclosures to the information presented in the financial statements.
- **Supplementary Schedules** - This section of the report is not required by U.S. GAAP but is presented as supplementary information. This includes budgetary basis schedules and combining statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances. The statements provide both short-term and long-term information about the Village's financial position which helps readers determine whether the Village's financial position has improved or deteriorated during the fiscal year. These statements include all non-fiduciary activity on the accrual basis of accounting. This means that all revenues and expenses are reflected in the financial statements even if the related cash has not been received or paid as of June 30. There are two government-wide statements:

- **Statement of Net Position** - This statement presents information on all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between assets plus deferred outflows less liabilities less deferred inflows reported as net position. Over time, increases or decreases in net position may indicate whether the financial position of the Village is improving or deteriorating and what impact deferred outflows and inflows of resources are making.
- **Statement of Activities** - This statement presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements have separate columns for governmental activities and business-type activities. The Village's activities are classified as follows:

- **Governmental Activities** - Activities reported here include general government, public safety, highways and streets, and culture and recreation. Property taxes, federal, state and other revenues finance these activities.
- **Business-type Activities** - Activities reported here include the Unemployment Fund.

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 Village of Woodstock, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the Village's funds can be divided into two categories: governmental and proprietary. Each of these categories uses different methods of accounting.

- **Governmental funds** - Most of the basic services provided by the Village are reported in the governmental funds. These statements provide a detailed, short-term view of the functions reported as governmental activities in the government-wide financial statements. The government-wide financial statements are reported using the accrual basis of accounting, but the governmental fund financial statements are reported using the modified accrual basis of accounting. This allows the reader to focus on assets that can be readily converted to cash and determine whether there are adequate resources to meet the Village's current needs.
- **Proprietary funds** - Proprietary funds report activities that operate more like those of private-sector business and use the accrual basis of accounting. Proprietary funds are reported as business-type activities on the government-wide financial statements. Since proprietary funds use accrual basis accounting, there are no differences between amounts reported on the government-wide statements and the proprietary fund statements. The Village uses proprietary funds to account for its Unemployment Fund.

The governmental fund statements include reconciliations of amounts reported on these statements (modified accrual accounting) with governmental activities on the government-wide statements (accrual accounting). The following indicates some of the reporting differences between the government-wide financial statements and the fund financial statements.

- Capital assets used in government-wide activities are not reported on governmental fund statements.
- Other long-term assets that are not available to pay for current period expenditures are not included in governmental fund statements, but are included on the government-wide statements.
- Long-term liabilities, unless due and payable, are not included in the governmental fund financial statements. These liabilities are only included in the government-wide statements.
- Capital outlay spending results in capital assets on the government-wide statements, but is reported as an expenditure in the fund financial statements.

Because the focus of governmental funds is different from 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. This comparison can help readers better understand the long-term impact of the Village's near-term financing decisions. The comparisons are:

- Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position.
- Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities.

The reconciliation of the government-wide financial statements to proprietary funds financial statements isn't necessary. The business-type activities of the government-wide financial statements and the proprietary funds use the same basis of accounting.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Position

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. However, the net position of governmental activities should be viewed independently from business-type activities. Revenues of the business-type activities are generally used to finance the operations of the Unemployment Fund.

The following table reflects the government-wide net position compared to the prior year, as restated.

	Net Position June 30, 2015 and June 30, 2014					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current Assets	\$ 662,278	\$ 675,897	\$ 5,008	\$ 5,007	\$ 667,286	\$ 680,904
Capital Assets	1,433,471	1,530,592	-	-	1,433,471	1,530,592
Total Assets	2,095,749	2,206,489	5,008	5,007	2,100,757	2,211,496
Deferred Outflows of Resources	36,274	-	-	-	36,274	-
Current Liabilities	18,966	35,075	-	-	18,966	35,075
Long-term Liabilities	174,120	140,374	-	-	174,120	140,374
Total Liabilities	193,086	175,449	-	-	193,086	175,449
Deferred Inflows of Resources	81,464	15	-	-	81,464	15
Net Position:						
Investment in Capital Assets	1,433,471	1,530,592	-	-	1,433,471	1,530,592
Restricted - Nonexpendable	194,521	199,740	-	-	194,521	199,740
Restricted - Expendable	413,035	402,234	5,008	5,007	418,043	407,241
Unrestricted	(183,554)	(101,541)	-	-	(183,554)	(101,541)
Effect of GASB 68 on the year ended June 30, 2014	-	(55,856)	-	-	-	(55,856)
Total Net Position	\$ 1,857,473	\$ 1,975,169	\$ 5,008	\$ 5,007	\$ 1,862,481	\$ 1,980,176

The portion of the Village's net position as of June 30, 2015 that reflects its investment in capital assets (e.g. land, buildings, equipment, and infrastructure), less any related debt used to acquire those assets is \$1,433,471 or 77.0% of total net position. The Village uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the Village's net position (32.7%) represents restricted net position. These resources are subject to external restrictions on how they may be used. The remaining net position is an unrestricted deficit of 183,554.

At the end of the 2015 fiscal year, the Village of Woodstock is able to report positive balances in two of the three categories of net position for the government as a whole.

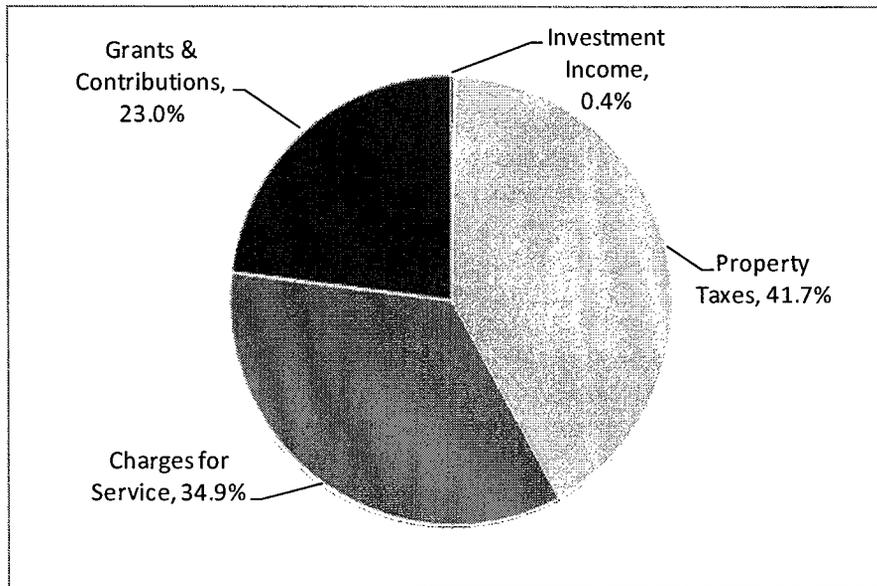
Changes in Net Position for the Fiscal Years Ended June 30, 2015 and 2014

