

**TOWN OF WOODSTOCK, VERMONT**

**FINANCIAL STATEMENTS**

**JUNE 30, 2014**

**AND**

**INDEPENDENT AUDITOR'S REPORTS**

# TOWN OF WOODSTOCK, VERMONT

JUNE 30, 2014

## TABLE OF CONTENTS

	Page(s)
Independent Auditor's Report .....	1 - 2
Management's Discussion and Analysis .....	3 - 10
Basic Financial Statements:	
Government-wide Financial Statements -	
Government-wide Statement of Net Position .....	11
Government-wide Statement of Activities.....	12
Fund Financial Statements -	
Balance Sheet - Governmental Funds.....	13 - 15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	16 - 18
Statement of Revenues and Expenditures - Budget and Actual - General Fund.....	19
Statement of Net Position - Proprietary Funds .....	20
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds.....	21
Statement of Cash Flows - Proprietary Funds .....	22
Notes to Financial Statements.....	23 - 37
Supplementary Schedules:	
Schedule 1 - Schedule of Revenues and Expenditures - Budget and Actual - General Fund.....	38 - 49
Schedule 2 - Schedule of Revenues and Expenses - Budget and Actual - Sewer Fund .....	50 - 52
Schedule 3 - Combining Balance Sheet - Permanent Fund.....	53 - 54
Schedule 4 - Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Permanent Fund .....	55 - 56
Compliance Reports:	
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 <i>Government Auditing Standards</i> .....	57 - 58
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133.....	59 - 60
Schedule of Expenditures of Federal Awards.....	61
Notes to Schedule of Expenditures of Federal Awards .....	62
Schedule of Findings and Responses.....	63 - 65
Status of Prior Audit Findings .....	66

## INDEPENDENT AUDITOR'S REPORT

The Selectboard  
Town 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 Town of Woodstock, Vermont (the Town) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Town of Woodstock, Vermont as of June 30, 2014, 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 Town's basic financial statements. The accompanying schedules 1, 2, 3 and 4, and the Schedule of Expenditures of Federal Awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis, and are not a required part of the basic financial statements.

The accompanying schedules 1 through 4 and the Schedule of Expenditures of Federal Awards 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 4 and the Schedule of Expenditures of Federal Awards 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 15, 2014 on our consideration of the Town'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 Town's internal control over financial reporting and compliance.

Montpelier, Vermont  
December 15, 2014

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

## **Management's Discussion and Analysis**

People flock to Woodstock every year, where they find a friendly, welcoming place to shop, to have lunch, or to simply wander around and take in the atmosphere.

A five-member Selectboard is elected and is responsible for providing municipal services such as administration, planning and zoning, public works and public safety.

The following is a discussion and analysis of the Town of Woodstock's (the Town) financial performance, including an overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2014. Readers should consider this information in conjunction with the Town's financial statements which are located after this analysis. The Town implemented the new reporting standard, Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities* during FY 14.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

On March 2, 2013 the voters of the Town of Woodstock convened at the Town Hall for the annual Town Meeting. A budget of \$4,458,502 (for fiscal year 2014) was presented which included specific sums of money to operate the various Town departments. To defray operating costs, the amount needed to be raised by taxation was \$3,274,372. The budget was voted and adopted, except for Article XIII. The budget, less Article XIII, was lowered to \$4,408,502. The amount to be raised by taxation was lowered to \$3,224,372.

The approved budget decreased by \$53,705 over the FY 13 budget. The change was primarily due to decreases in the amount needed for public safety services and equipment.

The amount to be raised by taxation of \$3,224,372 was an increase of 5.9% over the previous year's amount. No amount was used from the surplus, for the purpose of tax stabilization for the fiscal year 2014.

### **FINANCIAL HIGHLIGHTS**

#### **Government-wide Highlights**

The Town's assets exceeded its liabilities and deferred inflows of resources at June 30, 2014, by \$14,558,961. Net position for governmental activities increased by \$2,860,056 and net position for business-type activities decreased by \$144,059. There were deferred inflows of resources of \$5,500.

#### **Fund Highlights**

At the end of the fiscal year, the Town's governmental funds reported a combined ending fund balance of \$2,911,295, an increase of \$293,846 compared to the prior year. The unassigned portion of the combined fund balance includes the General Fund unassigned balance of \$156,430 and the Irene Fund unassigned deficit of \$682,239 for a net unassigned deficit of \$525,809. The remaining \$3,437,104 represents amounts classified for specific purposes, such as endowments and subsequent year's expenditures. The proprietary funds reported a net position at June 30, 2014, of \$2,694,705, a decrease of \$144,059 for the year.

## Long-term Debt

The Town's total long-term debt decreased during the fiscal year to \$1,919,592 which includes no capital leases. During FY 2014, the Town added debt of \$113,015 and retired debt of \$182,373 for a net decrease of \$69,358.

## 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 Town's financial statements for the year ended June 30, 2014 are prepared and presented using the guidelines established by the GASB.

The Town'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 Town'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 Town 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 Town. 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 Town's finances. The statements provide both short-term and long-term information about the Town's financial position which helps readers determine whether the Town'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 Town'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 Town 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 Town'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 Town's activities are classified as follows:

- **Governmental Activities** - Activities reported here include general government, public safety, public works, culture and recreation, and interest on debt. Property taxes, federal, state and other revenues finance these activities.
- **Business-type Activities** - Activities reported here include the Unemployment Fund and Sewer 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 Town of Woodstock, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the Town'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 Town 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 Town'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 Town uses proprietary funds to account for its Sewer Fund and Unemployment Fund.

The Balance Sheet - Governmental Funds statement includes a reconciliation of the amounts reported on the governmental fund financial 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 Town'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 fund 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 Sewer Fund and the Unemployment Fund.

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

Net Position June 30, 2014 and June 30, 2013

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current assets	\$ 4,511,096	\$ 4,276,607	\$ 1,172,583	\$ 1,188,604	\$ 5,683,679	\$ 5,465,211
Capital assets	<u>10,143,461</u>	<u>7,636,975</u>	<u>1,873,959</u>	<u>2,025,459</u>	<u>12,017,420</u>	<u>9,662,434</u>
Total assets	<u>14,654,557</u>	<u>11,913,582</u>	<u>3,046,542</u>	<u>3,214,063</u>	<u>17,701,099</u>	<u>15,127,645</u>
Current liabilities	1,341,526	1,423,661	65,831	54,439	1,407,357	1,478,100
Long-term liabilities	<u>1,443,275</u>	<u>1,485,721</u>	<u>286,006</u>	<u>320,860</u>	<u>1,729,281</u>	<u>1,806,581</u>
Total liabilities	<u>2,784,801</u>	<u>2,909,382</u>	<u>351,837</u>	<u>375,299</u>	<u>3,136,638</u>	<u>3,284,681</u>
Deferred inflows of resources	<u>5,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,500</u>	<u>-</u>
Net Position:						
Net investment in capital assets	8,798,924	6,242,740	1,610,234	1,724,059	10,409,158	7,966,799
Restricted - Nonexpendable	1,258,220	1,046,712	-	-	1,258,220	1,046,712
Restricted - Expendable	1,747,482	1,745,652	105,139	900,857	1,852,621	2,646,509
Unrestricted	<u>59,630</u>	<u>(30,904)</u>	<u>979,332</u>	<u>213,848</u>	<u>1,038,962</u>	<u>182,944</u>
Total net position	<u>\$ 11,864,256</u>	<u>\$ 9,004,200</u>	<u>\$ 2,694,705</u>	<u>\$ 2,838,764</u>	<u>\$ 14,558,961</u>	<u>\$ 11,842,964</u>

The portion of the Town's net position as of June 30, 2014 that reflects its investment in capital assets (e.g. land, buildings, equipment, and construction in progress), less any related debt used to acquire those assets is \$10,409,158 or 71.5%. The Town uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the Town'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 Town's net position (21.4%) represents restricted net position. These resources are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$1,038,962 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the 2014 fiscal year, the Town of Woodstock is able to report positive balances in all of the three categories of net position for both governmental and business-type activities.

**Changes in Net Position for the Fiscal Years Ended June 30, 2014 and 2013**

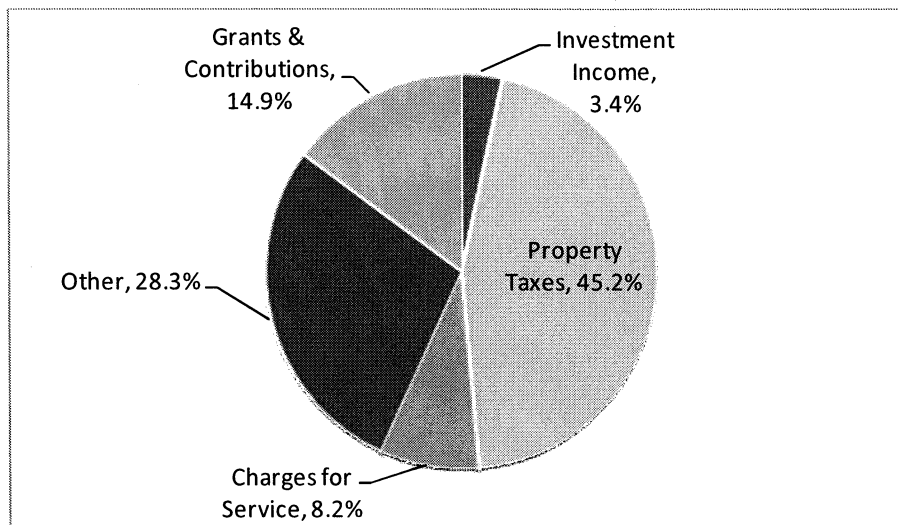
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues						
Program Revenues						
Grants and Contributions	\$ 1,175,788	\$ 1,113,445	\$ -	\$ -	\$ 1,175,788	\$ 1,113,445
Charges for Services	647,344	690,545	661,458	618,550	1,308,802	1,309,095
Other	18,779	88,536	2,969	-	21,748	88,536
General Revenues						
Property Taxes	3,556,509	3,294,205	-	-	3,556,509	3,294,205
Donation-Taftsville Bridge	2,200,000	-	-	-	2,200,000	-
Investment Income	31,609	31,304	3,320	4,163	34,929	35,467
Total Revenues	<u>7,630,029</u>	<u>5,218,035</u>	<u>667,747</u>	<u>622,713</u>	<u>8,297,776</u>	<u>5,840,748</u>
Expenses						
Governmental Activities						
General Government	1,035,715	1,286,673	-	-	1,035,715	1,286,673
Public Works	1,907,436	1,564,330	-	-	1,907,436	1,564,330
Public Safety	1,267,167	1,228,942	-	-	1,267,167	1,228,942
Culture and Recreation	742,017	515,685	-	-	742,017	515,685
Debt Service - Interest	52,737	56,963	-	-	52,737	56,963
Business-type Activities						
Sewer	-	-	812,795	809,613	812,795	809,613
Total Expenses	<u>5,005,072</u>	<u>4,652,593</u>	<u>812,795</u>	<u>809,613</u>	<u>5,817,867</u>	<u>5,462,206</u>
Changes in Net Position before Changes in Market Value (MV) and Transfers	2,624,957	565,442	(145,048)	(186,900)	2,479,909	378,542
MV Increase(Decrease)	236,088	132,976	-	-	236,088	132,976
Transfer In (Out)	(989)	(6,887)	989	6,887	-	-
Changes in Net Position	<u>2,860,056</u>	<u>691,531</u>	<u>(144,059)</u>	<u>(180,013)</u>	<u>2,715,997</u>	<u>511,518</u>
Net Position - Beginning, restated	<u>9,004,200</u>	<u>8,312,669</u>	<u>2,838,764</u>	<u>3,018,777</u>	<u>11,842,964</u>	<u>11,331,446</u>
Net Position - Ending	<u>\$ 11,864,256</u>	<u>\$ 9,004,200</u>	<u>\$ 2,694,705</u>	<u>\$ 2,838,764</u>	<u>\$ 14,558,961</u>	<u>\$ 11,842,964</u>

**Governmental Activities** - In the fiscal year 2014, property taxes provided 45.2% of revenues. Grants and Contributions accounted for 14.9%. The amount earned on investments was 3.4% of total governmental activities revenues. Charges for Services brought in 8.2%.

