

**TOWN OF WOODSTOCK, VERMONT**

**FINANCIAL STATEMENTS**

**JUNE 30, 2016**

**AND**

**INDEPENDENT AUDITOR'S REPORTS**

**TOWN OF WOODSTOCK, VERMONT**

**JUNE 30, 2016**

**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 - 12
Government-wide Statement of Activities.....	13
Fund Financial Statements -	
Balance Sheet - Governmental Funds.....	14 - 16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	17 - 19
Statement of Revenues and Expenditures - Budget and Actual - General Fund.....	20
Statement of Net Position - Proprietary Funds .....	21 - 22
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds .....	23
Statement of Cash Flows - Proprietary Funds .....	24 - 25
Notes to Financial Statements.....	26 - 41
Supplementary Schedules:	
Schedule 1 - Schedule of Revenues and Expenditures - Budget and Actual - General Fund.....	42 - 53
Schedule 2 - Schedule of Revenues and Expenses - Budget and Actual - Sewer Fund .....	54 - 56
Schedule 3 - Combining Balance Sheet - Permanent Fund.....	57 - 58
Schedule 4 - Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Permanent Fund .....	59 - 60
Schedule 5 - Schedule of Town's Proportionate Share of Net Pension Liability - VMERS.....	61
Schedule 6 - Schedule of Town's Contributions - VMERS .....	62
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> .....	63 - 64
Schedule of Findings and Responses.....	65

## 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, 2016, 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, 2016, 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 Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules 5 and 6 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 through 4 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying schedules 1 through 4 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 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 November 28, 2016 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  
November 28, 2016

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

## Management's Discussion and Analysis

The Town of Woodstock is the county seat of Windsor County, Vermont, in the United States. The 2010 census put the town's population at 3,048. This count includes the hamlets of South Woodstock and Taftsville and the Village of Woodstock.

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 (Town) financial performance, including an overview and analysis of the financial activities of the Town for the fiscal year ending June 30, 2016. 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. 72, *Fair Value Measurement and Application* during FY 16.

### GENERAL FUND BUDGETARY HIGHLIGHTS

On February 28, 2015 the voters of the Town of Woodstock convened at the Town Hall for the annual Town Meeting. A budget of \$4,710,630 (for fiscal year 2016 excluding special articles) 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 \$3,102,755. The amount to be raised by taxation was amended to \$3,099,100. The amendment was voted and adopted.

The approved budget increased by \$302,490 over the FY 15 budget. The change was primarily due to increases in the amount needed for public safety services and public works.

The amount to be raised by taxation of \$3,099,100 was an increase of 1.5% over the previous year's amount. \$95,000 was used from the surplus, for the purpose of tax stabilization for the fiscal year 2016.

### FINANCIAL HIGHLIGHTS

#### Government-wide Highlights

The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2016, by \$14,314,363. Net position for governmental activities decreased by \$151,395 and net position for business-type activities decreased by \$142,114. There were deferred inflows of resources of \$1,020,277.

#### Fund Highlights

At the end of the fiscal year, the Town's governmental funds reported a combined ending fund balance of \$3,422,352, a decrease of \$168,405 compared to the prior year. The unassigned portion of the combined fund balance includes the General Fund deficit of \$37,120 and the Capital Reserve Fund unassigned balance of \$9,031 for a net deficit of \$28,089. The remaining \$3,450,441 represents amounts classified for specific purposes, such as endowments and subsequent year's expenditures. The proprietary funds reported a net position at June 30, 2016 of \$2,416,523, a decrease of \$142,114 for the year.

## Debt

The Town's total long-term debt and accrued compensated absences decreased during the fiscal year to \$2,457,785 which includes no capital leases. During FY 2016, the Town added debt of \$236,275 and retired debt of \$269,876 for a net decrease of \$33,601.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) establishes accounting principles generally accepted in the United States of America. The Town's financial statements for the year ended June 30, 2016 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 includes schedules 1, 2, 3 and 4 which are not required by accounting principles generally accepted in the United States of America (U.S. GAAP) but are presented as supplementary information. These schedules contain budgetary basis schedules and combining information for the individual components of the Permanent Fund. This section also includes schedules 5 and 6, which report information required by U.S. GAAP. These schedules contain historical pension information for the Town's portion of VMERS.

## 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 full accrual basis of accounting. This means that all revenues and expenditures 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** - The statement presents information on all of the Town's assets, liabilities, deferred inflows of resources and deferred outflows of resources with the difference between assets plus deferred outflows less liabilities less deferred inflows with the difference 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 inflows and outflows of resources are making.
- **Statement of Activities** - The 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, economic and community development, and culture and recreation. Property taxes, federal, state and other local 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 accounting approaches.

- **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 full 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 full accrual basis of accounting. Proprietary funds are reported as business-type activities on the government-wide financial statements. Since proprietary funds use full 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 governmental fund statements include reconciliations of the amounts reported on these statements (modified accrual accounting) with governmental activities on the government-wide statements (accrual accounting). The following indicates some of the reporting differences between the government-wide financial statements and the fund financial statements.

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

Because the focus of governmental funds is different from that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This comparison can help readers better understand the long-term impact of the Town's near-term financing decisions. The comparisons are:

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

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

## FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

### Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. 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.

Net Position June 30, 2016 and June 30, 2015						
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current assets	\$ 5,023,976	\$ 5,023,220	\$ 724,714	\$ 835,645	\$ 5,748,690	\$ 5,858,865
Capital assets	10,345,118	10,332,993	2,031,148	2,045,868	12,376,266	12,378,861
Total assets	<u>15,369,094</u>	<u>15,356,213</u>	<u>2,755,862</u>	<u>2,881,513</u>	<u>18,124,956</u>	<u>18,237,726</u>
Deferred outflows of resources	180,724	51,232	48,465	14,387	229,189	65,619
Current liabilities	404,439	756,007	84,578	51,720	489,017	807,727
Long-term liabilities	2,228,443	2,065,671	302,045	258,480	2,530,488	2,324,151
Total liabilities	<u>2,632,882</u>	<u>2,821,678</u>	<u>386,623</u>	<u>310,200</u>	<u>3,019,505</u>	<u>3,131,878</u>
Deferred inflows of resources	1,019,096	536,532	1,181	27,063	1,020,277	563,595
Net Position:						
Net investment in capital assets	8,372,938	8,365,616	1,816,773	1,819,818	10,189,711	10,185,434
Restricted - Nonexpendable	1,191,083	1,225,341	-	-	1,191,083	1,225,341
Restricted - Expendable	1,518,382	1,812,065	105,667	105,363	1,624,049	1,917,428
Unrestricted	815,437	646,213	494,083	633,456	1,309,520	1,279,669
Total net position	<u>\$ 11,897,840</u>	<u>\$ 12,049,235</u>	<u>\$ 2,416,523</u>	<u>\$ 2,558,637</u>	<u>\$ 14,314,363</u>	<u>\$ 14,607,872</u>