	Governmental Activities		Business-type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program Revenues						
Grants and Contributions	\$ 349,145	\$ 291,155	\$ -	\$ -	\$ 349,145	\$ 291,155
Charges for Services	529,806	413,087	-	-	529,806	413,087
Other	387	27	-	-	387	27
General Revenues						
Property Taxes	632,380	634,133	-	-	632,380	634,133
Investment Income	3,667	5,324	1	-	3,668	5,324
Total Revenues	<u>1,515,385</u>	<u>1,343,726</u>	<u>1</u>	<u>-</u>	<u>1,515,386</u>	<u>1,343,726</u>
Expenses						
Governmental Activities						
General Government	330,642	302,758	-	-	330,642	302,758
Public Works	525,449	486,382	-	-	525,449	486,382
Public Safety	706,373	595,203	-	-	706,373	595,203
Culture and Recreation	72,003	25,724	-	-	72,003	25,724
Business-type Activities						
Unemployment	-	-	-	-	-	-
Total Expenses	<u>1,634,467</u>	<u>1,410,067</u>	<u>-</u>	<u>-</u>	<u>1,634,467</u>	<u>1,410,067</u>
Changes in Net Position before Changes in Market Value (MV) and Transfers	(119,082)	(66,341)	1	-	(119,081)	(66,341)
MV Increase (Decrease)	1,386	33,907	-	-	1,386	33,907
Transfer In (Out)	-	-	-	-	-	-
Changes in Net Position	<u>(117,696)</u>	<u>(32,434)</u>	<u>1</u>	<u>-</u>	<u>(117,695)</u>	<u>(32,434)</u>
Effect of GASB 68 on the year ended June 30, 2014	-	(55,856)	-	-	-	(55,856)
Net Position - Beginning (restated)	<u>1,975,169</u>	<u>2,063,459</u>	<u>5,007</u>	<u>5,007</u>	<u>1,980,176</u>	<u>2,068,466</u>
Net Position - Ending	<u>\$ 1,857,473</u>	<u>\$ 1,975,169</u>	<u>\$ 5,008</u>	<u>\$ 5,007</u>	<u>\$ 1,862,481</u>	<u>\$ 1,980,176</u>

Governmental Activities - In the fiscal year 2015, property taxes provided 41.7% of revenues. Grants and Contributions accounted for 23.0%. The amount earned on investments was 0.4% of total governmental activities revenues. Charges for Services brought in 34.9%.

The following is a graphical representation of the Statement of Activities revenues for governmental activities.

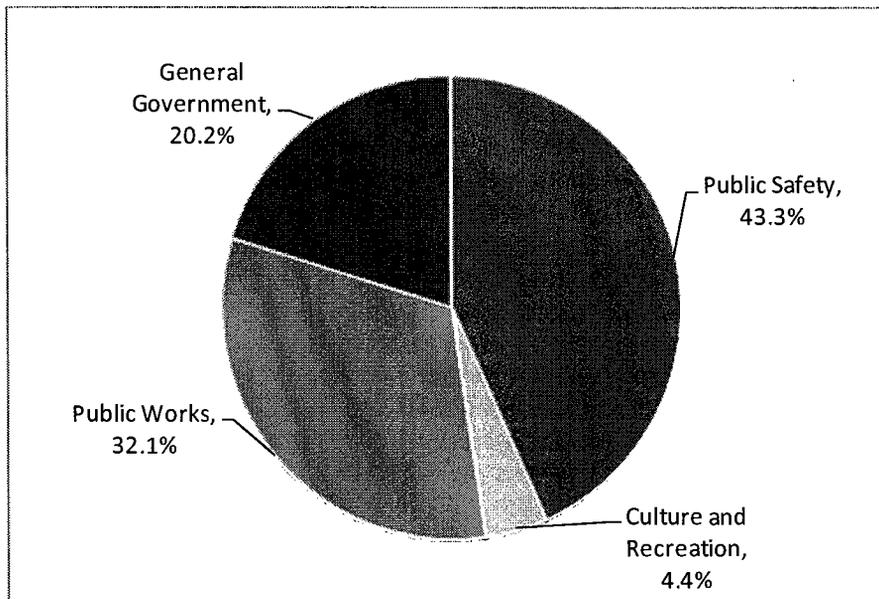
Revenues by Source



For FY 2015, governmental activity expenses exceeded program revenues by \$755,129 compared to \$705,798 for FY 2014.

The following is a graphical representation of the Statement of Activities expenses for governmental activities.

Expenses by Type



While Village expenses cover many services, the largest expenses are for public works and public safety.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Village of Woodstock uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village of Woodstock's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$643,312. A combined unassigned total of \$28,243 consists of a General Fund unassigned surplus of \$28,416 and a Capital Reserve Fund unassigned deficit of \$173. The remainder of the fund balance is classified to indicate that it is not available for new spending because it has already been set aside for specific purposes such as subsequent year's expenditures and capital improvements.

General Fund - The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance was \$28,416 and nonspendable, restricted, committed and assigned fund balance was \$137,660. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures and interfund transfers. Unassigned fund balance represents 1.9% of total General Fund expenditures and interfund transfers. Total fund balance represents 11% of total General Fund expenditures and interfund transfers. The fund balance of the Village's General Fund decreased by \$3,080 during the fiscal year.

Proprietary Funds - The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. In addition to determining the amount of General Fund balance available for appropriation, the Village also makes a similar calculation for the Unemployment Fund.

Unrestricted net position of the Village's Unemployment Fund amounts to \$0. Restricted net position of the Village's Unemployment Fund amounts to \$5,008. Other factors concerning this fund have already been addressed in the discussion of the Village's business-type activities.

CAPITAL ASSETS

The Village's investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to \$1,433,471 (net of depreciation). This amount represents a decrease of \$97,121 from the prior year. This investment in capital assets includes land and improvements, buildings and improvements, vehicles and equipment, and infrastructure.

Capital Assets as of June 30, 2015 and June 30, 2014
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 37,798	\$ 37,798	\$ -	\$ -	\$ 37,798	\$ 37,798
Land Improvements	536,630	572,248	-	-	536,630	572,248
Infrastructure	563,176	596,326	-	-	563,176	596,326
Buildings and Improvements	57,667	59,995	-	-	57,667	59,995
Vehicles and Equipment	225,627	247,366	-	-	225,627	247,366
Office Equipment and Computers	<u>12,573</u>	<u>16,859</u>	<u>-</u>	<u>-</u>	<u>12,573</u>	<u>16,859</u>
Total Capital Assets	<u>\$ 1,433,471</u>	<u>\$ 1,530,592</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,433,471</u>	<u>\$ 1,530,592</u>

Additional information on the Village's capital assets can be found in Note 3, "Capital assets."

DEBT ADMINISTRATION

Long-term Debt - On June 30, 2015, the Village's accrued compensated absences were \$149,155.

FISCAL YEAR 2016 BUDGET

For fiscal year 2016, property taxes are projected to decrease 0.3% or \$1,795 over last year's budget. An amount of \$10,000 will be used from the surplus for the purpose of tax stabilization for the fiscal year 2016.

Notwithstanding the anticipated level of funding of state aid, increases for public safety, highway maintenance, and allocations for special articles, the fiscal year 2016 budget adopted at the Village Meeting in March, 2015 will maintain services at the fiscal year 2015 levels.

Requests for Information

This financial report is designed to provide a general overview of the Village of Woodstock's finances for all those with an interest in the Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Municipal Manager, Village of Woodstock, PO Box 488, Woodstock VT 05091.

VILLAGE OF WOODSTOCK, VERMONT
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Totals</u>
ASSETS:			
Current assets -			
Cash and cash equivalents	\$ 429,068	\$ 5,008	\$ 434,076
Investments	203,029	-	203,029
Accounts receivable	28,231	-	28,231
Prepaid expenses	1,950	-	1,950
Total current assets	<u>662,278</u>	<u>5,008</u>	<u>667,286</u>
Noncurrent assets -			
Capital assets	2,292,721	-	2,292,721
less - accumulated depreciation	<u>(859,250)</u>	<u>-</u>	<u>(859,250)</u>
Total noncurrent assets	<u>1,433,471</u>	<u>-</u>	<u>1,433,471</u>
Total assets	<u>2,095,749</u>	<u>5,008</u>	<u>2,100,757</u>
 DEFERRED OUTFLOWS OF RESOURCES:			
Deferred pension expense	<u>36,274</u>	<u>-</u>	<u>36,274</u>
 LIABILITIES:			
Current liabilities -			
Accounts payable	10,553	-	10,553
Accrued expenses	5,798	-	5,798
Due to other governments	2,615	-	2,615
Total current liabilities	<u>18,966</u>	<u>-</u>	<u>18,966</u>
Noncurrent liabilities -			
Accrued compensated absences	149,155	-	149,155
Net pension liability	24,965	-	24,965
Total noncurrent liabilities	<u>174,120</u>	<u>-</u>	<u>174,120</u>
Total liabilities	<u>193,086</u>	<u>-</u>	<u>193,086</u>
 DEFERRED INFLOWS OF RESOURCES:			
Deferred pension credits	<u>81,464</u>	<u>-</u>	<u>81,464</u>
 NET POSITION:			
Investment in capital assets	1,433,471	-	1,433,471
Restricted - non-expendable	194,521	-	194,521
Restricted - expendable	413,035	5,008	418,043
Unrestricted	<u>(183,554)</u>	<u>-</u>	<u>(183,554)</u>
Total net position	<u>\$ 1,857,473</u>	<u>\$ 5,008</u>	<u>\$ 1,862,481</u>