**Business-type Activities** - Charges for Services accounted for 98.9% of revenues.

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

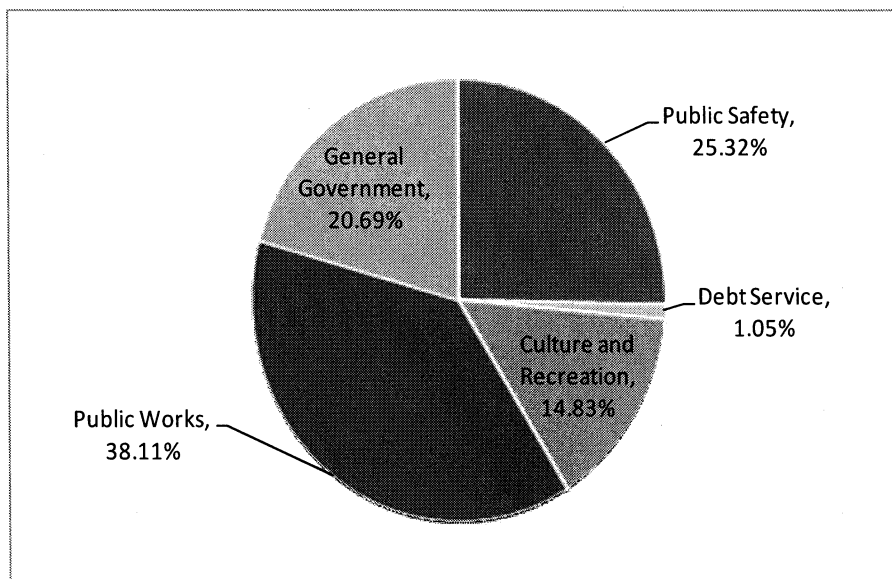
#### Revenues by Source



For FY 2014, governmental activity expenses exceeded program revenues by \$3,163,161 compared to \$2,760,067 for FY 2013.

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

#### Expenses by Type



While Town expenses cover many services, the largest expenses are for public works, general government and public safety.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

### **Governmental Funds**

The focus of the Town 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 Town'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 2014 fiscal year, the Town's governmental funds reported combined ending fund balances of \$2,911,295. A combined unassigned deficit of \$525,809 consists of a General Fund unassigned surplus of \$156,430 and an Irene Fund unassigned deficit of \$682,239. 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 to specific purposes such as subsequent year's expenditures and capital improvements.

**General Fund** - The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance was \$156,430 and nonspendable, restricted, committed and assigned fund balance was \$82,328. 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 operating transfers. Unassigned fund balance represents 3.5% of total General Fund expenditures and operating transfers. Total fund balance represents 5.3% of total General Fund expenditures and operating transfers. The fund balance of the Town's General Fund increased by \$12,801 during the fiscal year.

**Proprietary Funds** - The Town'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 Town also makes a similar calculation for the Sewer Fund and Unemployment Fund.

Unrestricted net position of the Town's Sewer Fund amounts to \$979,332, an increase of \$765,484 during the most recent fiscal year; restricted net position of \$0 is a decrease of \$796,138. Restricted net position of the Town's Unemployment Fund amounts to \$105,139, an increase of \$420. Other factors concerning these two funds have already been addressed in the discussion of the Town's business-type activities.

## **CAPITAL ASSETS**

The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2014, amounts to \$12,017,420 (net of depreciation). This amount represents an increase of \$2,354,986 from the prior year. This investment in capital assets includes land and improvements, buildings and improvements, vehicles and equipment, infrastructure, and construction in process.

**Capital Assets as of June 30, 2014 and June 30, 2013**  
(Net of Depreciation)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	\$ 642,570	\$ 642,570	\$ 36,164	\$ 36,164	\$ 678,734	\$ 678,734
Construction in process	10,395	291,147	27,231	-	37,626	291,147
Infrastructure	4,817,500	2,091,078	-	-	4,817,500	2,091,078
Buildings and improvements	3,001,298	2,955,510	-	-	3,001,298	2,955,510
Sewer treatment plant	-	-	1,756,596	1,914,720	1,756,596	1,914,720
Vehicles and equipment	1,455,750	1,539,838	49,356	68,416	1,505,106	1,608,254
Office equipment and computers	215,948	116,832	4,612	6,159	220,560	122,991
Total assets	<u>\$ 10,143,461</u>	<u>\$ 7,636,975</u>	<u>\$ 1,873,959</u>	<u>\$ 2,025,459</u>	<u>\$ 12,017,420</u>	<u>\$ 9,662,434</u>

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

## DEBT ADMINISTRATION

**Long-term Debt** – On June 30, 2014, the Town of Woodstock had total long-term debt outstanding of \$1,919,592. Of this amount, \$910,000 represents bonds issued by the Vermont Municipal Bond Bank at a net interest rate of 4.67%, \$6,218 represents a note payable at an interest rate of 1.94%, \$26,860 represents a note payable at an interest rate of 1.99%, \$198,000 represents bonds payable at an interest rate of 3.00%, \$33,373 represents a note payable at an interest rate of 1.92%, \$29,572 represents a note payable at an interest rate of 2.243%, \$45,514 represents a note payable at an interest rate of 2.35%, \$95,000 represents a note payable at an interest rate of 1.74%, \$263,725 represents non-interest bearing bonds issued by the Vermont Municipal Bond Bank, and \$311,330 represents compensated absences obligations.

## FISCAL YEAR 2015 BUDGET

For fiscal year 2015, property taxes are projected to increase 1.29% or \$41,360 over last year's budget. No amount will be used from the surplus for the purpose of tax stabilization for the fiscal year 2015. The Special Articles approved for FY 15 are \$62,950 less than those in FY 14. The fiscal year 2015 budget adopted at the Town Meeting in March, 2014 will maintain services at the fiscal year 2014 levels.

As of June 30, 2014, the Town of Woodstock has received \$4,127,223 from the Federal Emergency Management Agency (FEMA) and the State of Vermont in aid to cover the cost to repair damage caused by Tropical Storm Irene. The Town is anticipating additional funds from FEMA and the State of Vermont to aid with the final costs of Irene damage. However the Town expects to need some long-term financing once all other sources of aid are received.

## Requests for Information

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

**TOWN OF WOODSTOCK, VERMONT**  
**GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Totals</u>
<b>ASSETS:</b>			
Current assets -			
Cash and cash equivalents	\$ 1,911,931	\$ 1,130,912	\$ 3,042,843
Investments	1,539,469	-	1,539,469
Receivables:			
Delinquent taxes	476,679	-	476,679
Accounts, grants and notes	572,133	36,564	608,697
Prepaid expenses	13,353	2,638	15,991
Internal balances	(2,469)	2,469	-
Total current assets	<u>4,511,096</u>	<u>1,172,583</u>	<u>5,683,679</u>
Noncurrent assets -			
Capital assets	13,778,207	6,760,523	20,538,730
less - accumulated depreciation	<u>(3,634,746)</u>	<u>(4,886,564)</u>	<u>(8,521,310)</u>
Total noncurrent assets	<u>10,143,461</u>	<u>1,873,959</u>	<u>12,017,420</u>
Total assets	<u>14,654,557</u>	<u>3,046,542</u>	<u>17,701,099</u>
<b>LIABILITIES:</b>			
Current liabilities -			
Accounts payable	97,466	22,800	120,266
Accrued expenses	34,228	5,356	39,584
Line of credit	1,000,000	-	1,000,000
Due to Village of Woodstock	57,196	-	57,196
Current portion of long-term debt	152,636	37,675	190,311
Total current liabilities	<u>1,341,526</u>	<u>65,831</u>	<u>1,407,357</u>
Noncurrent liabilities -			
Accrued compensated absences	251,374	59,956	311,330
Long-term debt	1,191,901	226,050	1,417,951
Total noncurrent liabilities	<u>1,443,275</u>	<u>286,006</u>	<u>1,729,281</u>
Total liabilities	<u>2,784,801</u>	<u>351,837</u>	<u>3,136,638</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue - grants	<u>5,500</u>	<u>-</u>	<u>5,500</u>
<b>NET POSITION:</b>			
Net investment in capital assets	8,798,924	1,610,234	10,409,158
Restricted - nonexpendable	1,258,220	-	1,258,220
Restricted - expendable	1,747,482	105,139	1,852,621
Unrestricted	59,630	979,332	1,038,962
Total net position	<u>\$ 11,864,256</u>	<u>\$ 2,694,705</u>	<u>\$ 14,558,961</u>

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

**TOWN OF WOODSTOCK, VERMONT**  
**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Grants and Contributions	Charges for		Governmental Activities	Business-type Activities	Totals
			Services	Other			
<b>FUNCTIONS/PROGRAMS:</b>							
Governmental activities -							
General government	\$ 1,035,715	\$ 869,384	\$ 100,137	\$ 6,111	\$ (60,083)	\$ -	\$ (60,083)
Public safety	1,267,167	15,708	547,207	-	(704,252)	-	(704,252)
Public works	1,907,436	290,696	-	12,668	(1,604,072)	-	(1,604,072)
Culture and recreation	742,017	-	-	-	(742,017)	-	(742,017)
Debt service - interest	52,737	-	-	-	(52,737)	-	(52,737)
Total governmental activities	<u>5,005,072</u>	<u>1,175,788</u>	<u>647,344</u>	<u>18,779</u>	<u>(3,163,161)</u>	<u>-</u>	<u>(3,163,161)</u>
Business-type activities -							
Sewer	812,795	-	661,458	2,969	-	(148,368)	(148,368)
Total business-type activities	<u>812,795</u>	<u>-</u>	<u>661,458</u>	<u>2,969</u>	<u>-</u>	<u>(148,368)</u>	<u>(148,368)</u>
	<u>\$ 5,817,867</u>	<u>\$ 1,175,788</u>	<u>\$ 1,308,802</u>	<u>\$ 21,748</u>	<u>(3,163,161)</u>	<u>(148,368)</u>	<u>(3,311,529)</u>
GENERAL REVENUES - PROPERTY TAXES					3,556,509	-	3,556,509
- TAFTSVILLE BRIDGE DONATION					2,200,000	-	2,200,000
- INVESTMENT INCOME					31,609	3,320	34,929
- NET INCREASE (DECREASE) IN FAIR MARKET VALUE OF INVESTMENTS					236,088	-	236,088
- TRANSFERS IN (OUT)					(989)	989	-
					<u>6,023,217</u>	<u>4,309</u>	<u>6,027,526</u>
CHANGE IN NET POSITION					2,860,056	(144,059)	2,715,997
NET POSITION, July 1, 2013, as restated					9,004,200	2,838,764	11,842,964
NET POSITION, June 30, 2014					<u>\$ 11,864,256</u>	<u>\$ 2,694,705</u>	<u>\$ 14,558,961</u>

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

**TOWN OF WOODSTOCK, VERMONT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**  
(Page 1 of 3)

	General Fund	Capital Reserve Fund	Irene Fund	Permanent Fund	Totals Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 333,028	\$ 1,126,052	\$ 60,040	\$ 392,811	\$ 1,911,931
Investments	-	-	-	1,539,469	1,539,469
Receivables - Delinquent taxes	476,679	-	-	-	476,679
- Accounts, grants and notes	65,542	-	506,591	-	572,133
Due from other funds	-	297,444	-	-	297,444
Prepaid expenditures	13,353	-	-	-	13,353
Total assets	\$ 888,602	\$ 1,423,496	\$ 566,631	\$ 1,932,280	\$ 4,811,009
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ 55,246	\$ -	\$ 41,220	\$ 1,000	\$ 97,466
Accrued payroll and benefits	34,228	-	-	-	34,228
Line of credit	-	-	1,000,000	-	1,000,000
Due to other funds	92,263	-	207,650	-	299,913
Due to Village of Woodstock	57,196	-	-	-	57,196
Total liabilities	238,933	-	1,248,870	1,000	1,488,803
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue - grants	5,500	-	-	-	5,500
Unavailable revenue - property taxes	405,411	-	-	-	405,411
Total deferred inflows of resources	410,911	-	-	-	410,911

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

**TOWN OF WOODSTOCK, VERMONT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**  
(Page 2 of 3)

	General Fund	Capital Reserve Fund	Irene Fund	Permanent Fund	Totals Governmental Funds
<b>FUND BALANCES:</b>					
Nonspendable	13,353	-	-	1,258,220	1,271,573
Restricted	4,043	124,297	-	673,060	801,400
Committed	-	946,082	-	-	946,082
Assigned	64,932	353,117	-	-	418,049
Unassigned (deficit)	<u>156,430</u>	<u>-</u>	<u>(682,239)</u>	<u>-</u>	<u>(525,809)</u>
Total fund balances (deficit)	<u>238,758</u>	<u>1,423,496</u>	<u>(682,239)</u>	<u>1,931,280</u>	<u>2,911,295</u>
Total liabilities, deferred inflows of resources and fund equity	\$ <u>888,602</u>	\$ <u>1,423,496</u>	\$ <u>566,631</u>	\$ <u>1,932,280</u>	\$ <u>4,811,009</u>

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



**TOWN OF WOODSTOCK, VERMONT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**  
(Page 3 of 3)

<b>RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION:</b>	
Amount reported on Balance Sheet - Governmental Funds - total fund balances	\$ 2,911,295
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	13,778,207
Accumulated depreciation	(3,634,746)
Liabilities not due and payable in the year are not reported in the governmental funds.	
Long-term debt - Bonds and notes payable	(1,344,537)
Accrued compensated absences	(251,374)
Unavailable property taxes are reported as a deferred inflow of resources in the governmental funds if not collected within 60 days; this revenue is not deferred on the government-wide statements.	<u>405,411</u>
Net position of governmental activities - Government-wide Statement of Net Position	\$ <u>11,864,256</u>

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

**TOWN OF WOODSTOCK, VERMONT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

(Page 1 of 3)