The portion of the Town's governmental activities net position as of June 30, 2016 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 \$8,372,938 or 70.4%. 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 governmental activities net position (22.8%) 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 \$815,437 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current 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, 2016 and 2015**

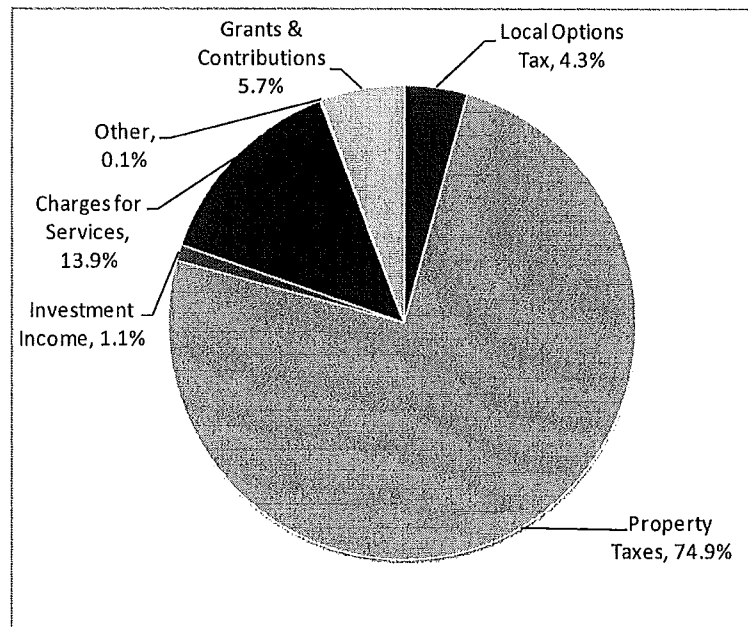
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues						
Program Revenues						
Grants and Contributions	\$ 272,156	\$ 1,174,317	\$ -	\$ 22,000	\$ 272,156	\$ 1,196,317
Charges for Services	667,415	688,275	676,352	697,225	1,343,767	1,385,500
Other	6,640	66,115	21,472	4,140	28,112	70,255
General Revenues						
Property Taxes	3,592,363	3,554,267	-	-	3,592,363	3,554,267
Local Options Tax	208,112	-	-	-	208,112	-
Investment Income	51,580	32,030	2,567	3,295	54,147	35,325
Total Revenues	<u>4,798,266</u>	<u>5,515,004</u>	<u>700,391</u>	<u>726,660</u>	<u>5,498,657</u>	<u>6,241,664</u>
Expenses						
Governmental Activities						
General Government	1,146,460	1,049,417	-	-	1,146,460	1,049,417
Public Works	1,517,905	1,636,293	-	-	1,517,905	1,636,293
Public Safety	1,354,512	1,297,190	-	-	1,354,512	1,297,190
Economic & Community Development	107,614	915,431	-	-	107,614	915,431
Culture and Recreation	731,002	700,564	-	-	731,002	700,564
Debt Service - Interest	45,397	48,575	-	-	45,397	48,575
Business-type Activities						
Sewer	-	-	849,631	822,341	849,631	822,341
Total Expenses	<u>4,902,890</u>	<u>5,647,470</u>	<u>849,631</u>	<u>822,341</u>	<u>5,752,521</u>	<u>6,469,811</u>
Changes in Net Position before Changes in Market Value (MV) and Transfers						
MV Increase(Decrease)	(104,624)	(132,466)	(149,240)	(95,681)	(253,864)	(228,147)
Transfer In (Out)	(39,645)	(3,316)	-	-	(39,645)	(3,316)
Transfer In (Out)	(7,126)	15,282	7,126	(15,282)	-	-
Changes in Net Position	<u>(151,395)</u>	<u>(120,500)</u>	<u>(142,114)</u>	<u>(110,963)</u>	<u>(293,509)</u>	<u>(231,463)</u>
Net Position - Beginning	<u>12,049,235</u>	<u>12,169,735</u>	<u>2,558,637</u>	<u>2,669,600</u>	<u>14,607,872</u>	<u>14,839,335</u>
Net Position - Ending	<u>\$ 11,897,840</u>	<u>\$ 12,049,235</u>	<u>\$ 2,416,523</u>	<u>\$ 2,558,637</u>	<u>\$ 14,314,363</u>	<u>\$ 14,607,872</u>

**Governmental Activities** - In the fiscal year 2016, property taxes provided 74.9% of revenues. Grants and Contributions accounted for 5.7%. The amount earned on investments was 1.1% of total governmental activities revenues. Charges for Services brought in 13.9%. Local Options Tax was 4.3%

**Business-type Activities** - Charges for Services accounted for 96.6% of revenues.

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

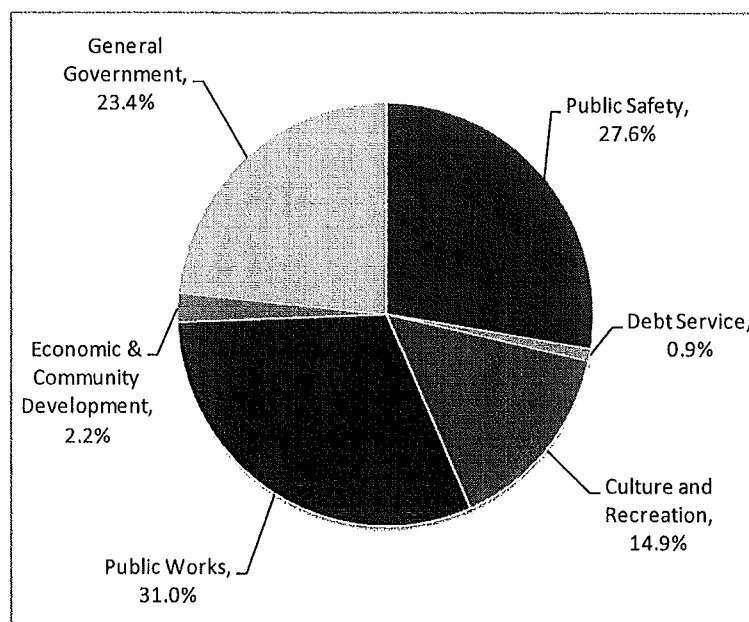
**Revenues by Source**



For FY 2016, governmental activity expenses exceeded program revenues by \$3,956,679 compared to \$3,718,763 for FY 2015.