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

**VILLAGE OF WOODSTOCK, VERMONT
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Grants and Contributions	Charges for Services	Other	Governmental Activities	Business-type Activities	Totals
FUNCTIONS/PROGRAMS:							
Governmental activities -							
General government	\$ 330,642	\$ -	\$ 10,084	\$ 387	\$ (320,171)	\$ -	\$ (320,171)
Highways, streets, and bridges	525,449	283,965	-	-	(241,484)	-	(241,484)
Public safety	706,373	2,680	519,722	-	(183,971)	-	(183,971)
Culture and recreation	<u>72,003</u>	<u>62,500</u>	<u>-</u>	<u>-</u>	<u>(9,503)</u>	<u>-</u>	<u>(9,503)</u>
Total governmental activities	<u>1,634,467</u>	<u>349,145</u>	<u>529,806</u>	<u>387</u>	<u>(755,129)</u>	<u>-</u>	<u>(755,129)</u>
Business-type activities -							
Unemployment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,634,467</u>	<u>\$ 349,145</u>	<u>\$ 529,806</u>	<u>\$ 387</u>	<u>(755,129)</u>	<u>-</u>	<u>(755,129)</u>
					632,380	-	632,380
					3,667	1	3,668
					<u>1,386</u>	<u>-</u>	<u>1,386</u>
					<u>637,433</u>	<u>1</u>	<u>637,434</u>
					(117,696)	1	(117,695)
CHANGE IN NET POSITION					<u>1,975,169</u>	<u>5,007</u>	<u>1,980,176</u>
NET POSITION, July 1, 2014, as restated							<u>1,980,176</u>
NET POSITION, June 30, 2015					<u>\$ 1,857,473</u>	<u>\$ 5,008</u>	<u>\$ 1,862,481</u>

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

VILLAGE OF WOODSTOCK, VERMONT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015
(Page 1 of 2)

	General <u>Fund</u>	Capital Reserve <u>Fund</u>	Permanent <u>Fund</u>	Totals Governmental <u>Funds</u>
ASSETS				
Cash and cash equivalents	\$ 154,861	\$ 83,749	\$ 190,458	\$ 429,068
Investments	-	-	203,029	203,029
Accounts receivable	28,231	-	-	28,231
Prepaid expenditures	<u>1,950</u>	<u>-</u>	<u>-</u>	<u>1,950</u>
Total assets	<u>\$ 185,042</u>	<u>\$ 83,749</u>	<u>\$ 393,487</u>	<u>\$ 662,278</u>
LIABILITIES, AND FUND EQUITY				
LIABILITIES:				
Accounts payable	\$ 10,553	\$ -	\$ -	\$ 10,553
Accrued expenses	5,798	-	-	5,798
Due to other funds	-	-	-	-
Due to Town of Woodstock	<u>2,615</u>	<u>-</u>	<u>-</u>	<u>2,615</u>
Total liabilities	<u>18,966</u>	<u>-</u>	<u>-</u>	<u>18,966</u>
FUND BALANCES:				
Nonspendable	1,950	-	194,521	196,471
Restricted	-	-	198,966	198,966
Committed	130,147	83,922	-	214,069
Assigned	5,563	-	-	5,563
Unassigned	<u>28,416</u>	<u>(173)</u>	<u>-</u>	<u>28,243</u>
Total fund balances	<u>166,076</u>	<u>83,749</u>	<u>393,487</u>	<u>643,312</u>
Total liabilities and fund equity	<u>\$ 185,042</u>	<u>\$ 83,749</u>	<u>\$ 393,487</u>	<u>\$ 662,278</u>

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

VILLAGE OF WOODSTOCK, VERMONT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015
(Page 2 of 2)

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION:

Amount reported on Balance Sheet - Governmental Funds - total fund balances	\$ 643,312
Amounts reported for governmental activities in the Government-wide Statement of Net Position are different because -	
Capital assets used in governmental funds are not financial resources and are therefore not reported in the funds.	
Capital assets	2,292,721
Accumulated depreciation	(859,250)
Liabilities not due and payable in the year are not reported in the governmental funds.	
Accrued compensated absences	(149,155)
Balances related to net pension asset or liability and related deferred outflows/inflows of resources are not reported in the governmental funds.	
Deferred pension expense	36,274
Deferred pension credits	(81,464)
Net pension liability	<u>(24,965)</u>
Net assets of governmental activities - Government-wide Statement of Net Position	\$ <u>1,857,473</u>

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

VILLAGE OF WOODSTOCK, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015
(Page 1 of 2)

	General Fund	Capital Reserve Fund	Permanent Fund	Totals Governmental Funds
REVENUES:				
Taxes	\$ 632,381	\$ -	\$ -	\$ 632,381
Intergovernmental	349,145	-	-	349,145
Licenses, permits, fines, and fees	232,374	-	-	232,374
Charges for goods and services	297,433	-	-	297,433
Investment income	24	3	3,640	3,667
Net increase in fair value of investments	-	-	1,386	1,386
Miscellaneous	387	-	-	387
Total revenues	<u>1,511,744</u>	<u>3</u>	<u>5,026</u>	<u>1,516,773</u>
EXPENDITURES:				
Current -				
General government	300,335	-	1,229	301,564
Highways, streets, and bridges	408,972	-	-	408,972
Public safety	681,925	-	-	681,925
Special articles	3,722	-	-	3,722
Culture and recreation	6,885	-	-	6,885
Grant expense	77,498	-	-	77,498
Capital outlay	33,702	-	-	33,702
Total expenditures	<u>1,513,039</u>	<u>-</u>	<u>1,229</u>	<u>1,514,268</u>
EXCESS OF REVENUES OR (EXPENDITURES)	<u>(1,295)</u>	<u>3</u>	<u>3,797</u>	<u>2,505</u>
OTHER FINANCING SOURCES (USES):				
Interfund transfers in	39,965	41,750	-	81,715
Interfund transfers out	(41,750)	(29,515)	(10,450)	(81,715)
Total other financing sources (uses)	<u>(1,785)</u>	<u>12,235</u>	<u>(10,450)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(3,080)	12,238	(6,653)	2,505
FUND BALANCES, July 1, 2014	<u>169,156</u>	<u>71,511</u>	<u>400,140</u>	<u>640,807</u>
FUND BALANCES, June 30, 2015	\$ <u>166,076</u>	\$ <u>83,749</u>	\$ <u>393,487</u>	\$ <u>643,312</u>

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

VILLAGE OF WOODSTOCK, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

(Page 2 of 2)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES:

Net change in fund balances - total governmental funds	\$	2,505
Amounts reported for governmental activities in the Government-wide 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 allocated over their estimated useful lives as depreciation expense.		
Additions to capital assets, net of dispositions		32,726
Depreciation		(129,847)
The increase in compensated absences is allocated as an expense in the Statement of Activities, but is not recorded in the governmental funds.		
Increase in compensated absences, net		(8,781)
Changes in net pension asset or liability and related deferred outflows/inflows of resources will increase or decrease the amounts reported in the government-wide statements, but are only recorded as an expenditure when paid in the governmental funds.		
Net (increase) decrease in net pension obligation		<u>(14,299)</u>
Change in net position of governmental activities - Government-wide Statement of Activities	\$	<u>(117,696)</u>