	General Fund	Capital Reserve Fund	Irene Fund	Permanent Fund	Totals Governmental Funds
<b>REVENUES:</b>					
Taxes	\$ 3,531,289	\$ -	\$ -	-	\$ 3,531,289
Intergovernmental	229,393	-	945,295	-	1,174,688
Licenses, permits, fines, and fees	187,334	-	-	-	187,334
Charges for goods and services	445,582	-	-	-	445,582
Investment income	243	118	2	31,247	31,610
Net increase (decrease) in fair value of investments	-	-	-	236,088	236,088
Miscellaneous	20,951	-	-	687	21,638
Total revenues	<u>4,414,792</u>	<u>118</u>	<u>945,297</u>	<u>268,022</u>	<u>5,628,229</u>
<b>EXPENDITURES:</b>					
Current -					
General government	794,927	-	-	11,133	806,060
Public safety	1,072,235	-	-	-	1,072,235
Public works	937,960	-	423,452	-	1,361,412
Culture and recreation	539,879	-	-	-	539,879
Comfort Station	26,232	-	-	-	26,232
Intergovernmental	219,605	-	-	34,000	253,605
Grant expenditures	76,714	-	-	-	76,714
Special articles	248,777	-	-	-	248,777
Capital reserve spending	63,414	-	-	-	63,414
Loss repair	9,640	-	-	-	9,640
Capital outlay	180,905	-	604,754	-	785,659
Debt service - principal	144,698	-	-	-	144,698
- interest	52,737	-	-	-	52,737
Total expenditures	<u>4,367,723</u>	<u>-</u>	<u>1,028,206</u>	<u>45,133</u>	<u>5,441,062</u>

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

**TOWN OF WOODSTOCK, VERMONT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

(Page 2 of 3)

	General Fund	Capital Reserve Fund	Irene Fund	Permanent Fund	Totals Governmental Funds
EXCESS OF REVENUES OR (EXPENDITURES)	<u>47,069</u>	<u>118</u>	<u>(82,909)</u>	<u>222,889</u>	<u>187,167</u>
OTHER FINANCING SOURCES (USES):					
Note proceeds	95,000	-	-	-	95,000
Insurance reimbursements	12,668	-	-	-	12,668
Operating transfers in	208,910	298,884	87,562	-	595,356
Operating transfers out	<u>(350,846)</u>	<u>(235,499)</u>	<u>-</u>	<u>(10,000)</u>	<u>(596,345)</u>
Total other financing sources (uses)	<u>(34,268)</u>	<u>63,385</u>	<u>87,562</u>	<u>(10,000)</u>	<u>106,679</u>
NET CHANGE IN FUND BALANCES	12,801	63,503	4,653	212,889	293,846
FUND BALANCES (DEFICIT), July 1, 2013, as restated	<u>225,957</u>	<u>1,359,993</u>	<u>(686,892)</u>	<u>1,718,391</u>	<u>2,617,449</u>
FUND BALANCES (DEFICIT), June 30, 2014	<u>\$ 238,758</u>	<u>\$ 1,423,496</u>	<u>\$ (682,239)</u>	<u>\$ 1,931,280</u>	<u>\$ 2,911,295</u>

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

**TOWN OF WOODSTOCK, VERMONT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

(Page 3 of 3)

**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	\$ 293,846
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	785,659
Depreciation	(479,173)
Revenues from donated assets in the Statement of Activities do not provide current financial resources and are not reported as revenues in the funds.	
Taftsville Covered Bridge donation from State of Vermont	2,200,000
Property tax revenue in governmental funds includes revenue of the prior year but excludes unavailable revenue of the current year as taxes uncollected within 60 days are unavailable at year end.	
Prior year	(380,191)
Current year	405,411
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.	
Increase in compensated absences, net	(15,194)
Proceeds from notes payable	(95,000)
Principal payments on bonds and notes payable	<u>144,698</u>
Change in net position of governmental activities - Government-wide Statement of Activities	<u>\$ 2,860,056</u>

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

**TOWN OF WOODSTOCK, VERMONT**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Property taxes	\$ 3,497,372	\$ 3,531,289	\$ 33,917
Licenses and permits	67,000	62,171	(4,829)
Intergovernmental	128,000	229,393	101,393
Charges for services	429,730	445,582	15,852
Fines and forfeits	130,000	125,163	(4,837)
Investment income	500	243	(257)
Miscellaneous	16,900	20,951	4,051
Total revenues	<u>4,269,502</u>	<u>4,414,792</u>	<u>145,290</u>
EXPENDITURES:			
General government	803,345	795,095	8,250
Public safety	1,000,055	1,079,787	(79,732)
Public works	1,137,150	1,140,072	(2,922)
Culture and recreation	554,680	557,144	(2,464)
Comfort Station	27,300	26,232	1,068
Intergovernmental	215,000	219,605	(4,605)
Special articles	249,747	248,777	970
Capital reserve spending	179,000	214,657	(35,657)
Loss repair	-	9,640	(9,640)
Grants	-	76,714	(76,714)
Total expenditures	<u>4,166,277</u>	<u>4,367,723</u>	<u>(201,446)</u>
EXCESS OF REVENUES OR (EXPENDITURES)	<u>103,225</u>	<u>47,069</u>	<u>(56,156)</u>
OTHER FINANCING SOURCES (USES):			
Note proceeds	-	95,000	95,000
Insurance reimbursements	-	12,668	12,668
Transfers in (out), net	(42,300)	(141,936)	(99,636)
Total other financing sources (uses)	<u>(42,300)</u>	<u>(34,268)</u>	<u>8,032</u>
NET CHANGE IN FUND BALANCE	\$ <u>60,925</u>	\$ <u>12,801</u>	\$ <u>(48,124)</u>

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

**TOWN OF WOODSTOCK, VERMONT**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**JUNE 30, 2014**

	<u>Sewer Fund</u>	<u>Unemployment Fund</u>	<u>Totals Proprietary Funds</u>
<b>ASSETS:</b>			
Current assets -			
Cash and cash equivalents	\$ 1,025,773	\$ 105,139	\$ 1,130,912
Accounts receivable (Net of allowance for doubtful accounts of \$5,000)	36,564	-	36,564
Prepaid expenses	2,638	-	2,638
Due from other funds	2,469	-	2,469
Total current assets	<u>1,067,444</u>	<u>105,139</u>	<u>1,172,583</u>
Noncurrent assets -			
Capital assets	6,760,523	-	6,760,523
less - accumulated depreciation	<u>(4,886,564)</u>	<u>-</u>	<u>(4,886,564)</u>
Total noncurrent assets	<u>1,873,959</u>	<u>-</u>	<u>1,873,959</u>
Total assets	<u>2,941,403</u>	<u>105,139</u>	<u>3,046,542</u>
<b>LIABILITIES:</b>			
Current liabilities -			
Accounts payable	22,800	-	22,800
Accrued payroll	5,356	-	5,356
Current portion of long-term debt	37,675	-	37,675
Total current liabilities	<u>65,831</u>	<u>-</u>	<u>65,831</u>
Noncurrent liabilities -			
Accrued compensated absences	59,956	-	59,956
Long-term debt	226,050	-	226,050
Total noncurrent liabilities	<u>286,006</u>	<u>-</u>	<u>286,006</u>
Total liabilities	<u>351,837</u>	<u>-</u>	<u>351,837</u>
<b>NET POSITION:</b>			
Net investment in capital assets	1,610,234	-	1,610,234
Restricted	-	105,139	105,139
Unrestricted	979,332	-	979,332
Total net position	<u>\$ 2,589,566</u>	<u>\$ 105,139</u>	<u>\$ 2,694,705</u>

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

**TOWN OF WOODSTOCK, VERMONT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN NET POSITION - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Sewer <u>Fund</u>	Unemployment <u>Fund</u>	Totals Proprietary <u>Funds</u>
OPERATING REVENUES:			
User fees	\$ 620,870	\$ -	\$ 620,870
Miscellaneous	<u>2,969</u>	<u>-</u>	<u>2,969</u>
Total operating revenues	<u>623,839</u>	<u>-</u>	<u>623,839</u>
OPERATING EXPENSES:			
Operations and maintenance	537,725	-	537,725
Vehicles	24,647	-	24,647
Administration	70,062	-	70,062
Depreciation	<u>180,361</u>	<u>-</u>	<u>180,361</u>
Total operating expenses	<u>812,795</u>	<u>-</u>	<u>812,795</u>
Operating income (loss)	<u>(188,956)</u>	<u>-</u>	<u>(188,956)</u>
NONOPERATING REVENUES (EXPENSES):			
Tap fees	40,588	-	40,588
Interest income	<u>2,900</u>	<u>420</u>	<u>3,320</u>
Total nonoperating revenues (expenses)	<u>43,488</u>	<u>420</u>	<u>43,908</u>
INCOME (LOSS) BEFORE TRANSFERS	(145,468)	420	(145,048)
Operating transfers in	36,589	-	36,589
Operating transfers out	<u>(35,600)</u>	<u>-</u>	<u>(35,600)</u>
CHANGE IN NET POSITION	(144,479)	420	(144,059)
NET POSITION, July 1, 2013	<u>2,734,045</u>	<u>104,719</u>	<u>2,838,764</u>
NET POSITION, June 30, 2014	\$ <u>2,589,566</u>	\$ <u>105,139</u>	\$ <u>2,694,705</u>

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

**TOWN OF WOODSTOCK, VERMONT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Sewer Fund	Unemployment Fund	Totals Proprietary Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 666,242	\$ -	\$ 666,242
Cash paid to suppliers for goods and services	(326,197)	-	(326,197)
Cash paid to employees for services	(294,662)	-	(294,662)
Net cash provided (used) by operating activities	<u>45,383</u>	<u>-</u>	<u>45,383</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Fees from sewer connections	40,588	-	40,588
Additions to property plant and equipment	(28,861)	-	(28,861)
Payment on bonds payable	(37,675)	-	(37,675)
Net cash provided (used) by capital and related financing activities	<u>(25,948)</u>	<u>-</u>	<u>(25,948)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Change in due from other funds	(2,469)	-	(2,469)
Transfers (to) from other funds, net	989	-	989
Net cash provided (used) by noncapital financing activities	<u>(1,480)</u>	<u>-</u>	<u>(1,480)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest income	2,900	420	3,320
Net cash provided (used) by investing activities	<u>2,900</u>	<u>420</u>	<u>3,320</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	20,855	420	21,275
<b>CASH AND CASH EQUIVALENTS, July 1, 2013</b>	<u>1,004,918</u>	<u>104,719</u>	<u>1,109,637</u>
<b>CASH AND CASH EQUIVALENTS, June 30, 2014</b>	\$ <u>1,025,773</u>	\$ <u>105,139</u>	\$ <u>1,130,912</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (188,956)	\$ -	\$ (188,956)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities -			
Depreciation	180,361	-	180,361
Change in the following assets/liabilities:			
(Increase)/decrease in accounts receivable	42,403	-	42,403
(Increase)/decrease in prepaid expenses	(2,638)	-	(2,638)
Increase/(decrease) in accounts payable	10,464	-	10,464
Increase/(decrease) in accrued expenses	928	-	928
Increase/(decrease) in accrued compensated absences	2,821	-	2,821
Net cash provided (used) by operating activities	\$ <u>45,383</u>	\$ <u>-</u>	\$ <u>45,383</u>

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



**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**1. Summary of significant accounting policies:**

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

- A. Reporting entity - The Town 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 Town.

The financial statements of the Town 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 Town. 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 Town 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 Town 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.

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**1. Summary of significant accounting policies (continued):**

**C. Basis of presentation (continued) -**

The Town reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Town. 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 reserved for a specific purpose. The Capital Reserve Fund was established to fund the Town'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 Selectboard.

Irene Fund - The Irene Fund is used to account for the Town's Tropical Storm Irene recovery efforts.

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

The Town reports the following major proprietary fund:

Sewer Fund - The Sewer Fund is used to account for the Town's sewer operations.

The Town also reports the Unemployment Fund, a nonmajor proprietary fund, to provide funds to liquidate any unemployment claims, as the Town 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.

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**1. Summary of significant accounting policies (continued):**

**D. Measurement focus and basis of accounting (continued) -**

Property taxes are recorded as revenue in the year for which taxes have been levied, provided they are collected within 60 days after year end. 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.

**E. Budgets and budgetary accounting -** The Town approves a budget for the General Fund and Sewer Fund at an annual Town Meeting. The tax rate and user fees are determined by the Selectboard 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 and Sewer Fund. The Town does not legally adopt budgets for other funds.

**F. Property taxes -** Property taxes attach as an enforceable lien on property owned as of April 1<sup>st</sup>. Listers establish a grand list of all property and the Selectboard sets the tax rate required to raise the tax revenue authorized by Town and School District voters and the Vermont Agency of Education. Property taxes for the fiscal year ended June 30, 2014 were payable in two installments due November 2013 and May 2014.

**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 Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and others; environmental liability, and natural disasters. The Town 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 Town. There were no settlements in excess of the insurance coverage in any of the past three fiscal years.

The Town is self-insured for unemployment insurance and \$105,139 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 Town considers all cash accounts and certificates of deposits, where the principal is not at risk for loss due to early withdrawal, to be cash equivalents. Investments and unrealized gains and losses are reflected in the individual fund and government-wide financial statements. Investments of the Town are reported at fair market value.