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 current fiscal year, the Town's governmental funds reported combined ending fund balances of \$3,422,352. A combined unassigned deficit of \$28,089 consists of a General Fund deficit of \$37,120 and a Capital Reserve Fund unassigned balance of \$9,031. The remainder of the fund balance is classified to indicate that it is not available for new spending because it has already been pledged 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 a deficit of \$37,120 and nonspendable, restricted, committed and assigned fund balance was \$150,916. Total fund balance represents 2.4% of total general fund expenditures and interfund transfers. The fund balance of the Town General Fund decreased by \$124,957 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 assets of the Town's Sewer Fund amount to \$494,083, a decrease of \$139,373 during the most recent fiscal year; restricted net position of \$0 is unchanged from FY 15. Restricted net position of the Town's Unemployment Fund amounts to \$105,667, an increase of \$304. 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, 2016, amounts to \$12,376,266 (net of depreciation). This amount represents a decrease of \$2,595 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, 2016 and June 30, 2015**  
(Net of Depreciation)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 642,570	\$ 642,570	\$ 36,164	\$ 36,164	\$ 678,734	\$ 678,734
Land Improvements	10,157	10,594	-	-	10,157	10,594
Construction in process	165,816	0	13,855	-	179,671	-
Infrastructure	5,027,286	5,166,758	298,933	343,494	5,326,219	5,510,252
Buildings and improvements	2,732,598	2,878,204	-	-	2,732,598	2,878,204
Sewer treatment plant	-	-	1,601,205	1,622,708	1,601,205	1,622,708
Vehicles and equipment	1,512,120	1,397,430	76,363	38,195	1,588,483	1,435,625
Office equipment and computers	254,571	237,437	4,628	5,307	259,199	242,744
Total assets	<u>\$ 10,345,118</u>	<u>\$ 10,332,993</u>	<u>\$ 2,031,148</u>	<u>\$ 2,045,868</u>	<u>\$ 12,376,266</u>	<u>\$ 12,378,861</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, 2016, the Town of Woodstock had total long-term debt outstanding of \$2,457,785. Of this amount, \$770,000 represents bonds issued by the Vermont Municipal Bond Bank at an effective interest rate of 4.67%, \$10,077 represents notes payable at an interest rate of 2.243%, \$15,167 represents a note payable at an interest rate of 2.35%, \$48,318 represents a note payable at an interest rate of 1.74%, \$13,618 represents a note payable at an interest rate of 2.242%, \$56,250 represents a note payable at an interest rate of 1.65%, \$22,500 represents a note payable at an interest rate of 1.65%, \$188,375 represents non-interest bearing bonds issued by the Vermont Municipal Bond Bank, \$669,000 represents bonds at an interest rate of 2.49%, \$176,000 represents bonds at an interest rate of 3.0%, \$56,250 represents a note payable at an interest rate of 1.68%, \$96,000 represents a note payable at an interest rate of 1.95%, \$39,000 represents a note payable at an interest rate of 1.65%, \$26,000 represents a note payable at an interest rate of 1.65%, and \$271,230 represents compensated absences obligations.

## FISCAL YEAR 2017 BUDGET

For fiscal year 2017, property taxes are projected to increase 3.48% or \$107,828 over last year's budget. An amount of \$40,000 will be used from the surplus, for the purpose of tax stabilization for the fiscal year 2017. The Special Articles approved for FY 17 are \$64 less than those in FY 16. The fiscal year 2017 budget adopted at the Town Meeting in February, 2016 will maintain services at the fiscal year 2016 levels.

As of June 30, 2015, the Town of Woodstock had received \$4,657,989 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 not anticipating additional funds from FEMA or the State of Vermont. The Town's long-term debt was increased by \$669,000 in June, 2015 to cover the local share of repair damage caused by Tropical Storm Irene.

## 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, 2016**  
(Page 1 of 2)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
<b>ASSETS:</b>			
Current assets -			
Cash and cash equivalents	\$ 1,917,762	\$ 688,694	\$ 2,606,456
Investments	1,495,929	-	1,495,929
Receivables:			
Delinquent taxes	471,109	-	471,109
Accounts, grants and notes	1,094,958	38,503	1,133,461
Due from Village of Woodstock	1,360	-	1,360
Prepaid expenses	5,000	-	5,000
Other assets	35,375	-	35,375
Internal balances	2,483	(2,483)	-
Total current assets	<u>5,023,976</u>	<u>724,714</u>	<u>5,748,690</u>
Noncurrent assets -			
Capital assets	14,802,162	7,251,990	22,054,152
less - accumulated depreciation	<u>(4,457,044)</u>	<u>(5,220,842)</u>	<u>(9,677,886)</u>
Total noncurrent assets	<u>10,345,118</u>	<u>2,031,148</u>	<u>12,376,266</u>
Total assets	<u>15,369,094</u>	<u>2,755,862</u>	<u>18,124,956</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred pension expense	<u>180,724</u>	<u>48,465</u>	<u>229,189</u>
<b>LIABILITIES:</b>			
Current liabilities -			
Accounts payable	138,169	30,121	168,290
Accrued expenses	29,033	3,782	32,815
Current portion of long-term debt	<u>237,237</u>	<u>50,675</u>	<u>287,912</u>
Total current liabilities	<u>404,439</u>	<u>84,578</u>	<u>489,017</u>
Noncurrent liabilities -			
Accrued compensated absences	209,144	62,086	271,230
Long-term debt	1,734,943	163,700	1,898,643
Net pension liability	<u>284,356</u>	<u>76,259</u>	<u>360,615</u>
Total noncurrent liabilities	<u>2,228,443</u>	<u>302,045</u>	<u>2,530,488</u>
Total liabilities	<u>2,632,882</u>	<u>386,623</u>	<u>3,019,505</u>

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

**TOWN OF WOODSTOCK, VERMONT**  
**GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**JUNE 30, 2016**  
(Page 2 of 2)

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Totals</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue - grants and loans	1,000,448	-	1,000,448
Deferred pension credits	4,405	1,181	5,586
Unavailable revenue - donation	<u>14,243</u>	<u>-</u>	<u>14,243</u>
Total deferred inflows of resources	<u>1,019,096</u>	<u>1,181</u>	<u>1,020,277</u>
<b>NET POSITION:</b>			
Net investment in capital assets	8,372,938	1,816,773	10,189,711
Restricted - nonexpendable	1,191,083	-	1,191,083
Restricted - expendable	1,518,382	105,667	1,624,049
Unrestricted	<u>815,437</u>	<u>494,083</u>	<u>1,309,520</u>
Total net position	\$ <u>11,897,840</u>	\$ <u>2,416,523</u>	\$ <u>14,314,363</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, 2016**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Grants and Contributions</u>	<u>Charges for</u>		<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
			<u>Services</u>	<u>Other</u>			
<b>FUNCTIONS/PROGRAMS:</b>							
Governmental activities -							
General government	\$ 1,146,460	\$ 27,375	\$ 69,936	\$ 4,149	\$ (1,045,000)	\$ -	\$ (1,045,000)
Public safety	1,354,512	6,213	593,672	-	(754,627)	-	(754,627)
Public works	1,517,905	148,953	-	2,491	(1,366,461)	-	(1,366,461)
Economic and community development	107,614	89,615	-	-	(17,999)	-	(17,999)
Culture and recreation	731,002	-	3,807	-	(727,195)	-	(727,195)
Debt service - interest	45,397	-	-	-	(45,397)	-	(45,397)
Total governmental activities	<u>4,902,890</u>	<u>272,156</u>	<u>667,415</u>	<u>6,640</u>	<u>(3,956,679)</u>	<u>-</u>	<u>(3,956,679)</u>
Business-type activities -							
Sewer	849,631	-	676,352	21,472	-	(151,807)	(151,807)
Total business-type activities	<u>849,631</u>	<u>-</u>	<u>676,352</u>	<u>21,472</u>	<u>-</u>	<u>(151,807)</u>	<u>(151,807)</u>
	<u>\$ 5,752,521</u>	<u>\$ 272,156</u>	<u>\$ 1,343,767</u>	<u>\$ 28,112</u>	<u>(3,956,679)</u>	<u>(151,807)</u>	<u>(4,108,486)</u>
<b>GENERAL REVENUES</b>							
- PROPERTY TAXES					3,592,363	-	3,592,363
- LOCAL OPTIONS TAX					208,112	-	208,112
- INVESTMENT INCOME					51,580	2,567	54,147
- NET INCREASE (DECREASE) IN FAIR VALUE OF INVESTMENTS					(39,645)	-	(39,645)
- TRANSFERS IN (OUT)					(7,126)	7,126	-
					<u>3,805,284</u>	<u>9,693</u>	<u>3,814,977</u>
CHANGE IN NET POSITION					(151,395)	(142,114)	(293,509)
NET POSITION, July 1, 2015					12,049,235	2,558,637	14,607,872
NET POSITION, June 30, 2016					<u>\$ 11,897,840</u>	<u>\$ 2,416,523</u>	<u>\$ 14,314,363</u>