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

VILLAGE OF WOODSTOCK, VERMONT
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Original and Final <u>Budget</u>	Actual (Budgetary Basis) <u> </u>	Variance Over <u>(Under)</u>
REVENUES:			
Property taxes	\$ 630,395	\$ 632,381	\$ 1,986
Licenses and permits	7,000	10,084	3,084
Intergovernmental	263,000	349,145	86,145
Charges for services	299,005	297,720	(1,285)
Fines and forfeits	220,000	222,290	2,290
Investment income	250	24	(226)
Miscellaneous	<u>3,000</u>	<u>100</u>	<u>(2,900)</u>
Total revenues	<u>1,422,650</u>	<u>1,511,744</u>	<u>89,094</u>
EXPENDITURES:			
General government	282,505	300,335	17,830
Public safety	714,145	686,112	(28,033)
Highways and streets	382,350	408,972	26,622
Culture and recreation	6,100	6,885	785
Special articles	6,250	3,722	(2,528)
Grant expenses	-	77,498	77,498
Capital reserve spending	<u>28,000</u>	<u>29,515</u>	<u>1,515</u>
Total expenditures	<u>1,419,350</u>	<u>1,513,039</u>	<u>93,689</u>
EXCESS OF REVENUES OR (EXPENDITURES)	<u>3,300</u>	<u>(1,295)</u>	<u>(4,595)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	38,450	39,965	1,515
Transfers out	<u>(41,750)</u>	<u>(41,750)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,300)</u>	<u>(1,785)</u>	<u>1,515</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (3,080)</u>	<u>\$ (3,080)</u>

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

VILLAGE OF WOODSTOCK, VERMONT
STATEMENT OF NET POSITION - PROPRIETARY FUND
JUNE 30, 2015

	Unemployment <u>Fund</u>
ASSETS:	
Cash and cash equivalents	\$ <u>5,008</u>
LIABILITIES	
	<u>-</u>
NET POSITION:	
Restricted	\$ <u><u>5,008</u></u>

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

**VILLAGE OF WOODSTOCK, VERMONT
STATEMENT OF REVENUES, EXPENSES AND CHANGE
IN NET POSITION - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Unemployment Fund</u>
OPERATING REVENUES	\$ -
OPERATING EXPENSES	<u>-</u>
Operating income (loss)	-
NONOPERATING REVENUES (EXPENSES):	
Interest income	<u>1</u>
CHANGE IN NET POSITION	1
NET POSITION, July 1, 2014	<u>5,007</u>
NET POSITION, June 30, 2015	\$ <u>5,008</u>

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

**VILLAGE OF WOODSTOCK, VERMONT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Unemployment <u>Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	\$ <u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest income	<u>1</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers (to) from other funds, net	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1
CASH AND CASH EQUIVALENTS, July 1, 2014	<u>5,007</u>
CASH AND CASH EQUIVALENTS, June 30, 2015	\$ <u><u>5,008</u></u>

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

VILLAGE OF WOODSTOCK, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. Summary of significant accounting policies:

The Village of Woodstock, Vermont (the Village) is a unit of local government organized under the statutes of the State of Vermont. The Village is governed by a Board of Trustees. The Village provides various services as authorized and funded by state government or Village voters.

- A. Reporting entity - The Village is a primary unit of government under reporting criteria established by the Governmental Accounting Standards Board (GASB). Those criteria include a separately elected governing body, separate legal standing, and fiscal independence from other state and local governmental entities. Based on these criteria, there are no other entities which are component units of the Village.

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. 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 of the existing *Governmental Accounting and Financial Reporting Standards* which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes U.S. GAAP for governmental units.

- B. Government-wide and fund financial statements - The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Village. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

In the Government-wide Statement of Net Position, the financial position of the Village is consolidated and incorporates capital assets as well as long-term debt and obligations. The Government-wide Statement of Activities reflects both the gross and net costs by category. Direct expenses that are clearly identifiable with the category are offset by program revenues of the category. Program revenues include charges for services provided by a particular function or program and grants that are restricted to meeting the operational or capital requirements of the particular segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds, if any, are summarized in a single column.

- C. Basis of presentation - The accounts of the Village are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows/inflows of resources, fund balances or net position, revenues and expenditures or expenses, as appropriate.

VILLAGE OF WOODSTOCK, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. Summary of significant accounting policies (continued):

C. Basis of presentation (continued) -

The Village reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Village. It is used to account for all financial resources, except those required to be accounted for in another fund.

Capital Reserve Fund - The Capital Reserve Fund accounts for funds set aside for a specific purpose. The Capital Reserve Fund was established to fund the Village's long-term capital budget. Committed funds represent amounts set aside for specific items approved by voters; assigned funds represent interest earnings that have been set aside for specific items by the Board of Trustees.

Permanent Fund - The Permanent Fund is used to account for resources held in trust by the Village for the benefit of the Village or its citizenry.

The Village also reports the Unemployment Fund, a nonmajor proprietary fund, to provide funds to liquidate any unemployment claims, as the Village is self-insured for unemployment.

D. Measurement focus and basis of accounting - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become both measurable and available. "Measurable" means the amount of the transaction that can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures generally are recorded when the fund liability is incurred, if measurable, as under accrual accounting. However, debt service expenditures are recorded only when payment is made.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Licenses and permits, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received because they are generally not measurable prior to collection. Investment earnings and certain intergovernmental grants are recorded as earned.

VILLAGE OF WOODSTOCK, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. Summary of significant accounting policies (continued):

- E. Budgets and budgetary accounting - The Village approves a budget for the General Fund at an annual Village Meeting. The tax rate is determined by the Board of Trustees based on the education and municipal grand lists and the approved operating budget. The accounting method used for budget presentation is the same method used for the financial presentation of operations under U.S. GAAP. Formal budgetary integration is employed as a management control during the year for the General Fund. The Village does not legally adopt budgets for other governmental funds. All budgeted amounts lapse at year end.
- F. Property taxes - Property taxes attach as an enforceable lien on property owned as of April 1st. Listers establish a grand list of all property and the Board of Trustees sets the tax rate required to raise the tax revenue authorized by Village and School District voters and the Vermont Agency of Education. Property taxes for the fiscal year ended June 30, 2015 were payable in two installments due November 2014 and May 2015.
- G. Use of estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred outflows/inflows of resources as well as disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.
- H. Risk management - The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and others; environmental liability, and natural disasters. The Village manages these risks through commercial insurance packages and participation in public entity risk pools covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. There were no settlements in excess of the insurance coverage in any of the past three fiscal years.

The Village is self-insured for unemployment insurance and \$5,008 has been set aside in the Unemployment Fund to liquidate any unemployment claims. While a calculation of maximum potential unemployment claims has not been made, management believes that the amount in this Fund is sufficient to cover claims asserted in the normal course of business.

- I. Cash, cash equivalents and investments - The Village considers all cash accounts and certificates of deposit, where the principal is not at risk for loss due to early withdrawal, to be cash and cash equivalents. Investments and unrealized gains and losses are reflected in the individual fund and government-wide financial statements. Investments of the Village are reported at fair market value.
- J. Capital assets - Capital assets, which include land, buildings, equipment, vehicles and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$3,000 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. The Village does not retroactively report infrastructure assets. The Village began capitalizing newly acquired or constructed general infrastructure assets as of September 2005. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for

VILLAGE OF WOODSTOCK, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. Summary of significant accounting policies (continued):

J. Capital assets (continued) -

capital assets and improvements are capitalized as projects are constructed. Net interest costs are capitalized on projects during the construction period. Normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not capitalized. Capital assets are depreciated using the straight-line method over the useful lives shown below:

Buildings and improvements	30 - 40 years
Vehicles and equipment	4 - 20 years
Office equipment and computers	5 - 10 years
Infrastructure	25 years

K. Deferred outflows/inflows of resources - In addition to assets and liabilities, deferred outflows of resources (previously reported as assets) and deferred inflows of resources (previously reported as liabilities), if applicable, are reported as separate sections in the Government-wide Statement of Net Position and the Balance Sheet-Governmental Funds. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources in the current period. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources in the current period.