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**1. Summary of significant accounting policies (continued):**

- 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 funds financial statements. Capital assets are defined by the Town 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 Town does not retroactively report infrastructure assets. The Town began capitalizing newly acquired or constructed general infrastructure assets as of October 2004. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for 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	20 - 40 years
Vehicles and equipment	4 - 15 years
Office equipment and computers	5 - 20 years
Infrastructure	25 - 40 years

- K. Compensated absences - Employees are granted vacation leave based upon their number of years of employment with the Town. 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 service. Unused sick leave may accumulate from year to year, but may not 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.

An estimated liability for accrued compensated absences is reported in the government-wide and proprietary funds financial statements.

- L. 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.

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 Town's highest level of decision making authority, the voters, as a result of articles passed at Annual or Special Meetings.

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**1. Summary of significant accounting policies (continued):**

**L. Fund equity (continued) -**

Assigned fund balance includes amounts that are intended to be used by the Town for specific purposes as authorized by the Selectboard.

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

**M. New accounting standard -** The Town has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

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, will be reported as separate sections in the statement of net position and the governmental funds balance sheet. 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. The Town does not currently report any deferred outflows of resources. The Town reports unavailable property tax revenue and unavailable grant revenue as deferred inflows of resources.

**N. Unavailable revenue -** The Town has recorded, in the General Fund, unavailable revenue from property taxes and related penalties and interest which have not been collected within 60 days following year end and are not considered available for current-year operations. The Town has recorded certain grants as unavailable revenue until they are expended.

**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 Town 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 Town does not have a deposit policy for custodial credit risk. As of June 30, 2014, the Town'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 Town does not have a policy for custodial credit risk.

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**2. Deposits and investments (continued):**

Custodial credit risk - investments (continued) - The classification and fair value of investments as of June 30, 2014 is as follows:

<u>Investment</u>	<u>Fair Value</u>
Corporate bonds	\$ 266,340
Corporate stock - domestic	850,298
Corporate stock - international	154,196
Mutual funds	<u>268,635</u>
	\$ <u>1,539,469</u>

Interest rate risk - Interest rate risk is the risk that changes in interest rates will affect the fair value of certain investments. The Town does not have a policy for interest rate risk. Maturities of interest-earning investments at June 30, 2014 include the Town's corporate bonds totaling \$266,340 with \$53,313 maturing in less than one year, \$186,074 maturing in one to five years, and \$26,953 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 Town'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 Town's investments in corporate bonds are subject to credit risk. The credit quality ratings as rated by Standard & Poor's are as follows:

<u>Bond Rating</u>	<u>Fair Value</u>
AA	\$ 26,953
A+	26,325
A	53,313
A-	79,966
BBB+	26,973
BBB	26,363
BBB-	<u>26,447</u>
	\$ <u>266,340</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 Town does not have a policy for foreign currency risk. As of June 30, 2014, \$154,196 of the Town's total investment of \$1,539,469 was invested in international equities which are subject to foreign currency risk.

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**3. Capital assets:**

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance July 1, 2013	Increase	Decrease	Balance June 30, 2014
Governmental activities -				
Capital assets, not depreciated:				
Land	\$ 642,570	\$ -	\$ -	\$ 642,570
Construction in process	291,147	-	280,752	10,395
Total capital assets, not depreciated	<u>933,717</u>	<u>-</u>	<u>280,752</u>	<u>652,965</u>
Capital assets, depreciated:				
Buildings and improvements	4,632,667	168,949	668	4,800,948
Vehicles and equipment	2,777,743	284,074	272,655	2,789,162
Office equipment and computers	378,625	127,030	13,474	492,181
Infrastructure	2,207,957	2,834,994	-	5,042,951
Total capital assets, depreciated	<u>9,996,992</u>	<u>3,415,047</u>	<u>286,797</u>	<u>13,125,242</u>
Less accumulated depreciation for:				
Buildings and improvements	1,677,157	123,094	601	1,799,650
Vehicles and equipment	1,237,905	222,062	126,555	1,333,412
Office equipment and computers	261,793	25,445	11,005	276,233
Infrastructure	116,879	108,572	-	225,451
Total accumulated depreciation	<u>3,293,734</u>	<u>479,173</u>	<u>138,161</u>	<u>3,634,746</u>
Total capital assets, depreciated, net	<u>6,703,258</u>	<u>2,935,874</u>	<u>148,636</u>	<u>9,490,496</u>
Capital assets, net, governmental activities	<u>7,636,975</u>	<u>2,935,874</u>	<u>429,388</u>	<u>10,143,461</u>
Business-type activities -				
Capital assets, not depreciated:				
Land	36,164	-	-	36,164
Construction in progress	-	27,231	-	27,231
Total capital assets, not depreciated	<u>36,164</u>	<u>27,231</u>	<u>-</u>	<u>63,395</u>
Capital assets, depreciated:				
Sewer treatment plant	6,324,954	-	-	6,324,954
Vehicles and equipment	359,501	2,388	3,914	357,975
Office equipment and computers	14,199	-	-	14,199
Total capital assets, depreciated	<u>6,698,654</u>	<u>2,388</u>	<u>3,914</u>	<u>6,697,128</u>
Less accumulated depreciation for:				
Sewer treatment plant	4,410,234	158,124	-	4,568,358
Vehicles and equipment	291,085	20,690	3,156	308,619
Office equipment and computers	8,040	1,547	-	9,587
Total accumulated depreciation	<u>4,709,359</u>	<u>180,361</u>	<u>3,156</u>	<u>4,886,564</u>
Total capital assets, depreciated, net	<u>1,989,295</u>	<u>(177,973)</u>	<u>758</u>	<u>1,810,564</u>
Capital assets, net, business-type activities	<u>2,025,459</u>	<u>(150,742)</u>	<u>758</u>	<u>1,873,959</u>
Capital assets, net	\$ <u>9,662,434</u>	\$ <u>2,785,132</u>	\$ <u>430,146</u>	\$ <u>12,017,420</u>

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**3. Capital assets (continued):**

Depreciation expense of \$479,173 in the governmental activities was allocated to expenses of the general government (\$56,250), public safety (\$120,543), and public works (\$302,380) programs based on capital assets assigned to those functions.

Depreciation expense of \$180,361 in the business-type activities was fully allocated to the sewer function.

**4. Interfund receivable and payable balances:**

Interfund receivable and payable balances at June 30, 2014 are primarily the result of amounts owed the Capital Reserve Fund for budgeted transfers out of the General Fund and into the Capital Reserve Fund and a deficit in the Irene Fund. Interfund receivable and payable balances as of June 30, 2014 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental funds -		
General Fund	\$ -	\$ 92,263
Capital Reserve Fund	297,444	-
Irene Fund	<u>-</u>	<u>207,650</u>
	297,444	299,913
Proprietary funds -		
Sewer Fund	<u>2,469</u>	<u>-</u>
	\$ <u>299,913</u>	\$ <u>299,913</u>

**5. 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, 2014 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds -		
General Fund	\$ 208,910	\$ 350,846
Irene Fund	87,562	-
Capital Reserve Fund	298,884	235,499
Permanent Fund	<u>-</u>	<u>10,000</u>
	595,356	596,345
Proprietary funds -		
Sewer Fund	<u>36,589</u>	<u>35,600</u>
	\$ <u>631,945</u>	\$ <u>631,945</u>

Transfers from the General Fund and the Sewer Fund to the Capital Reserve Fund were made to commit and assign amounts for future capital expenditures. Of this total, \$236,400 represented voter committed transfers. In addition, management transferred \$62,292 from the General Fund to the Capital Reserve Fund.



**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**5. Interfund transfers (continued):**

Transfers of \$235,289 from the Capital Reserve Fund to the General Fund and Sewer Fund were for the payment of capital expenditures in 2014 which funds had been previously set aside by voters as committed or by the Selectboard as assigned fund balance in the Capital Reserve Fund. The \$10,000 transfer from the Permanent Fund to the General Fund was for the budgeted disbursement of assets from the Permanent Fund. The transfers from the General Fund to the Irene Fund were to pay for the Town's share of various Tropical Storm Irene related projects.

**6. Related party:**

The Town shares common personnel, office facilities and equipment with the Village of Woodstock. Shared costs are billed and paid within normal payment cycles. As of June 30, 2014, amounts due to the Village of Woodstock were \$57,196.

**7. Police services**

The Town and the Village of Woodstock (the Village) have entered into an agreement for the Village to provide police services to the Town for the geographic region located in the Town of Woodstock, but outside of the Village. The Town paid the Village \$158,005 for these services which are based on budgeted amounts.

**8. Debt:**

Short-term - The Town's 2011 current expense note in the amount of \$3,000,000 for Irene Disaster Relief was extended to mature June 30, 2014 with interest of 0.95%. The 2013 balance of \$2,000,000 was reduced in 2014 by payment of \$1,000,000 with interest of \$9,363. The Town refinanced the remaining \$1,000,000 balance by executing a new note for \$1,000,000 with interest of 0.95% to mature June 30, 2015.

Long-term - Outstanding long-term debt as of June 30, 2014 is as follows:

Governmental activities -

Vermont Municipal Bond Bank - 2006 Series 1 (refunded by a 2014 Series 4), for construction of highway garage, payable in annual principal and semi-annual interest payments through December 2026 with a net interest cost of 4.67%.	\$ 910,000
Note payable, for police cruiser, payable in annual principal and interest payments through July 2014 at 1.94% interest.	6,218
Note payable, for dump truck, payable in annual principal and interest payments through July 2015 at 1.99% interest.	26,860
Bond payable, for Little Theater improvements, payable in annual principal and interest payments through May 2032 at 3.00% interest.	198,000
Note payable, for backhoe, payable in annual principal and interest payments through July 2016 at 1.92% interest.	33,373

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**8. Debt (continued):**

Long-term (continued) -

Governmental activities (continued) -

Note payable, for international truck, payable in annual principal and interest payments through September 2016 at 2.243% interest. 29,572

Note payable, for loader, payable in annual principal and interest payments through August 2016 at 2.35% interest. 45,514

Note payable, for grader, payable in annual principal and interest payments through July 2017 at 1.74% interest. 95,000

Compensated absences 251,374  
1,595,911

Business-type activities -

Vermont Municipal Bond Bank - RF1-037, for sewer infrastructure improvements, payable in annual principal payments through January 2021 at 0.00% interest. 263,725

Compensated absences 59,956  
323,681

\$ 1,919,592

Long-term debt activity for the year ended June 30, 2014 was as follows:

	Balance July 1, <u>2013</u>	<u>Additions</u>	<u>Retirements</u>	Balance June 30, <u>2014</u>	Due Within <u>One Year</u>
Governmental activities -					
Highway garage	\$ 980,000	\$ -	\$ 70,000	\$ 910,000	\$ 70,000
Little Theater	209,000	-	11,000	198,000	11,000
Equipment note - Grader	-	95,000	-	95,000	23,139
Equipment note - Cruiser	12,317	-	6,099	6,218	6,218
Equipment note - Dump truck	44,329	-	17,469	26,860	17,818
Equipment note - Backhoe	49,589	-	16,216	33,373	-
Equipment note - 2013 Int'l truck	39,000	-	9,428	29,572	9,639
Equipment note - Loader	60,000	-	14,486	45,514	14,822
Compensated absences	<u>236,180</u>	<u>15,194</u>	<u>-</u>	<u>251,374</u>	<u>-</u>
	<u>1,630,415</u>	<u>110,194</u>	<u>144,698</u>	<u>1,595,911</u>	<u>152,636</u>
Business-type activities -					
Sewer fund bond	301,400	-	37,675	263,725	37,675
Compensated absences	<u>57,135</u>	<u>2,821</u>	<u>-</u>	<u>59,956</u>	<u>-</u>
	<u>358,535</u>	<u>2,821</u>	<u>37,675</u>	<u>323,681</u>	<u>37,675</u>
	\$ <u>1,988,950</u>	\$ <u>113,015</u>	\$ <u>182,373</u>	\$ <u>1,919,592</u>	\$ <u>190,311</u>

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**8. Debt (continued):**

Long-term (continued) -

Debt service requirements to maturity are as follows:

Year ending June 30,	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 152,636	\$ 47,915	\$ 37,675	\$ -
2016	155,139	35,994	37,675	-
2017	147,394	40,341	37,675	-
2018	105,368	32,957	37,675	-
2019	81,000	28,938	37,675	-
2020-2024	405,000	89,434	75,350	-
2025-2029	265,000	16,525	-	-
2030-2032	33,000	1,980	-	-
	<u>\$ 1,344,537</u>	<u>\$ 294,084</u>	<u>\$ 263,725</u>	<u>\$ -</u>

**9. Fund balances:**

As of June 30, 2014, the fund balance of the governmental funds consisted of the following:

	<u>General Fund</u>	<u>Capital Reserve Fund</u>	<u>Irene Fund</u>	<u>Permanent Fund</u>	<u>Totals</u>
Nonspendable:					
Prepaid expenditures	\$ 13,353	\$ -	\$ -	\$ -	\$ 13,353
Endowment principal	-	-	-	1,258,220	1,258,220
	<u>13,353</u>	<u>-</u>	<u>-</u>	<u>1,258,220</u>	<u>1,271,573</u>
Restricted for:					
Fireworks	4,043	-	-	-	4,043
Listers' education	-	649	-	-	649
Grand list reappraisal	-	123,648	-	-	123,648
Benefit of the Town	-	-	-	673,060	673,060
	<u>4,043</u>	<u>124,297</u>	<u>-</u>	<u>673,060</u>	<u>801,400</u>
Committed to:					
Capital projects and equipment	-	565,321	-	-	565,321
Capital projects and equipment - sewer	-	380,761	-	-	380,761
	<u>-</u>	<u>946,082</u>	<u>-</u>	<u>-</u>	<u>946,082</u>

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**9. Fund balances (continued):**

	<u>General Fund</u>	<u>Capital Reserve Fund</u>	<u>Irene Fund</u>	<u>Permanent Fund</u>	<u>Totals</u>
Assigned to:					
Forest improvement	19,114	-	-	-	19,114
Fireworks	740	-	-	-	740
Police training	8,000	-	-	-	8,000
Police equipment	2,000	-	-	-	2,000
Police cruiser	1,000	-	-	-	1,000
Accrued benefits	34,078	-	-	-	34,078
Capital projects and equipment	-	240,784	-	-	240,784
Capital projects and equipment - sewer	-	112,333	-	-	112,333
	<u>64,932</u>	<u>353,117</u>	<u>-</u>	<u>-</u>	<u>418,049</u>
Unassigned	156,430	-	(682,239)	-	(525,809)
	<u>\$ 238,758</u>	<u>\$ 1,423,496</u>	<u>\$ (682,239)</u>	<u>\$ 1,931,280</u>	<u>\$ 2,911,295</u>

For the year ended June 30, 2014, the changes in the Capital Reserve Fund's committed and assigned fund balances were as follows:

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>Balance June 30, 2014</u>
General expenditures:				
Listers' education	\$ 667	\$ 192	\$ 210	\$ 649
Grand list reappraisal	123,648	-	-	123,648
Total restricted general expenditures	<u>124,315</u>	<u>192</u>	<u>210</u>	<u>124,297</u>
Town Hall construction	61,447	20,000	22,690	58,757
Recycling	452	-	-	452
Planning and zoning regulations	1,338	-	-	1,338
Town plan consulting	-	1,000	-	1,000
Grand list update	92,158	-	-	92,158
Office equipment	11,859	1,500	-	13,359
Town Clerk vault	29,250	1,500	-	30,750
Computer equipment	9,849	2,500	2,548	9,801
Lister's equipment	6,237	1,000	-	7,237
Town Clerk office equipment	1,500	-	-	1,500
Trucks	69,661	39,800	7,808	101,653
Backhoe	781	-	-	781
Manager's pick-up	9,193	1,500	4,483	6,210
Highway pick-up	4,377	-	-	4,377
Bridge construction	101,134	40,000	43,340	97,794
Vail Field improvements	25,000	-	25,000	-
Ambulance	31,936	50,000	-	81,936
Computer report system	6,214	-	6,214	-
Cardiac monitors	-	15,000	-	15,000

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**9. Fund balances (continued):**

	Balance July 1, 2013	Additions	Withdrawals	Balance June 30, 2014
General expenditures (continued):				
Pave ESB Lot	36,000	-	35,141	859
Emergency services	217	-	217	-
Generator - Fire Department	1,000	-	825	175
Fire truck	-	20,000	-	20,000
Fire pager replacement	2,142	1,000	-	3,142
Communications	48,658	6,000	43,078	11,580
Communications computer	5,462	-	-	5,462
Total committed general expenditures	<u>555,865</u>	<u>200,800</u>	<u>191,344</u>	<u>565,321</u>
Restoration of records	76,274	6,961	-	83,235
Road improvements	22,446	-	19,222	3,224
Paving	(19,221)	19,221	-	-
Bridge construction	15,000	-	-	15,000
Storm drains	8,402	-	-	8,402
Salt and sand	10,000	-	7,353	2,647
Vail Field improvements	25,000	50,000	-	75,000
Bunker gear	107	3,730	-	3,837
Air packs	-	1,600	-	1,600
Selectboard contingency	45,600	-	-	45,600
Assigned general capital expenditures	2,188	51	-	2,239
Total assigned general expenditures	<u>185,796</u>	<u>81,563</u>	<u>26,575</u>	<u>240,784</u>
Total general expenditures	<u>865,976</u>	<u>282,555</u>	<u>218,129</u>	<u>930,402</u>
Sewer expenditures:				
I.I. Study	20,000	-	-	20,000
Pick-up truck	10,089	-	-	10,089
Dechlorination equipment	1,214	-	-	1,214
Tractor	71,336	5,000	-	76,336
Manager's pick-up - sewer	3,853	600	1,630	2,823
Test/monitor wells	4,508	-	-	4,508
Sludge disposal truck	200,378	10,000	-	210,378
Repairs and maintenance - sewer	7,818	20,000	34,959	(7,141)
Ton truck - sewer	8,858	-	-	8,858
Line flusher	40,000	-	-	40,000
TV camera	10,000	-	-	10,000
Sewer line maintenance	3,696	-	-	3,696
Total committed sewer expenditures	<u>381,750</u>	<u>35,600</u>	<u>36,589</u>	<u>380,761</u>
Dechlorination equipment	4,000	-	-	4,000
Repairs and maintenance - sewer	4,000	-	-	4,000
Assigned sewer capital expenditures	104,267	66	-	104,333
Total assigned sewer expenditures	<u>112,267</u>	<u>66</u>	<u>-</u>	<u>112,333</u>
Total sewer expenditures	<u>494,017</u>	<u>35,666</u>	<u>36,589</u>	<u>493,094</u>
Total Capital Reserve Fund	\$ <u>1,359,993</u>	\$ <u>318,221</u>	\$ <u>254,718</u>	\$ <u>1,423,496</u>

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**10. Deficit fund balance:**

At June 30, 2014, the Irene Fund had a deficit fund balance of \$682,239. Management intends to recover this deficit by requesting voter approval of additional funding to cover the additional local costs of flood damage once all costs are known.

**11. Pension plan:**

Vermont Municipal Employees' Retirement System -

Plan description: The Town 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. VMERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. 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.

Funding policy: Defined Benefit Plan members are required to contribute 2.5% (Group A), 4.625% (Group B), 9.50% (Group C) or 11.125% (Group D) of their annual covered salary, and the Town is required to contribute 4% (Group A), 5.125% (Group B), 6.75% (Group C) or 9.625% (Group D) of the employees' compensation. The contribution requirements of plan members and the Town are established and may be amended by the Board of Trustees. The Town's contributions to VMERS for the years ended June 30, 2014, 2013, and 2012 were \$62,861, \$63,582, and \$61,112, respectively. The amounts contributed were equal to the required contributions for each year.

The July 1, 2013 actuarial valuation of VMERS reports asset market value of \$446,235,922 and actuarial accrued liability of \$528,426,358, leaving an actuarial shortfall of \$82,190,436.

**12. Commitments and designated net position:**

The Town has entered into an agreement with the Woodstock School District for use of the facilities of the Woodstock Elementary School in the event of a community emergency. The agreement is binding until March 2034 and specifies that future rent increases shall be by mutual consent of both parties. For the year ended June 30, 2014, the Town has recorded lease expense of \$92,000 related to this agreement.

In February 2014, the Town entered into an agreement for a sewer upgrade project totaling \$294,000. As of June 30, 2014, no costs relating to this commitment had been incurred by the Town. The Town anticipates this project will be complete sometime in January 2015.

Of the unrestricted net position reported in the Sewer Fund in the Statement of Net Position - Proprietary Funds and the Government-wide Statement of Net Position in the Business-type Activities, \$222,769 has been set aside by management for the Town's sewer project.

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**13. Restatements:**

The Town restated beginning fund balance in the General Fund from \$280,205 to \$225,957 to correct for prior years' ambulance receivables written off during the year ended June 30, 2014. The Town also restated beginning fund balance in the Irene Fund from \$(687,102) to \$(686,892) to correct for a prior year accrual that was not done.

As a result of this, beginning net position of the governmental activities in the government-wide financial statements was restated from \$9,058,238 to \$9,004,200.

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Schedule 1  
Page 1 of 12

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Property taxes -			
Current (net of taxes abated)	\$ 3,274,372	\$ 3,296,867	\$ 22,495
In lieu of taxes and land use	<u>223,000</u>	<u>234,422</u>	<u>11,422</u>
Total property taxes	<u>3,497,372</u>	<u>3,531,289</u>	<u>33,917</u>
Licenses and permits -			
Licenses and fees	55,000	51,675	(3,325)
Boards and agencies	<u>12,000</u>	<u>10,496</u>	<u>(1,504)</u>
Total licenses and permits	<u>67,000</u>	<u>62,171</u>	<u>(4,829)</u>
Intergovernmental -			
Highway State Aid	128,000	133,460	5,460
Miscellaneous State of Vermont	-	19,219	19,219
Grants	<u>-</u>	<u>76,714</u>	<u>76,714</u>
Total intergovernmental	<u>128,000</u>	<u>229,393</u>	<u>101,393</u>
Charges for services -			
False alarms and permits	10,000	9,910	(90)
Ambulance services	355,000	370,942	15,942
Police fees	<u>64,730</u>	<u>64,730</u>	<u>-</u>
Total charges for services	<u>429,730</u>	<u>445,582</u>	<u>15,852</u>
Fines and forfeits -			
Moving violations	5,000	-	(5,000)
Delinquent tax penalties and interest	<u>125,000</u>	<u>125,163</u>	<u>163</u>
Total fines and forfeits	<u>130,000</u>	<u>125,163</u>	<u>(4,837)</u>
Investment income	<u>500</u>	<u>243</u>	<u>(257)</u>
Miscellaneous -			
Rental income	11,700	14,040	2,340
Miscellaneous	<u>5,200</u>	<u>6,911</u>	<u>1,711</u>
Total miscellaneous	<u>16,900</u>	<u>20,951</u>	<u>4,051</u>
Total revenues	<u>4,269,502</u>	<u>4,414,792</u>	<u>145,290</u>



**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Schedule 1  
Page 2 of 12

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES:			
General Government -			
Town Selectboard:			
Legislating -			
Salaries and wages	3,750	3,750	-
Benefits	300	287	13
RCD	100	-	100
Community television	2,400	2,000	400
Coalition of municipality	250	-	250
Dues, subscriptions, and meetings	5,700	4,484	1,216
Total legislating	<u>12,500</u>	<u>10,521</u>	<u>1,979</u>
Printing orders and proceedings -			
Printing and binding	<u>3,500</u>	<u>4,090</u>	<u>(590)</u>
Legal -			
Professional services	<u>6,000</u>	<u>2,018</u>	<u>3,982</u>
Total Town Selectboard	<u>22,000</u>	<u>16,629</u>	<u>5,371</u>
Town Executive Department:			
Managing municipality -			
Salaries and wages	84,950	90,348	(5,398)
Benefits	28,100	29,928	(1,828)
Dues, subscriptions, and meetings	1,000	1,374	(374)
Total Town Executive Department	<u>114,050</u>	<u>121,650</u>	<u>(7,600)</u>
Town Administration:			
Office supplies	3,800	3,105	695
Operating supplies	3,500	2,734	766
Postage	4,000	3,995	5
Equipment maintenance	1,800	1,856	(56)
Machinery and equipment	1,200	2,590	(1,390)
Communication	3,500	3,439	61
Advertising	2,500	2,859	(359)
Total Town Administration	<u>20,300</u>	<u>20,578</u>	<u>(278)</u>
Town Finance Department:			
Treasurer -			
Salaries and wages	16,000	16,000	-
Benefits	1,200	1,224	(24)
Travel and transportation	2,000	2,213	(213)
Dues, subscriptions, and meetings	100	80	20
Total Treasurer	<u>19,300</u>	<u>19,517</u>	<u>(217)</u>

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Schedule 1  
Page 3 of 12

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES (CONTINUED):			
General Government (continued) -			
Town Finance Department (continued):			
Accounting and Bookkeeping -			
Salaries and wages	37,900	38,738	(838)
Benefits	11,800	11,264	536
Other purchased services	800	793	7
Professional services	200	200	-
Software upgrades	100	-	100
Total accounting and bookkeeping	<u>50,800</u>	<u>50,995</u>	<u>(195)</u>
Auditing -			
Professional services	<u>12,000</u>	<u>17,900</u>	<u>(5,900)</u>
Tax Listing -			
Salaries and wages	68,640	65,191	3,449
Benefits	30,950	29,192	1,758
Operating supplies	150	-	150
Dues, subscriptions, and meetings	400	724	(324)
Professional services	200	-	200
Travel and transportation	600	217	383
Other purchased services	350	195	155
Repairs and maintenance	100	-	100
Licensed state support	350	239	111
Total tax listing	<u>101,740</u>	<u>95,758</u>	<u>5,982</u>
Tax Collecting -			
Salaries and wages	13,800	14,447	(647)
Benefits	4,610	4,995	(385)
Total tax collecting	<u>18,410</u>	<u>19,442</u>	<u>(1,032)</u>
Total Town Finance Department	<u>202,250</u>	<u>203,612</u>	<u>(1,362)</u>
Town Administration Department:			
Town Clerk -			
Salaries and wages	54,200	49,608	4,592
Assistant Town Clerk wages	12,400	12,122	278
Benefits	23,600	23,140	460
Record retention	3,200	2,219	981
Other purchased services	100	273	(173)
Dues, subscriptions, and meetings	400	448	(48)
Machinery and equipment	500	397	103
Copier lease	1,020	78	942
Restoration of records	50	-	50
Office supplies	250	32	218
Total Town Clerk	<u>95,720</u>	<u>88,317</u>	<u>7,403</u>