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

**TOWN OF WOODSTOCK, VERMONT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**  
(Page 1 of 3)

	General Fund	Capital Reserve Fund	Permanent Fund	Community Development Fund	Economic & Community Development Reserve Fund	Totals Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 450,196	\$ 930,478	\$ 366,697	\$ 100	\$ 170,291	\$ 1,917,762
Investments	-	-	1,495,929	-	-	1,495,929
Receivables - Delinquent taxes	471,109	-	-	-	-	471,109
- Accounts, grants and notes	71,131	-	-	995,000	28,827	1,094,958
Due from other funds	-	323,834	-	-	-	323,834
Due from Village of Woodstock	1,360	-	-	-	-	1,360
Prepaid expenditures	5,000	-	-	-	-	5,000
Other assets	35,375	-	-	-	-	35,375
Total assets	\$ 1,034,171	\$ 1,254,312	\$ 1,862,626	\$ 995,100	\$ 199,118	\$ 5,345,327
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ 130,669	\$ -	\$ 1,500	\$ -	\$ 6,000	\$ 138,169
Accrued payroll and benefits	29,033	-	-	-	-	29,033
Due to other funds	321,251	-	-	100	-	321,351
Total liabilities	480,953	-	1,500	100	6,000	488,553

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

**TOWN OF WOODSTOCK, VERMONT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**  
(Page 2 of 3)

	General Fund	Capital Reserve Fund	Permanent Fund	Community Development Fund	Economic & Community Development Reserve Fund	Totals Governmental Funds
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Unavailable revenue - grants	5,448	-	-	-	-	5,448
Unavailable revenue - loans receivable	-	-	-	995,000	-	995,000
Unavailable revenue - property taxes	419,731	-	-	-	-	419,731
Unavailable revenue - donation	14,243	-	-	-	-	14,243
Total deferred inflows of resources	<u>439,422</u>	<u>-</u>	<u>-</u>	<u>995,000</u>	<u>-</u>	<u>1,434,422</u>
<b>FUND BALANCES:</b>						
Nonspendable	5,000	-	1,191,083	-	-	1,196,083
Restricted	22,940	14,676	670,043	-	-	707,659
Committed	-	810,723	-	-	-	810,723
Assigned	122,976	419,882	-	-	193,118	735,976
Unassigned	<u>(37,120)</u>	<u>9,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,089)</u>
Total fund balances	<u>113,796</u>	<u>1,254,312</u>	<u>1,861,126</u>	<u>-</u>	<u>193,118</u>	<u>3,422,352</u>
Total liabilities, deferred inflows of resources and fund equity	\$ <u>1,034,171</u>	\$ <u>1,254,312</u>	\$ <u>1,862,626</u>	\$ <u>995,100</u>	\$ <u>199,118</u>	\$ <u>5,345,327</u>

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

TOWN OF WOODSTOCK, VERMONT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2016  
(Page 3 of 3)

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

Amount reported on Balance Sheet - Governmental Funds - total fund balances	\$ 3,422,352
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	14,802,162
Accumulated depreciation	(4,457,044)
Liabilities not due and payable in the year are not reported in the governmental funds.	
Long-term debt - Bonds and notes payable	(1,972,180)
Accrued compensated absences	(209,144)
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.	419,731
Balances related to net pension asset or liability and related deferred outflows/inflows of resources are not reported in the governmental funds.	
Deferred pension expense	180,724
Deferred pension credits	(4,405)
Net pension liability	<u>(284,356)</u>
Net position of governmental activities - Government-wide Statement of Net Position	\$ <u>11,897,840</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, 2016**

(Page 1 of 3)

**REVENUES:**

	General Fund	Capital Reserve Fund	Permanent Fund	Community Development Fund	Economic & Community Development Reserve Fund	Totals Governmental Funds
Taxes	\$ 3,584,204	\$ -	\$ -	\$ -	\$ 208,112	\$ 3,792,316
Intergovernmental	175,889	-	-	87,569	-	263,458
Licenses, permits, fines, and fees	196,114	-	-	-	-	196,114
Charges for goods and services	454,334	-	-	-	-	454,334
Investment income	250	108	51,216	-	6	51,580
Net increase (decrease) in fair value of investments	-	-	(39,645)	-	-	(39,645)
Miscellaneous	29,676	-	150	-	-	29,826
Total revenues	<u>4,440,467</u>	<u>108</u>	<u>11,721</u>	<u>87,569</u>	<u>208,118</u>	<u>4,747,983</u>

**EXPENDITURES:**

Current -						
General government	908,536	-	45,219	-	-	953,755
Public safety	1,164,528	-	-	-	-	1,164,528
Public works	786,450	-	-	-	-	786,450
Economic and community development	-	-	-	87,569	15,000	102,569
Culture and recreation	585,750	-	-	-	-	585,750
Comfort Station	28,252	-	-	-	-	28,252
Intergovernmental	234,737	-	-	-	-	234,737
Grants	16,768	-	-	-	-	16,768
Special Articles	197,288	-	-	-	-	197,288
Capital reserve spending	181,048	-	-	-	-	181,048
Loss repair	1,961	-	-	-	-	1,961
Capital outlay	618,054	-	-	-	-	618,054
Debt service - principal	205,196	-	-	-	-	205,196
- interest	45,397	-	-	-	-	45,397
Total expenditures	<u>4,973,965</u>	<u>-</u>	<u>45,219</u>	<u>87,569</u>	<u>15,000</u>	<u>5,121,753</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, 2016**