L. Compensated absences - Employees are granted vacation leave based upon their number of years of employment with the Village. Upon retirement, termination or death, certain employees are compensated for up to a maximum of 30 days of unused vacation (subject to certain limitations) at their then current rates of pay, provided that the employee gives a minimum notice of two weeks if the employee resigns.

Full-time employees accumulate one sick day for each full calendar month of employment. Unused sick leave may accumulate from year to year, but not to exceed 128 sick leave days. Upon retirement, termination or death, certain employees are compensated for up to a maximum of 128 days of sick leave (subject to certain limitations) at their then current rates of pay, provided that the employee gives a minimum notice of two weeks if the employee resigns.

Compensated absences are reported as accrued compensated absences in the government-wide financial statements.

The Village's long-term obligations at June 30, 2015 consisted of \$149,155 in compensated absences, an increase of \$8,781 from the balance of \$140,374 at June 30, 2014.

M. Fund equity - In the fund financial statements, governmental funds may report five categories of fund balances: nonspendable, restricted, committed, assigned and unassigned.

Nonspendable fund balance includes amounts associated with inventory, prepaid expenditures, long-term loans or notes receivable, and trust fund principal to be held in perpetuity.

**VILLAGE OF WOODSTOCK, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

1. Summary of significant accounting policies (continued):

M. Fund equity (continued) -

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 specific purposes determined by the Village's highest level of decision making authority, the voters, as a result of articles passed at Annual or Special Meetings.

Assigned fund balance includes amounts that are intended to be used by the Village for specific purposes as authorized by the Board of Trustees.

Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in another classification. Deficits are also classified as unassigned.

The Village's policy is to apply expenditures to the fund balance of the highest granted authority first.

N. New accounting standard - The Village has implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The impact on these financial statements is to include the Town's proportionate share of the Vermont Municipal Employees' Retirement System's (VMERS) net pension liability, deferred outflows of resources for pension expense, deferred inflows of resources from investment earnings and contributions, and the related effects on government-wide net position and activities. Fund financial statements have not been affected by this change.

2. Deposits and investments:

Custodial credit risk - deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Village will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Village does not have a deposit policy for custodial credit risk. As of June 30, 2015, the Village's depository accounts were fully insured or collateralized.

Custodial credit risk - investments - Custodial credit risk for investments is the risk that, in the event of failure of the counterparty to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The Village does not have a policy for custodial credit risk. The classification and fair value of investments as of June 30, 2015 are as follows:

<u>Investment</u>	<u>Fair Value</u>
Mutual funds	\$ 1,804
Corporate bonds	49,745
Corporate stock - domestic	125,305
Corporate stock - international	<u>26,175</u>
	\$ <u>203,029</u>

VILLAGE OF WOODSTOCK, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

2. Deposits and investments (continued):

Interest rate risk - Interest rate risk is the risk that changes in interest rates will affect the fair value of certain investments. The Village does not have a policy for interest rate risk. Maturities of interest-earning investments at June 30, 2015 include the Village's corporate bonds totaling \$49,745 with \$12,454 maturing in less than one year, \$28,974 maturing in one to five years, and \$8,317 maturing in six to ten years.

Credit risk - Credit risk is the risk that the issuer of or counterparty to an investment will not fulfill its obligations. The Village's investment policy regarding credit risk covers those assets held for investment in the Endowment Fund. The policy limits fixed income purchases to obligations issued by the U.S. Government or agency or by corporate issuers rated 'BBB' or better. The credit quality ratings as rated by Standard & Poor's are as follows:

<u>Bond Rating</u>	<u>Fair Value</u>
AA+	\$ 4,170
AA	4,308
AA-	4,171
A+	4,079
A	4,009
A-	16,569
BBB+	4,178
BBB	4,114
BBB-	<u>4,147</u>
	<u>\$ 49,745</u>

Foreign currency risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a deposit or investment. The Village does not have a policy for foreign currency risk. As of June 30, 2015, \$26,175 of the Village's total investments of \$203,029 was invested in international corporate stock that is subject to foreign currency risk.

VILLAGE OF WOODSTOCK, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

3. Capital assets:

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2015</u>
Governmental activities -				
Capital assets, not depreciated:				
Land	\$ 37,798	\$ -	\$ -	\$ 37,798
Capital assets, depreciated:				
Land improvements	726,150	-	-	726,150
Buildings and improvements	107,353	-	-	107,353
Vehicles and equipment	509,130	35,854	33,422	511,562
Office equipment and computers	88,044	849	859	88,034
Infrastructure	821,824	-	-	821,824
Total capital assets, depreciated	<u>2,252,501</u>	<u>36,703</u>	<u>34,281</u>	<u>2,254,923</u>
Less accumulated depreciation for:				
Land improvements	153,902	35,618	-	189,520
Buildings and improvements	47,358	2,328	-	49,686
Vehicles and equipment	261,764	53,624	29,453	285,935
Office equipment and computers	71,185	5,127	851	75,461
Infrastructure	225,498	33,150	-	258,648
Total accumulated depreciation	<u>759,707</u>	<u>129,847</u>	<u>30,304</u>	<u>859,250</u>
Total capital assets, depreciated, net	<u>1,492,794</u>	<u>(93,144)</u>	<u>3,977</u>	<u>1,395,673</u>
Capital assets, net	\$ <u>1,530,592</u>	\$ <u>(93,144)</u>	\$ <u>3,977</u>	\$ <u>1,433,471</u>

Depreciation expense of \$129,847 in the governmental activities was allocated to expenses of the general government (\$3,920), public safety (\$19,981), and highways, streets, and bridges (\$105,946) programs based on capital assets assigned to those functions.

4. Interfund transfers:

Interfund transfers constitute the transfer of resources from the fund that receives the resources to the fund that utilizes them. Interfund transfers for the year ended June 30, 2015 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds -		
General Fund	\$ 39,965	\$ 41,750
Capital Reserve Fund	41,750	29,515
Permanent Fund	-	10,450
	<u>\$ 81,715</u>	<u>\$ 81,715</u>

VILLAGE OF WOODSTOCK, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

4. Interfund transfers (continued):

Transfers from the General Fund to the Capital Reserve Fund totaling \$41,750 represent voter committed transfers. The transfers from the Capital Reserve Fund to the General Fund were for the payment of committed capital expenditures. The transfers from the Permanent Fund to the General Fund were for voter approved disbursement of assets from the Permanent Fund.

5. Related party:

The Village shares common personnel, office facilities and equipment with the Town of Woodstock. Shared costs are billed and paid within normal payment cycles. As of June 30, 2015, amounts due to the Town of Woodstock were \$2,615.

6. Police services:

The Village and the Town of Woodstock (the Town) have entered into an agreement for the Village to provide police services to the Town for the geographic region located in the Town, but outside of the Village. The Village has recorded revenues of \$283,697 applicable to these services.