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Schedule 1  
Page 4 of 12

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES (CONTINUED):			
General Government (continued) -			
Town Administration Department (continued):			
Board of Civil Authority -			
Salaries and wages, including volunteers	800	358	442
Election wages	925	1,563	(638)
Office/printing supplies	2,000	2,839	(839)
Total Board of Civil Authority	<u>3,725</u>	<u>4,760</u>	<u>(1,035)</u>
Total Town Administration Department	<u>99,445</u>	<u>93,077</u>	<u>6,368</u>
Municipal Planning and Zoning:			
Salaries and wages	64,900	64,445	455
Benefits	30,100	31,276	(1,176)
Advertising	2,500	2,039	461
Dues, subscriptions, and meetings	5,700	4,781	919
Travel and transportation	3,000	4,096	(1,096)
Professional services	750	220	530
Conservation Commission	500	324	176
Equipment purchase	250	14	236
GIS mapping	100	-	100
Total Municipal Planning and Zoning	<u>107,800</u>	<u>107,195</u>	<u>605</u>
Town Plant and Equipment:			
Building and maintenance - Town Hall -			
Custodial services	20,500	8,170	12,330
Operating supplies	3,000	2,097	903
Small tools and equipment	500	477	23
Other purchased services	6,000	8,769	(2,769)
Repair and maintenance	12,000	8,819	3,181
Utilities	42,000	65,040	(23,040)
Improvements	1,000	600	400
Total Town Plant and Equipment	<u>85,000</u>	<u>93,972</u>	<u>(8,972)</u>
Town Contingency Department:			
Unclassified	30,000	7,921	22,079
House numbers	500	311	189
Insurance	122,000	130,150	(8,150)
Total Town Contingency Department	<u>152,500</u>	<u>138,382</u>	<u>14,118</u>
Total General Government expenditures	<u>803,345</u>	<u>795,095</u>	<u>8,250</u>

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Schedule 1  
Page 5 of 12

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES (CONTINUED):			
Public Safety -			
Town Constables:			
Crime investigation control -			
Salaries and wages	5,000	3,366	1,634
Benefits	400	257	143
Operating supplies	500	515	(15)
Office supplies	200	-	200
Repair and maintenance supplies	100	-	100
Communications	200	200	-
Other purchased services	200	739	(539)
Machinery and equipment	200	200	-
Mileage - Blue Light	700	139	561
Total Town Constables	<u>7,500</u>	<u>5,416</u>	<u>2,084</u>
Town Communications Department:			
Salaries and wages	187,000	190,887	(3,887)
Training wages	1,500	230	1,270
Residency stipend	3,000	1,614	1,386
EMT stipend	1,000	360	640
Benefits	45,600	48,449	(2,849)
Office supplies	1,300	1,028	272
Repairs and maintenance supplies	500	440	60
Small tools and equipment	400	417	(17)
Communications	3,100	4,165	(1,065)
Tower rent	3,000	2,706	294
Tower maintenance	200	415	(215)
Repairs and maintenance	900	1,757	(857)
Machinery and equipment	800	83	717
Training/tuition	250	82	168
Travel and transportation	550	47	503
Operating supplies	1,000	1,166	(166)
Total Town Communications Department	<u>250,100</u>	<u>253,846</u>	<u>(3,746)</u>
Town Fire Department:			
Firefighting -			
Salaries and wages	90,000	77,596	12,404
Benefits	6,800	5,936	864
Operating supplies	2,000	339	1,661
Dues, subscriptions, and meetings	900	858	42
Professional services	2,000	1,026	974
Medical testing	750	814	(64)
CDL licensing	500	75	425
Travel and transportation	200	426	(226)
Fire prevention	1,000	333	667
Education	3,500	1,270	2,230

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Schedule 1  
Page 6 of 12

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES (CONTINUED):			
Public Safety (continued) -			
Town Fire Department (continued):			
Firefighting (continued) -			
Hydrant rental	27,000	21,398	5,602
Winter hydrant maintenance	3,600	3,500	100
Total firefighting	<u>138,250</u>	<u>113,571</u>	<u>24,679</u>
Fire communications -			
Alarm registration	1,500	25	1,475
Communications	2,400	2,113	287
Repairs and maintenance	2,400	1,299	1,101
Machinery and equipment	500	3,447	(2,947)
Total fire communications	<u>6,800</u>	<u>6,884</u>	<u>(84)</u>
Fire truck and equipment -			
Operating supplies	1,200	565	635
Repairs and maintenance	2,000	28	1,972
Fuel	2,800	2,601	199
Engine/Tanker maintenance	9,500	13,526	(4,026)
Total fire truck and equipment	<u>15,500</u>	<u>16,720</u>	<u>(1,220)</u>
Fire fighting equipment -			
Operating supplies	500	44	456
Rescue equipment	800	210	590
Air pack maintenance and equipment	2,000	400	1,600
Bunker gear	5,000	1,270	3,730
Hose and hose adapters	3,000	409	2,591
Small tools and equipment	400	-	400
Equipment maintenance and reserve	1,000	48	952
Equipment purchase	2,000	3,456	(1,456)
Total fire fighting equipment	<u>14,700</u>	<u>5,837</u>	<u>8,863</u>
Woodstock Station #2 -			
Maintenance supplies	250	-	250
Repairs and maintenance	2,400	5,167	(2,767)
Propane	2,000	2,047	(47)
Electricity	800	2,258	(1,458)
Utilities	1,300	953	347
Total Woodstock Station #2	<u>6,750</u>	<u>10,425</u>	<u>(3,675)</u>
Total Town Fire Department	<u>182,000</u>	<u>153,437</u>	<u>28,563</u>
Town Ambulance Department:			
Operations -			
Salaries and wages, including volunteer services	66,300	30,342	35,958
Associates' salaries	100,000	197,858	(97,858)

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Schedule 1  
Page 7 of 12

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES (CONTINUED):			
Public Safety (continued) -			
Town Ambulance Department (continued):			
Operations (continued) -			
Benefits	28,000	10,328	17,672
Office supplies	1,500	7,097	(5,597)
Operating supplies	18,500	19,556	(1,056)
Repairs and maintenance supplies	100	101	(1)
Paramedic supplies	2,000	1,779	221
Other purchased services	2,400	7,626	(5,226)
Dues, subscriptions, and meetings	500	696	(196)
Uncollectible accounts	200	15,196	(14,996)
Personal protection equipment	1,000	1,105	(105)
Communications	-	98	(98)
Contract services	-	19,944	(19,944)
Paramedic intercept	2,000	12,900	(10,900)
Medical testing	300	-	300
Total operations	<u>222,800</u>	<u>324,626</u>	<u>(101,826)</u>
Vehicle maintenance -			
Small tools and equipment	800	782	18
Repair and maintenance	5,000	5,408	(408)
Fuel	7,000	8,116	(1,116)
Total vehicle maintenance	<u>12,800</u>	<u>14,306</u>	<u>(1,506)</u>
Training -			
Operating supplies	1,000	450	550
Small tools and equipment	300	-	300
Dues, subscriptions and meetings	200	283	(83)
Professional services	1,500	41	1,459
State EMS training	8,000	7,160	840
Travel and transportation	500	52	448
Total training	<u>11,500</u>	<u>7,986</u>	<u>3,514</u>
Communications -			
Office phone and internet	800	1,319	(519)
Vehicle cell phones	1,000	1,000	-
Pagers	500	557	(57)
Portable radios	1,500	976	524
Vehicle mobile radios	500	-	500
Total communications	<u>4,300</u>	<u>3,852</u>	<u>448</u>
Total Town Ambulance Department	<u>251,400</u>	<u>350,770</u>	<u>(99,370)</u>

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Schedule 1  
Page 8 of 12

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES (CONTINUED):</b>			
Public Safety (continued) -			
Emergency Services Department:			
Maintenance supplies	1,000	1,393	(393)
Equipment repair and maintenance	11,000	21,825	(10,825)
Building custodian	4,400	4,540	(140)
Propane	4,200	4,968	(768)
Electricity	7,000	7,326	(326)
Utilities	1,600	1,805	(205)
Total Emergency Services Department	<u>29,200</u>	<u>41,857</u>	<u>(12,657)</u>
Town Police Department:			
Salaries and wages	70,000	66,968	3,032
Employer paid benefits	26,800	28,970	(2,170)
Training wages	1,000	825	175
Stipend	2,600	1,000	1,600
Training paid benefits	200	-	200
Uniform service	1,300	1,290	10
Repairs and maintenance of vehicles	2,500	2,497	3
Small tools and equipment	500	433	67
4x4 Vehicle lease	6,500	6,655	(155)
4x4 Radio, Lights, Radar	700	650	50
Communications	-	1,000	(1,000)
Fuel	6,500	3,633	2,867
Roof replacement	2,500	1,800	700
Tuition	750	735	15
Total Town Police Department	<u>121,850</u>	<u>116,456</u>	<u>5,394</u>
Amounts paid to Village for police services	<u>158,005</u>	<u>158,005</u>	<u>-</u>
Total Public Safety expenditures	<u>1,000,055</u>	<u>1,079,787</u>	<u>(79,732)</u>
Public Works -			
Highways and Streets:			
Highway maintenance -			
Salaries and wages	245,350	242,733	2,617
Overtime	30,000	42,360	(12,360)
Benefits	103,700	96,944	6,756
Retirement/past employee	10,600	875	9,725
Office supplies	250	157	93
Operating supplies	30,000	25,770	4,230
Small tools and equipment	500	219	281
Communications	2,250	2,545	(295)
Other purchased services	18,000	18,854	(854)
Professional services	1,000	2,090	(1,090)
Rentals	500	-	500

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Schedule 1  
Page 9 of 12

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXPENDITURES (CONTINUED):			
Public Works (continued) -			
Highways and Streets (continued):			
Highway maintenance (continued) -			
Travel and transportation (fuel)	66,000	76,064	(10,064)
Spot gravel	70,000	66,194	3,806
Road stabilization	30,000	24,170	5,830
Pavement patch	1,000	-	1,000
Salt and sand	100,000	119,867	(19,867)
Total highway maintenance	<u>709,150</u>	<u>718,842</u>	<u>(9,692)</u>
Construction -			
Other purchased services	5,000	594	4,406
Rentals	500	-	500
Unclassified	10,000	15,647	(5,647)
Total construction	<u>15,500</u>	<u>16,241</u>	<u>(741)</u>
Maintenance of storm drains -			
Culverts and drains	<u>6,000</u>	<u>1,327</u>	<u>4,673</u>
Construction and maintenance of bridges -			
Operating supplies	2,000	766	1,234
Repair and maintenance supplies	6,000	5,154	846
Other purchased services	6,000	13,852	(7,852)
Bridge rehabilitation and miscellaneous	30,000	30,843	(843)
Rentals	500	-	500
Engineering services	1,000	2,033	(1,033)
Total construction and maintenance of bridges	<u>45,500</u>	<u>52,648</u>	<u>(7,148)</u>
Traffic control -			
Operating supplies	2,750	846	1,904
Equipment repairs and maintenance	500	-	500
Total traffic control	<u>3,250</u>	<u>846</u>	<u>2,404</u>
Street lights -			
Utilities	<u>13,200</u>	<u>16,031</u>	<u>(2,831)</u>
Equipment maintenance and purchase -			
Repairs and maintenance supplies	40,000	40,069	(69)
Small tools and equipment	1,000	700	300
Communications	500	-	500
Operating supplies	7,000	10,191	(3,191)
Backhoe note	17,200	17,168	32
Loader note	16,000	15,892	108
Grader note	30,000	27,780	2,220



**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Schedule 1  
Page 10 of 12

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES (CONTINUED):			
Public Works (continued) -			
Highways and Streets (continued):			
Equipment maintenance and purchase (continued) -			
Ton truck note	14,000	-	14,000
Dump truck notes	28,700	28,567	133
Other purchased services	4,000	3,882	118
Total equipment maintenance and purchase	<u>158,400</u>	<u>144,249</u>	<u>14,151</u>
Public Works building -			
Repairs and maintenance	1,250	3,781	(2,531)
Utilities	18,800	20,345	(1,545)
Bond payment - principal	70,000	70,000	-
- interest	42,500	42,205	295
Total Public Works building	<u>132,550</u>	<u>136,331</u>	<u>(3,781)</u>
Total Highway and Streets expenditures	<u>1,083,550</u>	<u>1,086,515</u>	<u>(2,965)</u>
Cemetery:			
Other purchased services	14,000	14,000	-
Repairs and maintenance	1,000	1,000	-
Total Cemetery expenditures	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Sanitation:			
Sanitation	38,600	38,557	43
Total Public Works expenditures	<u>1,137,150</u>	<u>1,140,072</u>	<u>(2,922)</u>
Culture and Recreation -			
Culture and Recreation:			
Woodstock Council on Aging	10,000	10,000	-
Parades	1,500	1,487	13
Pentangle	31,830	31,830	-
Little Theatre - principal	11,000	11,000	-
- interest	6,600	6,265	335
Woodstock Recreation Department	254,500	254,500	-
Grants, subsidies and contributions, Town Library	133,800	133,800	-
Fireworks	7,500	7,500	-
July 4th celebration	-	3,110	(3,110)
Elementary school space rent	92,000	92,000	-
Total culture and recreation	<u>548,730</u>	<u>551,492</u>	<u>(2,762)</u>
Public Health Services:			
Salaries and wages	5,250	5,250	-
Benefits	400	402	(2)
Water testing supplies	100	-	100