(Page 2 of 3)

	General Fund	Capital Reserve Fund	Permanent Fund	Community Development Fund	Economic & Community Development Reserve Fund	Totals Governmental Funds
EXCESS OF REVENUES OR (EXPENDITURES)	<u>(533,498)</u>	<u>108</u>	<u>(33,498)</u>	<u>-</u>	<u>193,118</u>	<u>(373,770)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Note proceeds	210,000	-	-	-	-	210,000
Insurance reimbursements	2,491	-	-	-	-	2,491
Interfund transfers in	567,052	402,602	-	-	-	969,654
Interfund transfers out	<u>(371,002)</u>	<u>(596,278)</u>	<u>(9,500)</u>	<u>-</u>	<u>-</u>	<u>(976,780)</u>
Total other financing sources (uses)	<u>408,541</u>	<u>(193,676)</u>	<u>(9,500)</u>	<u>-</u>	<u>-</u>	<u>205,365</u>
NET CHANGE IN FUND BALANCES	<u>(124,957)</u>	<u>(193,568)</u>	<u>(42,998)</u>	<u>-</u>	<u>193,118</u>	<u>(168,405)</u>
FUND BALANCES, July 1, 2015	<u>238,753</u>	<u>1,447,880</u>	<u>1,904,124</u>	<u>-</u>	<u>-</u>	<u>3,590,757</u>
FUND BALANCES, June 30, 2016	<u>\$ 113,796</u>	<u>\$ 1,254,312</u>	<u>\$ 1,861,126</u>	<u>\$ -</u>	<u>\$ 193,118</u>	<u>\$ 3,422,352</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, 2016**

(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	\$ (168,405)
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	540,702
Depreciation	(528,577)
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	(411,572)
Current year	419,731
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.	
Decrease in compensated absences, net	27,004
Proceeds from notes payable	(210,000)
Principal payments on bonds and notes payable	205,196
Changes in net pension asset or liability and related deferred outflows/inflows of resources will increase or decrease the amounts reported in the government-wide statements, but are only recorded as an expenditure when paid in the governmental funds.	
Net (increase) decrease in net pension obligation	<u>(25,474)</u>
Change in net position of governmental activities - Government-wide Statement of Activities	\$ <u>(151,395)</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, 2016**

	Original and Final <u>Budget</u>	Actual (Budgetary Basis)	Variance Over (Under)
<b>REVENUES:</b>			
Property taxes	\$ 3,545,697	\$ 3,584,204	\$ 38,507
Licenses and permits	62,500	62,146	(354)
Intergovernmental	133,000	175,889	42,889
Charges for services	514,430	454,334	(60,096)
Fines and forfeits	129,000	133,968	4,968
Investment income	100	250	150
Miscellaneous	<u>27,000</u>	<u>29,676</u>	<u>2,676</u>
Total revenues	<u>4,411,727</u>	<u>4,440,467</u>	<u>28,740</u>
<b>EXPENDITURES:</b>			
General government	855,290	908,527	53,237
Public safety	1,164,960	1,172,113	7,153
Public works	1,178,555	1,043,342	(135,213)
Culture and recreation	585,875	602,504	16,629
Comfort Station	27,450	106,796	79,346
Intergovernmental	220,000	234,737	14,737
Special Articles	197,597	197,288	(309)
Capital reserve spending	426,500	676,300	249,800
Loss repair	-	1,961	1,961
Tropical Storm Irene	-	8,991	8,991
Grants	<u>-</u>	<u>21,406</u>	<u>21,406</u>
Total expenditures	<u>4,656,227</u>	<u>4,973,965</u>	<u>317,738</u>
EXCESS OF REVENUES OR (EXPENDITURES)	<u>(244,500)</u>	<u>(533,498)</u>	<u>288,998</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Note proceeds	-	210,000	210,000
Insurance reimbursements	-	2,491	2,491
Transfers in	426,500	567,052	140,552
Transfers out	<u>(277,000)</u>	<u>(371,002)</u>	<u>94,002</u>
Total other financing sources (uses)	<u>149,500</u>	<u>408,541</u>	<u>259,041</u>
NET CHANGE IN FUND BALANCE	\$ <u>(95,000)</u>	\$ <u>(124,957)</u>	\$ <u>29,957</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, 2016**  
(Page 1 of 2)

	<u>Sewer Fund</u>	<u>Unemployment Fund</u>	<u>Totals Proprietary Funds</u>
<b>ASSETS:</b>			
Current assets -			
Cash and cash equivalents	\$ 583,027	\$ 105,667	\$ 688,694
Accounts receivable (Net of allowance for doubtful accounts of \$5,000)	<u>38,503</u>	<u>-</u>	<u>38,503</u>
Total current assets	<u>621,530</u>	<u>105,667</u>	<u>727,197</u>
Noncurrent assets -			
Capital assets	7,251,990	-	7,251,990
less - accumulated depreciation	<u>(5,220,842)</u>	<u>-</u>	<u>(5,220,842)</u>
Total noncurrent assets	<u>2,031,148</u>	<u>-</u>	<u>2,031,148</u>
 Total assets	 <u>2,652,678</u>	 <u>105,667</u>	 <u>2,758,345</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred pension expense	<u>48,465</u>	<u>-</u>	<u>48,465</u>
<b>LIABILITIES:</b>			
Current liabilities -			
Accounts payable	30,121	-	30,121
Accrued payroll	3,782	-	3,782
Due to other funds	2,483	-	2,483
Current portion of long-term debt	<u>50,675</u>	<u>-</u>	<u>50,675</u>
Total current liabilities	<u>87,061</u>	<u>-</u>	<u>87,061</u>
Noncurrent liabilities -			
Net pension liability	76,259	-	76,259
Accrued compensated absences	62,086	-	62,086
Long-term debt	<u>163,700</u>	<u>-</u>	<u>163,700</u>
Total noncurrent liabilities	<u>302,045</u>	<u>-</u>	<u>302,045</u>
 Total liabilities	 <u>389,106</u>	 <u>-</u>	 <u>389,106</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, 2016**  
(Page 2 of 2)

	Sewer <u>Fund</u>	Unemployment <u>Fund</u>	Totals Proprietary <u>Funds</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred pension credits	<u>1,181</u>	<u>-</u>	<u>1,181</u>
<b>NET POSITION:</b>			
Net investment in capital assets	1,816,773	-	1,816,773
Restricted	-	105,667	105,667
Unrestricted	<u>494,083</u>	<u>-</u>	<u>494,083</u>
Total net position	\$ <u>2,310,856</u>	\$ <u>105,667</u>	\$ <u>2,416,523</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, 2016**