7. Fund balances:

As of June 30, 2015, the fund balances of the governmental funds consisted of the following:

	General Fund	Capital Reserve Fund	Permanent Fund	Totals
Nonspendable:				
Endowment principal	\$ -	\$ -	\$ 194,521	\$ 194,521
Prepaid expenditures	<u>1,950</u>	<u>-</u>	<u>-</u>	<u>1,950</u>
	<u>1,950</u>	<u>-</u>	<u>194,521</u>	<u>196,471</u>
Restricted for:				
Benefit of the Village	<u>-</u>	<u>-</u>	<u>198,966</u>	<u>198,966</u>
Committed to:				
Capital projects and equipment	-	83,922	-	83,922
Old fire station	5,000	-	-	5,000
Parking facilities	<u>125,147</u>	<u>-</u>	<u>-</u>	<u>125,147</u>
	<u>130,147</u>	<u>83,922</u>	<u>-</u>	<u>214,069</u>
Assigned to:				
Accrued benefits	<u>5,563</u>	<u>-</u>	<u>-</u>	<u>5,563</u>
Unassigned	<u>28,416</u>	<u>(173)</u>	<u>-</u>	<u>28,243</u>
	<u>\$ 166,076</u>	<u>\$ 83,749</u>	<u>\$ 393,487</u>	<u>\$ 643,312</u>

VILLAGE OF WOODSTOCK, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

7. Fund balances (continued):

For the year ended June 30, 2015, the changes in the Capital Reserve Fund's committed and unassigned fund balances were as follows:

	Balance July 1, 2014	Additions	Withdrawals	Balance June 30, 2015
Committed -				
Office equipment - computers	\$ 8,787	\$ 1,500	\$ -	\$ 10,287
Computer equipment	631	500	440	691
Village plan update	-	1,000	-	1,000
Snow blower	(826)	10,000	-	9,174
Manager pick-up	1,758	500	-	2,258
Trucks	1,854	10,000	-	11,854
Police computer	8,675	250	-	8,925
Police cruiser	18,050	14,000	29,075	2,975
Radio system	-	2,000	-	2,000
Radar speed sign	-	2,000	-	2,000
Police office carpet	250	-	-	250
Parking facility	<u>32,508</u>	<u>-</u>	<u>-</u>	<u>32,508</u>
Total committed	<u>71,687</u>	<u>41,750</u>	<u>29,515</u>	<u>83,922</u>
Unassigned (deficit)	<u>(176)</u>	<u>3</u>	<u>-</u>	<u>(173)</u>
Total Capital Reserve Fund	<u>\$ 71,511</u>	<u>\$ 41,753</u>	<u>\$ 29,515</u>	<u>\$ 83,749</u>

8. Pension plan:

Vermont Municipal Employees' Retirement System -

Plan description: The Village contributes to the Vermont Municipal Employees' Retirement System (VMERS) a cost-sharing multiple-employer public employee retirement system with defined benefit and defined contribution plans, administered by the State of Vermont. The state statutory provisions, found in Title 24, Chapter 125, of the V.S.A., govern eligibility for benefits, service requirements and benefit provisions. The general administration and responsibility for the proper operation of VMERS is vested in the Board of Trustees consisting of five members. VMERS issues annual financial information which is available and may be reviewed at the VMERS' office, 109 State Street, Montpelier, Vermont, 05609-6901 or by calling (802) 828-2305. Information can also be obtained online by visiting the following web address: <http://www.vermonttreasurer.gov/retirement/municipal-vmers>.

VILLAGE OF WOODSTOCK, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

8. Pension plan (continued):

Benefits provided: VMERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits do vary between the three groups included in the plan, but are determined for the members of each group as a percentage of average compensation in a certain number of the highest consecutive years of service. Eligibility for benefits requires five years of service.

Contributions: Defined Benefit Plan members are required to contribute 2.5% (Group A), 4.750% (Group B), or 9.625% (Group C) of their annual covered salary, and the Village is required to contribute 4% (Group A), 5.375% (Group B), or 7% (Group C) of the employees' compensation. The contribution requirements of plan members and the Village are established and may be amended by the Board of Trustees. The Village's contributions to VMERS for the years ended June 30, 2015, 2014, and 2013 were \$36,275, \$28,839, and \$26,350, respectively. The amounts contributed were equal to the required contributions for each year.

Pension liabilities, deferred outflows of resources, deferred inflows of resources: In 2015, the Village implemented a change in governmental accounting and reporting which was mandated by the Governmental Accounting Standards Board in GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The impact on these financial statements is to include the Village's proportionate share of the Vermont Municipal Employees' Retirement System's net pension liability, deferred outflows of resources for pension expense, deferred inflows of resources from investment earnings and contributions, and the related effects on government-wide net position and activities. Financial statements of the individual funds have not been affected by the change in 2015, but may be affected by certain estimates or accruals in future years. The State of Vermont has provided the following information to all employers participating in VMERS, which is based on their calculation of the Village and Town of Woodstock's combined 0.7083% proportionate share of VMERS. In addition, Village management has estimated 0.2735% of the total VMERS net pension liability to be attributable to governmental activities of the Village.

Village share of	
VMERS net pension liability	\$ <u>24,965</u>
Deferred outflow of resources -	
Deferred pension expense	\$ <u>36,274</u>
Deferred inflow of resources -	
Deferred pension credits	\$ <u>81,464</u>

Other information: VMERS obtains an annual actuarial valuation for the pension plan. Detailed information is provided in that report for actuarial assumptions of inflation rates, salary increases, investment rates of return, mortality rates, discount rates, and the calculations used to develop annual contributions and the VMERS net position.

**VILLAGE OF WOODSTOCK, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

8. Pension plan (continued):

Required supplementary information: Implementation of GASB Statement No. 68 requires reporting of ten years of historical pension information by employers. This information will be built up by year for the next ten years in schedules of the *Village's Proportionate Share of Net Pension Liability of VMERS* and *Village Contributions to VMERS*. The required information the year ended June 30, 2015 can be found below.

Village's proportion of the net pension liability	<u>0.2735%</u>
Village's proportionate share of the net pension liability	\$ <u>24,965</u>
Village's covered-employee payroll	\$ <u>554,808</u>
Village's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>4.4998%</u>
VMERS net position as a percentage of the total pension liability	<u>98.32%</u>
Contractually required contribution (fully paid)	\$ <u>36,274</u>
Contributions as a percentage of covered-employee payroll	<u>6.5381%</u>

9. Restatement:

The Village has restated beginning net position of the governmental activities of the government-wide financial statements from \$2,031,025 to \$1,975,169 which is a decrease of \$55,856 due to the change in accounting principles in connection with the implementation of GASB Statement No. 68 to record the Village's proportionate share of the VMERS pension plan.

VILLAGE OF WOODSTOCK, VERMONT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

Schedule 1
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	<u>Original and Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Over (Under)</u>
REVENUES:			
Property Taxes -			
Real estate	\$ 630,195	\$ 630,659	\$ 464
In lieu of taxes	<u>200</u>	<u>1,722</u>	<u>1,522</u>
Total Property Taxes	<u>630,395</u>	<u>632,381</u>	<u>1,986</u>
 Licenses and Permits -			
Curb cut permits	-	75	75
Zoning permits	7,000	9,739	2,739
Yard sale permits	-	120	120
Zoning maps and regulations	<u>-</u>	<u>150</u>	<u>150</u>
Total Licenses and Permits	<u>7,000</u>	<u>10,084</u>	<u>3,084</u>
 Intergovernmental -			
Highway State Aid	44,000	44,979	979
Highway rebate	219,000	226,668	7,668
Grants - police equipment	-	2,680	2,680
Waterfront park grant	-	62,500	62,500
Park and ride grant	-	3,692	3,692
DUI enforcement grant	-	1,787	1,787
Snow dump grant	<u>-</u>	<u>6,839</u>	<u>6,839</u>
Total Intergovernmental	<u>263,000</u>	<u>349,145</u>	<u>86,145</u>
 Charges for Services -			
Alarms answered	500	-	(500)
Miscellaneous police revenue	-	1,452	1,452
Police contract with Town of Woodstock	289,505	283,697	(5,808)
Police contracts	<u>9,000</u>	<u>12,571</u>	<u>3,571</u>
Total Charges for Services	<u>299,005</u>	<u>297,720</u>	<u>(1,285)</u>
 Fines and Forfeits -			
Parking ticket fines	30,000	26,082	(3,918)
Parking meter revenue	80,000	85,275	5,275
Moving violations	<u>110,000</u>	<u>110,933</u>	<u>933</u>
Total Fines and Forfeits	<u>220,000</u>	<u>222,290</u>	<u>2,290</u>
 Miscellaneous -			
Investment income	250	24	(226)
Miscellaneous	<u>3,000</u>	<u>100</u>	<u>(2,900)</u>
Total Miscellaneous	<u>3,250</u>	<u>124</u>	<u>(3,126)</u>
 Total Revenues	<u>1,422,650</u>	<u>1,511,744</u>	<u>89,094</u>