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Schedule 1  
Page 11 of 12

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES (CONTINUED):</b>			
Culture and Recreation (continued) -			
Public Health Services (continued):			
Dues, subscriptions, and meetings	100	-	100
Travel and transportation	100	-	100
Total public health services	<u>5,950</u>	<u>5,652</u>	<u>298</u>
Total Culture and Recreation expenditures	<u>554,680</u>	<u>557,144</u>	<u>(2,464)</u>
Comfort Station -			
Maintenance supplies	2,500	1,735	765
Custodial services	19,000	18,210	790
Propane	1,600	1,667	(67)
Electricity	1,100	1,253	(153)
Miscellaneous utilities	1,300	2,894	(1,594)
Building repairs and maintenance	1,800	473	1,327
Total Comfort Station expenditures	<u>27,300</u>	<u>26,232</u>	<u>1,068</u>
Intergovernmental -			
Highway rebate	<u>215,000</u>	<u>219,605</u>	<u>(4,605)</u>
Special Articles -			
Trustee of Public Fund Wages	3,000	3,230	(230)
Trust fund audit	1,500	1,500	-
Woodstock Area Job Bank	3,000	3,000	-
Woodstock Council on Aging	30,000	30,000	-
Visiting Nurses	24,900	24,900	-
SE Community Action SEVCA	2,000	2,000	-
Windsor County Partners	2,500	2,500	-
WISE	2,000	2,000	-
Pentangle	32,000	32,000	-
Norman Williams Public Library	50,000	50,000	-
Ottawaquechee Community Partnership	5,000	5,000	-
Spectrum Teen Center	1,000	1,000	-
The Junction Teen Center	1,200	-	1,200
Health Care & Rehab Services	3,247	3,247	-
Historical Society Education Program	7,500	7,500	-
Green Mountain RSVP	500	500	-
Welcome Center	18,000	18,000	-
Stagecoach Transportation	2,400	2,400	-
Digital Projection System	60,000	60,000	-
Total Special Articles expenditures	<u>249,747</u>	<u>248,777</u>	<u>970</u>

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Schedule 1  
Page 12 of 12

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES (CONTINUED):</b>			
Capital Reserve Spending -			
Listers equipment/education	-	210	(210)
Tax map update - reappraisal	20,000	-	20,000
Town Hall improvements	68,000	20,559	47,441
Bridges	25,000	17,084	7,916
Paving	10,000	-	10,000
Road construction	20,000	-	20,000
Manager's truck	-	4,483	(4,483)
Truck	-	7,808	(7,808)
Culverts and stormwater	25,000	-	25,000
Grader purchase	-	95,000	(95,000)
Station #2 generator	1,000	-	1,000
Emergency services building - maintenance	-	217	(217)
Emergency services building - paving	10,000	25,574	(15,574)
Communications	-	34,959	(34,959)
Ambulance computer	-	6,214	(6,214)
Computer equipment replacement	-	2,549	(2,549)
Total Capital Reserve Spending expenditures	<u>179,000</u>	<u>214,657</u>	<u>(35,657)</u>
Loss Repair -			
Property damage repair	-	5,855	(5,855)
Vehicle damage repair	-	3,785	(3,785)
Total loss repair expenditures	<u>-</u>	<u>9,640</u>	<u>(9,640)</u>
Grants -			
Fire ambulance	-	6,000	(6,000)
Dispatch console	-	7,888	(7,888)
Energy	-	5,000	(5,000)
VT DPS Equipment	-	1,820	(1,820)
Transit service	-	56,006	(56,006)
Total Grants expenditures	<u>-</u>	<u>76,714</u>	<u>(76,714)</u>
Total expenditures	<u>4,166,277</u>	<u>4,367,723</u>	<u>(201,446)</u>
EXCESS OF REVENUES OR (EXPENDITURES)	<u>103,225</u>	<u>47,069</u>	<u>(56,156)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Note proceeds	-	95,000	95,000
Insurance reimbursements	-	12,668	12,668
Transfers in	189,000	208,910	19,910
Transfers out	(231,300)	(350,846)	(119,546)
Total other financing sources (uses)	<u>(42,300)</u>	<u>(34,268)</u>	<u>8,032</u>
NET CHANGE IN FUND BALANCE	\$ <u>60,925</u>	\$ <u>12,801</u>	\$ <u>(48,124)</u>

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET AND ACTUAL - SEWER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Schedule 2  
Page 1 of 3

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>OPERATING REVENUES:</b>			
User fees	\$ 630,325	\$ 620,870	\$ (9,455)
Miscellaneous	<u>1,000</u>	<u>2,969</u>	<u>1,969</u>
Total operating revenues	<u>631,325</u>	<u>623,839</u>	<u>(7,486)</u>
<b>OPERATING EXPENSES:</b>			
Sewer administration -			
Salaries and wages	47,400	48,490	(1,090)
Benefits	15,200	15,069	131
Office supplies	1,100	1,287	(187)
Legal services	250	-	250
Communications	800	416	384
Professional services	5,600	4,800	800
Computer expense	<u>500</u>	<u>-</u>	<u>500</u>
Total sewer administration	<u>70,850</u>	<u>70,062</u>	<u>788</u>
Sewer operations -			
Salaries and wages	22,000	24,518	(2,518)
Benefits	9,400	11,278	(1,878)
Operating supplies	2,500	3,702	(1,202)
Professional services	2,000	2,833	(833)
Engineering services	6,000	7,557	(1,557)
Rentals	400	70	330
Repairs and maintenance	1,500	1,321	179
Machinery and equipment	500	567	(67)
Sewer line maintenance equipment	500	594	(94)
Sewer line cleaning	12,000	12,638	(638)
I.I. Improvements	<u>100</u>	<u>-</u>	<u>100</u>
Total sewer operations	<u>56,900</u>	<u>65,078</u>	<u>(8,178)</u>
Maintenance of plant -			
Salaries and wages	134,000	140,007	(6,007)
Benefits	64,000	58,121	5,879
Office supplies	600	119	481
Operating supplies	28,000	32,436	(4,436)
Repairs and maintenance supplies	5,000	5,103	(103)
Contingencies	10,000	18,889	(8,889)
Professional services	12,000	5,087	6,913
Small tools and equipment	<u>1,000</u>	<u>1,160</u>	<u>(160)</u>

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET AND ACTUAL - SEWER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Schedule 2  
Page 2 of 3

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
OPERATING EXPENSES (CONTINUED):			
Maintenance of plant (continued) -			
Communications	4,200	4,734	(534)
Dues, subscriptions, and meetings	1,500	1,384	116
Insurance and fidelity bond premiums	15,000	20,734	(5,734)
Other purchased services	24,000	22,541	1,459
Repairs and maintenance	13,500	39,948	(26,448)
Taxes, licensing and regulations	1,000	1,644	(644)
Travel and transportation	500	683	(183)
Utilities	90,000	98,863	(8,863)
Test/monitor wells	500	-	500
Laboratory testing	8,000	5,909	2,091
Field rental	12,000	7,000	5,000
Field lime	3,500	-	3,500
Uniforms and protective gear	4,000	3,663	337
Engineering	5,000	4,622	378
Bond repayment	37,675	-	37,675
Total maintenance of plant	<u>474,975</u>	<u>472,647</u>	<u>2,328</u>
Sewer vehicles -			
Repairs and maintenance supplies	2,000	13,491	(11,491)
Travel and transportation	8,000	11,156	(3,156)
Total sewer vehicles	<u>10,000</u>	<u>24,647</u>	<u>(14,647)</u>
Construction	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Depreciation	<u>-</u>	<u>180,361</u>	<u>(180,361)</u>
Total operating expenses	<u>862,725</u>	<u>812,795</u>	<u>49,930</u>
Operating income (loss)	<u>(231,400)</u>	<u>(188,956)</u>	<u>42,444</u>
NONOPERATING REVENUES (EXPENSES):			
Tap fees	-	40,588	40,588
Interest income	5,000	2,900	(2,100)
Total nonoperating revenues (expenses)	<u>5,000</u>	<u>43,488</u>	<u>38,488</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(226,400)</u>	<u>(145,468)</u>	<u>80,932</u>

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET AND ACTUAL - SEWER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Schedule 2  
Page 3 of 3

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES):			
Transfers to Capital Reserve Fund -			
Pick-up truck - Manager	(600)	(600)	-
Repairs and maintenance	(20,000)	(20,000)	-
Tractor	(5,000)	(5,000)	-
Sludge spreading truck	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Total transfers to Capital Reserve Fund	(35,600)	(35,600)	-
Operating transfers in	<u>12,000</u>	<u>36,589</u>	<u>24,589</u>
Total other financing sources (uses)	<u>(23,600)</u>	<u>989</u>	<u>24,589</u>
CHANGE IN NET POSITION	\$ <u>(250,000)</u>	\$ <u>(144,479)</u>	\$ <u>105,521</u>

	Common Fund	Cemetery Fund	Billings Park Fund	Boyce Fund	Dreer Fund	Freeman Fund	Gilman Fund
Cash and cash equivalents	\$ 12,994	\$ 75,981	\$ 124,224	\$ 58,080	\$ 18,317	\$ 20,741	\$ 3,660
Investments	-	-	173,609	2,835	-	10,155	-
Due from other funds	<u>700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ 13,694	\$ 75,981	\$ 297,833	\$ 60,915	\$ 18,317	\$ 30,896	\$ 3,660

## LIABILITIES AND FUND EQUITY

LIABILITIES:									
Accounts payable	\$	-	\$	-	\$	-	\$	-	\$
Due to other funds		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>	
Total liabilities		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>	
FUND BALANCES:									
Nonspendable		-		-		-		-	
Restricted		<u>13,694</u>		<u>75,981</u>		<u>297,833</u>		<u>18,317</u>	
Total fund balances		<u>13,694</u>		<u>75,981</u>		<u>297,833</u>		<u>18,317</u>	
								<u>30,896</u>	
								<u>30,896</u>	
Total liabilities and fund equity	\$	13,694	\$	75,981	\$	297,833	\$	18,317	\$
								<u>30,896</u>	\$
								<u>3,660</u>	<u>3,660</u>

**TOWN OF WOODSTOCK, VERMONT**  
**COMBINING BALANCE SHEET**  
**PERMANENT FUND**  
**JUNE 30, 2014**

	Whitcomb Fund	Marbara Bagley Scholarship Fund	Gary Hersey Award Fund	George C. Brockway Scholarship Fund	Endowment Fund	Totals Permanent Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ 52	\$ 50	\$ 3,910	\$ 5,021	\$ 69,781	\$ 392,811
Investments	24,898	43,061	-	-	1,284,911	1,539,469
Due from other funds	-	-	-	-	-	700
Total assets	<u>\$ 24,950</u>	<u>\$ 43,111</u>	<u>\$ 3,910</u>	<u>\$ 5,021</u>	<u>\$ 1,354,692</u>	<u>\$ 1,932,980</u>

**LIABILITIES AND FUND EQUITY**

<b>LIABILITIES:</b>						
Accounts payable	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
Due to other funds	700	-	-	-	-	700
Total liabilities	<u>700</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,700</u>
<b>FUND BALANCES:</b>						
Nonspendable	-	-	-	-	1,258,220	1,258,220
Restricted	24,250	42,111	3,910	5,021	96,472	673,060
Total fund balances	<u>24,250</u>	<u>42,111</u>	<u>3,910</u>	<u>5,021</u>	<u>1,354,692</u>	<u>1,931,280</u>
Total liabilities and fund equity	<u>\$ 24,950</u>	<u>\$ 43,111</u>	<u>\$ 3,910</u>	<u>\$ 5,021</u>	<u>\$ 1,354,692</u>	<u>\$ 1,932,980</u>