	Sewer <u>Fund</u>	Unemployment <u>Fund</u>	Totals Proprietary <u>Funds</u>
<b>OPERATING REVENUES:</b>			
User fees	\$ 657,889	\$ -	\$ 657,889
Miscellaneous	<u>3,605</u>	<u>-</u>	<u>3,605</u>
Total operating revenues	<u>661,494</u>	<u>-</u>	<u>661,494</u>
<b>OPERATING EXPENSES:</b>			
Operations and maintenance	546,132	-	546,132
Vehicles	21,302	-	21,302
Administration	83,509	-	83,509
Depreciation	<u>190,682</u>	<u>-</u>	<u>190,682</u>
Total operating expenses	<u>841,625</u>	<u>-</u>	<u>841,625</u>
Operating income (loss)	<u>(180,131)</u>	<u>-</u>	<u>(180,131)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Tap fees	18,463	-	18,463
(Increase)/decrease in net pension liability	(8,006)	-	(8,006)
Gain/(Loss) on asset disposal	17,867	-	17,867
Interest income	<u>2,263</u>	<u>304</u>	<u>2,567</u>
Total nonoperating revenues (expenses)	<u>30,587</u>	<u>304</u>	<u>30,891</u>
INCOME (LOSS) BEFORE TRANSFERS	(149,544)	304	(149,240)
Interfund transfers in	38,726	-	38,726
Interfund transfers out	<u>(31,600)</u>	<u>-</u>	<u>(31,600)</u>
CHANGE IN NET POSITION	(142,418)	304	(142,114)
NET POSITION, July 1, 2015	<u>2,453,274</u>	<u>105,363</u>	<u>2,558,637</u>
NET POSITION, June 30, 2016	\$ <u>2,310,856</u>	\$ <u>105,667</u>	\$ <u>2,416,523</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, 2016**  
(Page 1 of 2)

	Sewer Fund	Unemployment Fund	Totals Proprietary Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 665,539	\$ -	\$ 665,539
Cash paid to suppliers for goods and services	(298,033)	-	(298,033)
Cash paid to employees for services	<u>(332,777)</u>	<u>-</u>	<u>(332,777)</u>
Net cash provided (used) by operating activities	<u>34,729</u>	<u>-</u>	<u>34,729</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Fees from sewer connections	18,463	-	18,463
Additions to property, plant and equipment	(175,963)	-	(175,963)
Gain/(Loss) on asset disposal	17,867	-	17,867
Proceeds from notes payable	26,000	-	26,000
Payment on bonds payable	<u>(37,675)</u>	<u>-</u>	<u>(37,675)</u>
Net cash provided (used) by capital and related financing activities	<u>(151,308)</u>	<u>-</u>	<u>(151,308)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Change in due from other funds	1,281	-	1,281
Transfers (to) from other funds, net	<u>7,126</u>	<u>-</u>	<u>7,126</u>
Net cash provided (used) by noncapital financing activities	<u>8,407</u>	<u>-</u>	<u>8,407</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest income	<u>2,263</u>	<u>304</u>	<u>2,567</u>
Net cash provided (used) by investing activities	<u>2,263</u>	<u>304</u>	<u>2,567</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(105,909)</b>	<b>304</b>	<b>(105,605)</b>
<b>CASH AND CASH EQUIVALENTS, July 1, 2015</b>	<b><u>688,936</u></b>	<b><u>105,363</u></b>	<b><u>794,299</u></b>
<b>CASH AND CASH EQUIVALENTS, June 30, 2016</b>	<b>\$ <u>583,027</u></b>	<b>\$ <u>105,667</u></b>	<b>\$ <u>688,694</u></b>

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, 2016**  
(Page 2 of 2)

	Sewer <u>Fund</u>	Unemployment <u>Fund</u>	Totals Proprietary <u>Funds</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>			
<b>TO NET CASH PROVIDED (USED) BY</b>			
<b>OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (180,131)	\$ -	\$ (180,131)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities -			
Depreciation	190,682	-	190,682
Change in the following assets/liabilities:			
(Increase)/decrease in accounts receivable	4,045	-	4,045
Increase/(decrease) in accounts payable	17,983	-	17,983
Increase/(decrease) in accrued expenses	1,875	-	1,875
Increase/(decrease) in accrued compensated absences	<u>275</u>	<u>-</u>	<u>275</u>
Net cash provided (used) by operating activities	\$ <u>34,729</u>	\$ <u>-</u>	\$ <u>34,729</u>

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

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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 Board). 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, 2016**

**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.

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

Community Development Fund - This fund accounts for the Town's revolving loan funds. The proceeds are used to issue loans that will enhance community development.

Economic & Community Development Reserve Fund - This fund accounts for the Town's 1% local options tax used to fund economic and community development within the Town.

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, 2016**

**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, 2016 were payable in two installments due November 2015 and May 2016.

**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 \$105,667 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 deposit, where the principal is not at risk for loss due to early withdrawal, to be cash and cash equivalents. Investments and unrealized gains and losses are reflected in the individual fund and government-wide financial statements. Investments of the Town's Permanent Fund are reported at fair value using quoted prices in active markets for identical assets. This is considered a level 1 input valuation technique under the framework established by U.S. GAAP for measuring fair value. The Town does not own investments valued with level 2 or level 3 inputs, which would use quoted prices for similar assets, or in inactive markets, or other methods for estimating fair value.

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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 acquisition value. 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	15 - 40 years

- K. Deferred outflows/inflows of resources - In addition to assets and liabilities, deferred outflows of resources and deferred inflows of resources are reported as separate sections in the applicable statement of net position or the 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.

- L. 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.

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

Nonspendable fund balance includes amounts associated with inventory, prepaid expenditures, and trust fund principal to be held in perpetuity.

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

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

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed fund balance includes amounts that can be used only for specific purposes determined by the Town's highest level of decision making authority, the voters, as a result of articles passed at Annual or Special Meetings.

Assigned fund balance includes amounts that are intended to be used by the 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.

- N. New accounting standard -** The Town has implemented GASB Statement No. 72, *Fair Value Measurement and Application*. The statement defines fair value and requires certain assets and liabilities to be reported at their fair value in the financial statements and related note disclosures. The statement describes fair value as a market-based measurement which should be determined by the assumptions or inputs used under current market conditions at the measurement date. The statement establishes a fair value hierarchy which distinguishes between observable inputs which are observable from market data (level 1) or corroborated by observable market data (level 2) and those which are unobservable (level 3).

The impact on these financial statements is to report most liquid assets (i.e., cash or investments) at a level 1 market value and to report any donated assets at their acquisition value upon receipt, which would be a level 2 or level 3 input.

- O. 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 and long-term loans receivable as unavailable revenue as well as certain donations until they are expended.

**2. Deposits and investments:**

Fair value and classification - Deposits and investments are stated at fair value as described in notes 1.I. and 1.N. The classification of investments as of June 30, 2016, as listed on the following page, is as follows:

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

Fair value and classification (continued) -

<u>Investment</u>	<u>Fair Value</u>
Corporate bonds - domestic	\$ 294,412
Corporate bonds - international	21,684
Corporate stock - domestic	689,096
Corporate stock - international	113,369
Mutual funds	<u>377,368</u>
	\$ <u>1,495,929</u>

Custodial credit risk - 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. Custodial credit risk for investments is the risk that, in the event of the 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. As of June 30, 2016, the Town's depository accounts were fully insured or collateralized.