VILLAGE OF WOODSTOCK, VERMONT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

Schedule 1
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	<u>Original and Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Over (Under)</u>
EXPENDITURES:			
General Government -			
Trustees:			
Salaries and wages	3,750	3,000	(750)
Benefits	300	230	(70)
Advertising	1,000	801	(199)
Dues, subscriptions, and meetings	1,000	2,125	1,125
Printing Village Annual Report	1,200	1,098	(102)
Legal fees	<u>2,750</u>	<u>11,074</u>	<u>8,324</u>
Total Trustees	<u>10,000</u>	<u>18,328</u>	<u>8,328</u>
Executive Department:			
Managing municipality -			
Salaries and wages	43,150	44,479	1,329
Benefits	14,200	15,829	1,629
Professional services	50	-	(50)
Dues, subscriptions, and meetings	500	551	51
Advertising	<u>50</u>	<u>-</u>	<u>(50)</u>
Total Executive Department	<u>57,950</u>	<u>60,859</u>	<u>2,909</u>
Finance Department:			
Collection, Custody, and Distribution of Funds -			
Salaries and wages	1,500	1,500	-
Benefits	130	115	(15)
Travel and transportation	<u>40</u>	<u>-</u>	<u>(40)</u>
Total Collection, Custody, and Distribution of Funds	<u>1,670</u>	<u>1,615</u>	<u>(55)</u>
Accounting and Bookkeeping -			
Salaries and wages	19,500	20,540	1,040
Benefits	6,200	5,848	(352)
Professional services	800	49	(751)
Dues, subscriptions, and meetings	<u>60</u>	<u>16</u>	<u>(44)</u>
Total accounting and bookkeeping	<u>26,560</u>	<u>26,453</u>	<u>(107)</u>
Auditing -			
Professional services	<u>14,000</u>	<u>12,200</u>	<u>(1,800)</u>
Total Finance Department	<u>42,230</u>	<u>40,268</u>	<u>(1,962)</u>
Village Clerk:			
Salaries	<u>400</u>	<u>400</u>	<u>-</u>

VILLAGE OF WOODSTOCK, VERMONT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

Schedule 1
Page 3 of 7

	<u>Original and Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Over (Under)</u>
EXPENDITURES (CONTINUED):			
General Government (continued) -			
Administration:			
Equipment repairs and maintenance	1,600	1,939	339
Communications	1,600	2,018	418
Office supplies	1,600	1,408	(192)
Postage	2,300	2,125	(175)
Operating supplies	1,500	1,397	(103)
Total Administration	8,600	8,887	287
Boards and Agencies:			
Municipal Planning and Zoning -			
Salaries and wages	69,200	66,972	(2,228)
Benefits	32,950	29,592	(3,358)
Advertising	2,500	1,874	(626)
Dues, subscriptions, and meetings	1,000	3,071	2,071
Printing and mapping	400	90	(310)
Travel and transportation	275	301	26
Professional services	500	233	(267)
Equipment purchase	500	-	(500)
Total Municipal Planning and Zoning	107,325	102,133	(5,192)
Trustees' Contingency			
Unclassified	3,000	2,699	(301)
Lobbyist	5,000	5,448	448
Insurance	48,000	61,313	13,313
Total Trustees' Contingency	56,000	69,460	13,460
Total General Government	282,505	300,335	17,830
Public Safety -			
Police Administration:			
Salaries and wages	105,200	103,747	(1,453)
EMT training and stipend	3,600	1,000	(2,600)
Benefits	38,000	39,049	1,049
Office supplies	500	499	(1)
Travel and transportation	275	267	(8)
Advertising	400	400	-
Operating supplies	1,500	1,801	301
Dues, subscriptions, and meetings	1,200	1,505	305
Printing and binding	125	120	(5)
Grants, dues, and subscriptions	225	217	(8)
Total Police Administration	151,025	148,605	(2,420)

VILLAGE OF WOODSTOCK, VERMONT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

Schedule 1
Page 4 of 7

	<u>Original and Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Over (Under)</u>
EXPENDITURES (CONTINUED):			
Public Safety (continued) -			
Police Office Maintenance:			
Salaries and wages	1,500	1,305	(195)
Benefits	100	96	(4)
Propane	2,600	-	(2,600)
Electricity	1,700	-	(1,700)
Rubbish removal	1,100	1,023	(77)
Water/sewer	700	556	(144)
Building maintenance	1,350	1,154	(196)
Total Police Office Maintenance	<u>9,050</u>	<u>4,134</u>	<u>(4,916)</u>
Law Enforcement:			
Salaries and wages	210,000	199,061	(10,939)
Benefits	65,000	55,662	(9,338)
Contract police coverage	3,500	12,438	8,938
Stipend	10,500	7,624	(2,876)
Operating supplies	850	845	(5)
Professional services	1,000	974	(26)
Weapon maintenance and supplies	1,200	1,200	-
Uniform service	4,000	3,998	(2)
Small tools and equipment	4,200	4,326	126
Dues, subscriptions, and meetings	250	245	(5)
Total Law Enforcement	<u>300,500</u>	<u>286,373</u>	<u>(14,127)</u>
Town Police Services:			
Salaries and wages	70,000	65,617	(4,383)
Training wages	1,200	1,417	217
Stipend	2,600	173	(2,427)
Training paid benefits	200	102	(98)
Employer paid benefits	26,800	31,413	4,613
Uniform service	1,300	963	(337)
Vehicle repair and maintenance	2,500	1,987	(513)
Small tools and equipment	500	499	(1)
4X4 vehicle lease	6,500	6,338	(162)
4X4 radio, lights, radar	700	5,520	4,820
Fuel	6,500	1,950	(4,550)
Tuition	750	263	(487)
Roof replacement	2,500	-	(2,500)
Total Town Police Services	<u>122,050</u>	<u>116,242</u>	<u>(5,808)</u>

VILLAGE OF WOODSTOCK, VERMONT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

Schedule 1
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	<u>Original and Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Over (Under)</u>
EXPENDITURES (CONTINUED):			
Public Safety (continued) -			
Training:			
Salaries and wages	3,600	3,604	4
Benefits	200	197	(3)
Tuition	1,750	1,508	(242)
Travel and transportation	300	279	(21)
Total Training	<u>5,850</u>	<u>5,588</u>	<u>(262)</u>
Communications:			
Repairs and maintenance	300	197	(103)
Dispatch services	64,730	64,730	-
Communications	10,000	11,591	1,591
Total Communications	<u>75,030</u>	<u>76,518</u>	<u>1,488</u>
Vehicles and Equipment:			
Repairs and maintenance	3,000	2,894	(106)
Small tools and equipment	600	570	(30)
Gasoline	14,000	12,091	(1,909)
Total Vehicles and Equipment	<u>17,600</u>	<u>15,555</u>	<u>(2,045)</u>
Buying, Maintenance, Parking Meters:			
Salaries and wages	22,700	22,700	-
Benefits	1,740	1,737	(3)
Office supplies	1,000	849	(151)
Repairs and maintenance	1,000	1,000	-
Equipment purchase	2,500	2,500	-
Postage	2,000	2,215	215
Professional service	400	419	19
Computer software	1,000	978	(22)
Small tools and equipment	700	699	(1)
Total Buying, Maintenance, Parking Meters	<u>33,040</u>	<u>33,097</u>	<u>57</u>
Total Public Safety	<u>714,145</u>	<u>686,112</u>	<u>(28,033)</u>
Highways and Streets -			
Highway Maintenance:			
Salaries and wages	89,000	91,557	2,557
Overtime	12,000	20,110	8,110
Summer help - wages	3,000	4,650	1,650
Benefits	44,200	40,644	(3,556)
Operating supplies	4,500	5,735	1,235

VILLAGE OF WOODSTOCK, VERMONT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