**TOWN OF WOODSTOCK, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - PERMANENT FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Common Fund	Cemetery Fund	Billings Park Fund	Boyce Fund	Dreer Fund	Freeman Fund	Gilman Fund
<b>REVENUES:</b>							
Investment income	\$ -	\$ 282	\$ 563	\$ 271	\$ 50	\$ 27	\$ 6
Net increase (decrease) in fair value of investments	-	-	31,713	48	-	-	-
Miscellaneous	-	-	87	-	-	-	-
Total revenues	-	282	32,363	319	50	27	6
<b>EXPENDITURES:</b>							
Investment fees	52	-	-	-	-	-	-
Paid to school	-	-	-	-	-	-	-
Scholarships	1,200	-	-	-	-	-	-
Total expenditures	1,252	-	-	-	-	-	-
<b>EXCESS OF REVENUES OR (EXPENDITURES)</b>	(1,252)	282	32,363	319	50	27	6
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in (out), net	-	-	-	(3,000)	-	(2,500)	(4,500)
<b>NET CHANGE IN FUND BALANCES</b>	(1,252)	282	32,363	(2,681)	50	(2,473)	(4,494)
<b>FUND BALANCES, July 1, 2013</b>	14,946	75,699	265,470	63,596	18,267	33,369	8,154
<b>FUND BALANCES, June 30, 2014</b>	\$ 13,694	\$ 75,981	\$ 297,833	\$ 60,915	\$ 18,317	\$ 30,896	\$ 3,660

**TOWN OF WOODSTOCK, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - PERMANENT FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Whitcomb Fund	Marbara Bagley Scholarship Fund	Gary Hersey Award Fund	George C. Brockway Scholarship Fund	Endowment Fund	Totals Permanent Fund
<b>REVENUES:</b>						
Investment income	\$ 583	\$ 905	\$ 2	\$ 3	\$ 28,555	\$ 31,247
Net increase (decrease) in fair value of investments	182	1,908	-	-	202,237	236,088
Miscellaneous	-	-	-	600	-	687
Total revenues	<u>765</u>	<u>2,813</u>	<u>2</u>	<u>603</u>	<u>230,792</u>	<u>268,022</u>
<b>EXPENDITURES:</b>						
Investment fees	-	-	-	-	7,381	7,433
Paid to school	-	-	-	-	34,000	34,000
Scholarships	-	500	-	2,000	-	3,700
Total expenditures	<u>-</u>	<u>500</u>	<u>-</u>	<u>2,000</u>	<u>41,381</u>	<u>45,133</u>
<b>EXCESS OF REVENUES OR (EXPENDITURES)</b>	765	2,313	2	(1,397)	189,411	222,889
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in (out), net	-	-	-	-	-	(10,000)
<b>NET CHANGE IN FUND BALANCES</b>	765	2,313	2	(1,397)	189,411	212,889
<b>FUND BALANCES, July 1, 2013</b>	<u>23,485</u>	<u>39,798</u>	<u>3,908</u>	<u>6,418</u>	<u>1,165,281</u>	<u>1,718,391</u>
<b>FUND BALANCES, June 30, 2014</b>	<u>\$ 24,250</u>	<u>\$ 42,111</u>	<u>\$ 3,910</u>	<u>\$ 5,021</u>	<u>\$ 1,354,692</u>	<u>\$ 1,931,280</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 Selectboard  
Town 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 Town of Woodstock, Vermont (the Town) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 15, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town'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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Responses, as items 2014-001, 2014-002, 2014-003, and 2014-004, to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Responses, as item 2014-005, to be a significant deficiency.

### **Other Deficiency in Internal Control Over Financial Reporting**

We noted two additional deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2014-006 and 2014-007, which we did not consider to be material weaknesses or significant deficiencies in internal control over financial reporting.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town'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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Responses at item 2014-005.

### **Town's Response to Findings**

Management's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Management's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on them.

### **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.

Montpelier, Vermont  
December 15, 2014

*Mudgett, Jennett &  
Krieg-Winner, P.C.*

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

The Selectboard  
Town of Woodstock, Vermont

**Report on Compliance for Each Major Federal Program**

We have audited the Town of Woodstock, Vermont's (the Town) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on the Town's major federal program for the year ended June 30, 2014. The Town's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Responses.

***Management's Responsibility***

Management is responsible for compliance with requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Town of Woodstock, Vermont complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2014.

**Report on Internal Control Over Compliance**

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit

of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

Montpelier, Vermont  
December 15, 2014

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Federal Grantor/Pass-through Grantor <u>Program Title</u>	Federal CFDA <u>Number</u>	State/Federal Grant <u>Number</u>	Program Award <u>Amount</u>	<u>Expenditures</u>
<b>U.S. Department of Homeland Security:</b>				
Passed through the Vermont Agency of Transportation -				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)				
FEMA Public Assistance	97.036	08131-FE0611	\$ 4,431,414	\$ 916,958
Passed through the Vermont Department of Public Safety -				
Homeland Security Grant Program	97.067	02140-71164V-409	48,392	7,888
State & Community Highway Safety	20.600	02140-1314-2068	3,500	<u>1,820</u>
Total U.S. Department of Homeland Security				926,666
<b>U.S. Department of the Interior:</b>				
National Parks Service				
Cooperative Agreement	15.954	R1818-11-0066	220,000	<u>56,006</u>
				\$ <u>982,672</u>

The accompanying notes are an integral part of this schedule.

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2013**

**1. Summary of significant accounting policies:**

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

- A. Single Audit reporting entity - For purposes of complying with the Single Audit Act of 1984, as amended, the Town includes all funds and programs that are considered part of the primary governmental unit, as described in the basic financial statements as of and for the year ended June 30, 2014.
- B. Basis of presentation - The information in the accompanying schedule is presented in accordance with U.S. Office of Management and Budget (OMB) Circular A-133.
  - 1. Federal award - Pursuant to the Single Audit Act and OMB Circular A-133, federal award means federal financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. The majority of the federal grants received by the Town passed through the State of Vermont.
  - 2. Federal financial assistance - In the Single Audit Act and OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loan guarantees, property, interest subsidies, insurance, or direct appropriations. Federal financial assistance does not include direct federal cash payments to individuals.
  - 3. Major and nonmajor programs - OMB Circular A-133 establishes risk-based criteria for determining those major programs to be tested for compliance with program requirements. Nonmajor federal programs are included on the Schedule of Expenditures of Federal Awards but are subject to lower levels of testing.
- C. Basis of accounting - The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town and is presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

**2. Subrecipient:**

The Town provided a federal award to the Village of Woodstock totaling \$1,820 relating to CFDA 20.600 as shown on the Schedule of Expenditures of Federal Awards.



**TOWN OF WOODSTOCK, VERMONT  
SCHEDULE OF FINDINGS AND RESPONSES  
AS OF JUNE 30, 2014**

**A. Summary of Auditor's Results:**

**Financial Statements -**

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? *Yes*
- Significant deficiency(ies) identified? *Yes*

Noncompliance material to financial statements noted? *No*

**Federal Awards -**

Internal control over major programs:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified? *None reported*

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported  
in accordance with Section 510(a) of OMB Circular A-133? *No*

Identification of major programs:

- *U.S. Department of Homeland Security:  
CFDA 97.036 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)*

Dollar threshold used to distinguish between type A and type B programs: *\$300,000*

Auditee qualified as low-risk auditee? *No*

**B. Audit Findings - Financial Statements:**

**2014-001 Governmental capital assets in the government-wide statements:**

Capital assets and related depreciation are reported in the Town's government-wide financial statements. We found that the Town did not record all 2014 additions to capital assets in the general ledger, but had included most of the additions in supplemental depreciation schedules. An audit adjustment was proposed to record additional capital assets and related depreciation in the general ledger. The net amount of additional capital assets was \$2,390,828 and the increase in related depreciation was \$184,257. Most of the increase was to record the donation of the completed Taftsville Covered Bridge from the State of Vermont.

We recommend that the Town adopt procedures to insure all capital asset additions and dispositions are included on the supplemental depreciation schedules and to insure that the totals of those schedules agree with the capital asset and accumulated depreciation totals in the general ledger.

Management's response - There were changes made to the capital assets during the on-site, field audit. These changes included an increase in the value of the work done to the Taftsville Covered Bridge by the State of Vermont (\$2,200,000). The staff accountant was not aware of the need to include this amount in the capital assets. When the field audit work begins, no more entries are made by the staff accountant. Any adjusting entries that become necessary are given to the auditors.

**TOWN OF WOODSTOCK, VERMONT  
SCHEDULE OF FINDINGS AND RESPONSES  
AS OF JUNE 30, 2014**

**B. Audit Findings - Financial Statements (continued):**

**2014-002 Sewer Fund capital assets:**

The Town's Sewer Fund is reported as a proprietary fund which requires accrual basis accounting with depreciation of capital assets in the fund. We found that 2014 capital asset additions (construction in progress) of \$27,230 and depreciation of \$180,361 were not recorded in the general ledger of the Sewer Fund. Audit adjustments were proposed to correct the capital assets and depreciation of the fund.

We recommend that additions to capital assets, such as construction in progress for sewer projects, be recorded as assets in the Sewer Fund as the transactions occur and that depreciation of the Fund's capital assets be recorded on a regular basis.

Management's response - The staff accountant became aware of the need to include the construction in progress during the on-site field audit. As stated above, adjusting entries are given to the auditors.

**2014-003 Ambulance accounting:**

The Town's ambulance billing and cash receipt module is maintained with software separate from the Town's general ledger. We found that the accounts receivable balance in the general ledger at June 30, 2014 had not been reconciled to the totals in the separate ambulance module. We also found that the allowance for doubtful accounts receivable had not been adjusted at June 30, 2014. We noted that several write-off sheets used to authorize the write off of uncollectible ambulance charges did not include clear notations regarding which amounts to write off.

We proposed audit adjustments to bring the general ledger accounts receivable balance into agreement with the separate ambulance module and to reduce the recorded ambulance revenues and accounts receivable in the general ledger to reflect amounts billed by the Town but determined to be uncollectible from the various insurance providers.

We recommend that the Ambulance Coordinator submit monthly reconciliation reports generated from the ambulance suite software to the Municipal Manager. The Municipal Manager should review and approve each reconciliation report and submit it to the Town Accountant so that this information can be recorded in the Town's general ledger. The write-off sheets should be reviewed closely to insure that authorized write offs are clearly identified.

Management's response - The reports generated from the ambulance suite software reflect reductions of bills mandated by federal and state law.

The recommendations for the reconciling of the ambulance accounting have been implemented.

**2014-004 Interfund transfers:**

Transfers of resources into one fund from another fund must be recorded as transfers in both funds. We found that recorded transfers into the Irene Fund did not match recorded transfers out of the General Fund. Audit adjustments were proposed to correct the recording of these transfers. We recommend that the Town routinely reconcile transfers between the funds to determine that all authorized transfers are recorded and that the recorded amounts in each fund are in agreement.

**TOWN OF WOODSTOCK, VERMONT  
SCHEDULE OF FINDINGS AND RESPONSES  
AS OF JUNE 30, 2014**

**B. Audit Findings - Financial Statements (continued):**

**2014-004 Interfund transfers (continued):**

Management's response - An amount was recorded in the Irene Fund as revenue instead of a transfer. The error has been noted and corrected. Transfers are reconciled on a regular basis.

**2014-005 Property tax rate error:**

The annual property tax rate is calculated to raise amounts authorized by voters at the annual Town Meeting. We found errors in the calculation of the 2014 property tax rate calculation. The total effect of the errors was an overstatement of the property tax rate of \$.0083 which resulted in an excess billing of approximately \$72,000 of Town property taxes. The largest error was the inclusion of the \$50,000 Article XIII for economic development which was defeated by voters. We recommend that the calculation of the annual property tax rate be carefully reviewed when the final budget is recorded and the tax rate is calculated.

Management's response - Management agrees with the recommendation that the property tax rate calculation needs to be verified using the final budget also.

**2014-006 Sewer Fund - segregation of duties:**

We observed that the same individual who obtains sewer consumption fee data from Woodstock Aquaduct, enters and generates sewer bills, and collects sewer money. Internal controls are usually designed to segregate the accounting function from the treasury function to safeguard assets. We recommend that control activities over the sewer revenue and receipts functions be reviewed and revised so as to separate incompatible duties or to provide supervisory oversight of these transactions.

Management's response - There is limited staff available to divide sewer billing duties with. However Management agrees to provide closer supervisory oversight of the activity associated with the sewer billing and sewer consumption fees receipts.

**2014-007 Long-term liabilities in the government-wide statements:**

Long-term liabilities are reported in the Town's government-wide financial statements. While most long-term liability balances were correct at year end, we found that the 2014 principal balance in the general ledger of one long-term loan did not reflect a \$16,216 payment. An audit adjustment was proposed to correct this balance. We recommend the Town record long-term liability transactions throughout the year and regularly reconcile subsidiary schedules of long-term liabilities to the general ledger.

Management's response - The loan payment was made June 25, 2014 and was overlooked. A more conscientious effort will be made to insure that the long-term liabilities balance are correct at year's end.

**C. Audit Findings - Federal Awards:**

There were no audit findings reported for federal awards for the year ended June 30, 2014.

**TOWN OF WOODSTOCK, VERMONT  
STATUS OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2014**

We consider audit findings 13-1 Permanent Fund accounting, 13-3 Irene Fund accounting, 13-5 Deferred property taxes, 13-6 Long-term liabilities, and 13-8 Gas cards to be resolved.

The current status of the conditions described in prior audit findings 13-2 governmental capital assets and depreciation, 13-4 Sewer Fund accounting, and 13-7 Ambulance accounting have been addressed in the current year findings 2014-001, 2014-002, and 2014-003, respectively.