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, 2016 include the Town's corporate bonds totaling \$316,096 with \$288,931 maturing in one to five years (includes international corporate bonds of \$21,684), and \$27,165 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+	\$ 27,343
AA-	54,778
A+	47,936
A	107,217
A-	26,465
BBB+	26,149
BBB	<u>26,208</u>
	\$ <u>316,096</u>

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

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, 2016, \$135,053 of the Town's total investment of \$1,495,929 was invested in international corporate stock and corporate bonds that are subject to foreign currency risk.

**3. Capital assets:**

Capital asset activity for the year ended June 30, 2016 was as follows:

	Balance July 1, 2015	Increase	Decrease	Balance June 30, 2016
Governmental activities -				
Capital assets, not depreciated:				
Land	\$ 642,570	\$ -	\$ -	\$ 642,570
Construction in process	-	165,816	-	165,816
Total capital assets, not depreciated	<u>642,570</u>	<u>165,816</u>	<u>-</u>	<u>808,386</u>
Capital assets, depreciated:				
Land improvements	10,922	-	-	10,922
Buildings and improvements	4,800,948	-	37,000	4,763,948
Vehicles and equipment	2,864,043	391,563	152,280	3,103,326
Office equipment and computers	543,420	60,675	27,901	576,194
Infrastructure	5,539,386	-	-	5,539,386
Total capital assets, depreciated	<u>13,758,719</u>	<u>452,238</u>	<u>217,181</u>	<u>13,993,776</u>
Less accumulated depreciation for:				
Land improvements	328	437	-	765
Buildings and improvements	1,922,744	122,944	14,338	2,031,350
Vehicles and equipment	1,466,613	224,578	99,985	1,591,206
Office equipment and computers	305,983	41,146	25,506	321,623
Infrastructure	372,628	139,472	-	512,100
Total accumulated depreciation	<u>4,068,296</u>	<u>528,577</u>	<u>139,829</u>	<u>4,457,044</u>
Total capital assets, depreciated, net	<u>9,690,423</u>	<u>(76,339)</u>	<u>77,352</u>	<u>9,536,732</u>
Capital assets, net, governmental activities	<u>10,332,993</u>	<u>89,477</u>	<u>77,352</u>	<u>10,345,118</u>
Business-type activities -				
Capital assets, not depreciated:				
Land	36,164	-	-	36,164
Construction in progress	-	13,855	-	13,855
Total capital assets, not depreciated	<u>36,164</u>	<u>13,855</u>	<u>-</u>	<u>50,019</u>
Capital assets, depreciated:				
Sewer treatment plant	4,426,933	93,504	-	4,520,437
Vehicles and equipment	357,975	58,883	28,267	388,591
Office equipment and computers	12,903	409	478	12,834
Infrastructure	2,267,971	12,138	-	2,280,109
Total capital assets, depreciated	<u>7,065,782</u>	<u>164,934</u>	<u>28,745</u>	<u>7,201,971</u>

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

	Balance July 1, 2015	Increase	Decrease	Balance June 30, 2016
Business-type activities (continued) -				
Less accumulated depreciation for:				
Sewer treatment plant	2,804,225	115,007	-	2,919,232
Vehicles and equipment	319,780	17,887	25,439	312,228
Office equipment and computers	7,596	1,089	479	8,206
Infrastructure	1,924,477	56,699	-	1,981,176
Total accumulated depreciation	5,056,078	190,682	25,918	5,220,842
Total capital assets, depreciated, net	2,009,704	(25,748)	2,827	1,981,129
Capital assets, net, business-type activities	2,045,868	(11,893)	2,827	2,031,148
Capital assets, net	\$ 12,378,861	\$ 77,584	\$ 80,179	\$ 12,376,266

Depreciation expense of \$528,577 in the governmental activities was allocated to expenses of the general government (\$54,898), public safety (\$136,354), and public works (\$337,325) programs based on capital assets assigned to those functions.

Depreciation expense of \$190,682 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, 2016 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. Interfund receivable and payable balances as of June 30, 2016 are as follows:

	Interfund Receivables	Interfund Payables
Governmental funds -		
General Fund	\$ -	\$ 321,251
Capital Reserve Fund	323,834	-
Community Development Fund	-	100
	323,834	321,351
Proprietary funds -		
Sewer Fund	-	2,483
	\$ 323,834	\$ 323,834

**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, 2016, as listed on the following page, were as follows:

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds -		
General Fund	\$ 567,052	\$ 371,002
Capital Reserve Fund	402,602	596,278
Permanent Fund	-	9,500
	<u>969,654</u>	<u>976,780</u>
Proprietary funds -		
Sewer Fund	<u>38,726</u>	<u>31,600</u>
	<u>\$ 1,008,380</u>	<u>\$ 1,008,380</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, \$283,600 represented voter committed transfers, and \$18,677 in transfers of restricted State of Vermont funds. In addition, management transferred \$100,325 from the General Fund to the Capital Reserve Fund.

Transfers of \$596,278 from the Capital Reserve Fund to the General Fund and Sewer Fund were for the payment of capital expenditures in 2016 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 \$9,500 transfer from the Permanent Fund to the General Fund was for the budgeted disbursement of assets from the Permanent Fund.

**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, 2016, amounts due from the Village of Woodstock were \$1,360.

**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 \$193,800 for these services which are based on budgeted amounts and an additional amount of \$121,567 for a total of \$315,367 for police services.

**8. Long-term debt:**

Outstanding long-term debt as of June 30, 2016 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 November 2026 with a net interest cost of 4.67%.	\$ 770,000
---	------------

Bond payable, for remaining local portion of prior Tropical Storm Irene damage, payable in annual principal and interest payments through July 2030 with interest at 2.49%.	669,000
---	---------

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**8. Long-term debt (continued):**

Governmental activities (continued) -

Bond payable, for Little Theater improvements, payable in annual principal and semi-annual interest payments through May 2032 at 3.00% interest.	176,000
Note payable, for international truck, payable in annual principal and interest payments through September 2016 at 2.243% interest.	10,077
Note payable, for loader, payable in annual principal and interest payments through August 2016 at 2.35% interest.	15,167
Note payable, for grader, payable in annual principal and interest payments through July 2017 at 1.74% interest.	48,318
Note payable, for gator, payable in annual principal and interest payments through December 2018 at 2.242% interest.	13,618
Note payable, for dump truck, payable in annual principal and interest payments through July 2018 at 1.65% interest.	56,250
Note payable, for police cruiser, payable in annual principal and interest payments through July 2018 at 1.65% interest.	22,500
Note payable, for highway truck, payable in annual principal and interest payments through June 2019 at 1.68% interest.	56,250
Note payable, for Welcome Center, payable in annual principal and interest payments through July 2036 at 1.95% interest.	96,000
Note payable, for highway F450 truck, payable in annual principal and interest payments through July 2018 at 1.65% interest.	39,000
Compensated absences	209,144
	<u>2,181,324</u>