Schedule 1
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	<u>Original and Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Over (Under)</u>
EXPENDITURES (CONTINUED):			
Highways and Streets (continued) -			
Highway Maintenance (continued):			
Small tools and equipment	250	245	(5)
NWPL parking lot rental	10,000	10,000	-
Road maintenance	4,000	7,933	3,933
Fuel	13,000	10,735	(2,265)
Storm drain maintenance	10,000	4,122	(5,878)
Road construction	55,000	58,015	3,015
Other purchased services	20,000	20,414	414
Salt and sand	50,000	55,574	5,574
Rubbish removal	11,000	10,154	(846)
Total Highway Maintenance	<u>325,950</u>	<u>339,888</u>	<u>13,938</u>
Traffic Control:			
Road signs	1,000	810	(190)
Installing and Maintaining Street Lights:			
Utilities	29,500	30,933	1,433
Maintenance of Sidewalks:			
Sidewalk construction	14,000	20,467	6,467
Highway Equipment Maintenance:			
Repair supplies	1,800	4,900	3,100
Maintenance supplies	3,000	5,963	2,963
Equipment repair	2,000	1,964	(36)
Equipment purchase	200	-	(200)
Small tools and equipment	100	50	(50)
Total Highway Equipment Maintenance	<u>7,100</u>	<u>12,877</u>	<u>5,777</u>
Maintenance of Public Works Building:			
Repairs and maintenance	400	255	(145)
Utilities	4,400	3,742	(658)
Total Maintenance of Public Works Building	<u>4,800</u>	<u>3,997</u>	<u>(803)</u>
Total Highways and Streets	<u>382,350</u>	<u>408,972</u>	<u>26,622</u>
Culture and Recreation Village Parks Unit -			
Acquisition and Maintenance of Park Areas:			
Operating supplies	1,500	2,388	888
Small tools and equipment	500	521	21
Paw bags	1,500	1,259	(241)
Rubbish removal	2,600	2,717	117
Total Culture and Recreation Village Parks Unit	<u>6,100</u>	<u>6,885</u>	<u>785</u>

VILLAGE OF WOODSTOCK, VERMONT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

Schedule 1
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	<u>Original and Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Over (Under)</u>
EXPENDITURES (CONTINUED):			
Special Articles -			
Public Trust Fund - audit	1,000	1,000	-
Public Trust Fund - trustee	1,000	1,077	77
Ethel Woods Fund-Sidewalk	500	-	(500)
O. A. Whitcomb Fund - trees	750	750	-
Tree Fund	<u>3,000</u>	<u>895</u>	<u>(2,105)</u>
Total Special Articles	<u>6,250</u>	<u>3,722</u>	<u>(2,528)</u>
Grant Expenses -			
Grants - police equipment	-	2,680	2,680
Waterfront park grant	-	62,500	62,500
Park and ride grant	-	3,692	3,692
Snow dump	-	6,839	6,839
DUI enforcement	<u>-</u>	<u>1,787</u>	<u>1,787</u>
Total Grant Expenses	<u>-</u>	<u>77,498</u>	<u>77,498</u>
Capital Reserve Spending -			
Computer equipment replacement	-	440	440
Police cruiser	<u>28,000</u>	<u>29,075</u>	<u>1,075</u>
Total Capital Reserve Spending	<u>28,000</u>	<u>29,515</u>	<u>1,515</u>
Total expenditures	<u>1,419,350</u>	<u>1,513,039</u>	<u>93,689</u>
EXCESS OF REVENUES OR (EXPENDITURES)	<u>3,300</u>	<u>(1,295)</u>	<u>(4,595)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	38,450	39,965	1,515
Transfers out	<u>(41,750)</u>	<u>(41,750)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,300)</u>	<u>(1,785)</u>	<u>1,515</u>
NET CHANGE IN FUND BALANCE	\$ <u>-</u>	\$ <u>(3,080)</u>	\$ <u>(3,080)</u>

VILLAGE OF WOODSTOCK, VERMONT
COMBINING BALANCE SHEET
PERMANENT FUND
JUNE 30, 2015

Schedule 2

	<u>Old Fire Station Fund</u>	<u>Orly Whitcomb Fund</u>	<u>Frank MacKenzie Fund</u>	<u>E. Woods Sidewalk Fund</u>	<u>Endowment Fund</u>	<u>Totals</u>
ASSETS						
Cash and cash equivalents	\$ 30,121	\$ 86,724	\$ 5,618	\$ 58,733	\$ 9,262	\$ 190,458
Investments	<u>-</u>	<u>1,480</u>	<u>-</u>	<u>-</u>	<u>201,549</u>	<u>203,029</u>
Total assets	\$ <u>30,121</u>	\$ <u>88,204</u>	\$ <u>5,618</u>	\$ <u>58,733</u>	\$ <u>210,811</u>	\$ <u>393,487</u>
LIABILITIES AND FUND EQUITY						
LIABILITIES	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
FUND BALANCES:						
Nonspendable	-	-	-	-	194,521	194,521
Restricted	<u>30,121</u>	<u>88,204</u>	<u>5,618</u>	<u>58,733</u>	<u>16,290</u>	<u>198,966</u>
Total fund balances	<u>30,121</u>	<u>88,204</u>	<u>5,618</u>	<u>58,733</u>	<u>210,811</u>	<u>393,487</u>
Total liabilities and fund equity	\$ <u>30,121</u>	\$ <u>88,204</u>	\$ <u>5,618</u>	\$ <u>58,733</u>	\$ <u>210,811</u>	\$ <u>393,487</u>

VILLAGE OF WOODSTOCK, VERMONT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - PERMANENT FUND
FOR THE YEAR ENDED JUNE 30, 2015

Schedule 3

	Old Fire Station <u>Fund</u>	Orly Whitcomb <u>Fund</u>	Frank MacKenzie <u>Fund</u>	E. Woods Sidewalk <u>Fund</u>	Endowment <u>Fund</u>	<u>Totals</u>
REVENUES:						
Investment income	\$ 141	\$ 398	\$ 26	\$ 277	\$ 2,798	\$ 3,640
Net increase in fair value of investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,386</u>	<u>1,386</u>
Total revenues	141	398	26	277	4,184	5,026
EXPENDITURES:						
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,229</u>	<u>1,229</u>
EXCESS OF REVENUES OR (EXPENDITURES)	141	398	26	277	2,955	3,797
OTHER FINANCING SOURCES (USES):						
Transfers out	<u>(320)</u>	<u>(1,650)</u>	<u>(60)</u>	<u>(1,220)</u>	<u>(7,200)</u>	<u>(10,450)</u>
NET CHANGE IN FUND BALANCES	(179)	(1,252)	(34)	(943)	(4,245)	(6,653)
FUND BALANCES, July 1, 2014	<u>30,300</u>	<u>89,456</u>	<u>5,652</u>	<u>59,676</u>	<u>215,056</u>	<u>400,140</u>
FUND BALANCES, June 30, 2015	\$ <u>30,121</u>	\$ <u>88,204</u>	\$ <u>5,618</u>	\$ <u>58,733</u>	\$ <u>210,811</u>	\$ <u>393,487</u>

**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***

The Board of Trustees
Village of Woodstock, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Woodstock, Vermont (the Village) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated December 28, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2015-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Village's Response to Finding

Management's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. Management's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

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

*Mudgett, Jennett &
Krogh-Wisner, P.C.*

Montpelier, Vermont
December 28, 2015

**VILLAGE OF WOODSTOCK, VERMONT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2015**

2015-001 Depreciation in the government-wide statements:

Capital assets and related depreciation are reported in the Village's government-wide financial statements. We found that the Village did not record depreciation expense for the year ended June 30, 2015 totaling \$129,847. We also found that the Village had included this activity in its supplementary depreciation schedules. An audit adjustment was proposed to record depreciation expense in the general ledger.

We recommend that the Village adopt procedures to insure all activity included on the supplementary depreciation schedules that are prepared by the Village agree with the amounts recorded in the general ledger.

Management's response - The depreciation posting to the Village General Fund was written up but was overlooked. The posting has been recorded as proposed.