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.	188,375
Note payable, for F350 truck, payable in annual principal and interest payments through July 2017 at 1.65% interest.	26,000
Compensated absences	62,086
	<u>276,461</u>
	<u>\$ 2,457,785</u>

Long-term debt activity for the year ended June 30, 2016, as listed on the following page, was as follows:

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**8. Long-term debt (continued):**

	Balance July 1, <u>2015</u>	<u>Additions</u>	<u>Retirements</u>	Balance June 30, <u>2016</u>	Due Within <u>One Year</u>
Governmental activities -					
Highway garage	\$ 840,000	\$ -	\$ 70,000	\$ 770,000	\$ 70,000
Tropical Storm Irene	669,000	-	-	669,000	44,600
Little Theater	187,000	-	11,000	176,000	11,000
Welcome center	-	96,000	-	96,000	-
Equipment note - Dump truck	9,043	-	9,043	-	-
Equipment note - Backhoe	16,845	-	16,845	-	-
Equipment note - 2013 Int'l truck	19,936	-	9,859	10,077	10,077
Equipment note - Loader	30,693	-	15,526	15,167	15,167
Equipment note - Grader	71,860	-	23,542	48,318	23,951
Equipment note - Gator	18,000	-	4,382	13,618	4,442
Equipment note - Dump truck	75,000	-	18,750	56,250	18,750
Equipment note - Cruiser	30,000	-	7,500	22,500	7,500
Equipment note - Highway truck	-	75,000	18,750	56,250	18,750
Equipment note - Highway F450	-	39,000	-	39,000	13,000
Compensated absences	<u>236,148</u>	<u>-</u>	<u>27,004</u>	<u>209,144</u>	<u>-</u>
	<u>2,203,525</u>	<u>210,000</u>	<u>232,201</u>	<u>2,181,324</u>	<u>237,237</u>
Business-type activities -					
Sewer fund bond	226,050	-	37,675	188,375	37,675
Equipment note - F350	-	26,000	-	26,000	13,000
Compensated absences	<u>61,811</u>	<u>275</u>	<u>-</u>	<u>62,086</u>	<u>-</u>
	<u>287,861</u>	<u>26,275</u>	<u>37,675</u>	<u>276,461</u>	<u>50,675</u>
	\$ <u>2,491,386</u>	\$ <u>236,275</u>	\$ <u>269,876</u>	\$ <u>2,457,785</u>	\$ <u>287,912</u>

Debt service requirements to maturity are as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year ending June 30,				
2017	\$ 237,237	\$ 60,020	\$ 50,675	\$ 293
2018	216,370	52,627	50,675	215
2019	192,289	46,246	37,675	-
2020	129,733	40,534	37,675	-
2021	129,814	33,019	37,675	-
2022-2026	650,333	107,486	-	-
2027-2031	372,597	27,564	-	-
2032-2036	38,091	2,493	-	-
2037	<u>5,716</u>	<u>111</u>	<u>-</u>	<u>-</u>
	\$ <u>1,972,180</u>	\$ <u>370,100</u>	\$ <u>214,375</u>	\$ <u>508</u>

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**9. Fund balances:**

As of June 30, 2016, the fund balance of the governmental funds consisted of the following:

	General Fund	Capital Reserve Fund	Permanent Fund	Economic & Community Development Reserve Fund	Totals
Nonspendable:					
Prepaid expenditures	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
Endowment principal	-	-	1,191,083	-	1,191,083
	<u>5,000</u>	<u>-</u>	<u>1,191,083</u>	<u>-</u>	<u>1,196,083</u>
Restricted for:					
Fireworks	4,043	-	-	-	4,043
Listers' education	210	89	-	-	299
Grand list reappraisal	18,687	14,587	-	-	33,274
Benefit of the Town	-	-	670,043	-	670,043
	<u>22,940</u>	<u>14,676</u>	<u>670,043</u>	<u>-</u>	<u>707,659</u>
Committed to:					
Capital projects and equipment	-	406,152	-	-	406,152
Capital projects and equipment - sewer	-	404,571	-	-	404,571
	<u>-</u>	<u>810,723</u>	<u>-</u>	<u>-</u>	<u>810,723</u>
Assigned to:					
Forest improvement	76,932	-	-	-	76,932
Fireworks	740	-	-	-	740
Police training	8,000	-	-	-	8,000
Police equipment	2,000	-	-	-	2,000
Police cruiser	1,000	-	-	-	1,000
Accrued benefits	34,304	-	-	-	34,304
Economic and community development	-	-	-	193,118	193,118
Capital projects and equipment	-	329,787	-	-	329,787
Capital projects and equipment - sewer	-	90,095	-	-	90,095
	<u>122,976</u>	<u>419,882</u>	<u>-</u>	<u>193,118</u>	<u>735,976</u>
Unassigned	(37,120)	9,031	-	-	(28,089)
	<u>\$ 113,796</u>	<u>\$ 1,254,312</u>	<u>\$ 1,861,126</u>	<u>\$ 193,118</u>	<u>\$ 3,422,352</u>

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

For the year ended June 30, 2016, the changes in the Capital Reserve Fund's fund balances were as follows:

	Balance July 1, 2015	Transfers In	Transfers Out	Reallocations and Interest	Balance June 30, 2016
General expenditures:					
Listers' education	\$ 1,052	\$ -	\$ 963	\$ -	\$ 89
Grand list reappraisal	70,536	18,677	74,626	-	14,587
Total restricted general expenditures	71,588	18,677	75,589	-	14,676
Town Hall construction	63,845	20,000	83,845	-	-
Recycling	452	-	-	-	452
Town plan consulting	2,000	1,000	-	-	3,000
Grand list update	92,158	-	-	-	92,158
Office equipment	14,859	1,500	-	-	16,359
Town Clerk vault	32,250	1,500	-	-	33,750
Computer equipment	11,333	2,500	2,499	-	11,334
Lister's equipment	8,137	1,000	1,120	-	8,017
Town Clerk office equipment	1,500	-	-	-	1,500
Trucks	89,399	50,000	81,159	-	58,240
Backhoe	781	-	-	-	781
Manager's pick-up	7,710	1,500	-	-	9,210
Highway pick-up	4,377	-	-	-	4,377
Paving	10,000	15,000	-	-	25,000
Bridge construction	90,029	50,000	94,195	-	45,834
Ambulance	131,936	55,000	173,985	-	12,951
Cardiac monitors	7,536	20,000	27,536	-	-
Power Stretcher	-	3,000	3,000	-	-
Pave ESB Lot	859	-	-	-	859
Generator - Fire Department	175	-	-	-	175
Fire truck	40,000	20,000	-	-	60,000
Bunker gear	-	3,000	3,000	-	-
Fire pager replacement	1,874	1,000	-	-	2,874
Communications	17,580	6,000	9,761	-	13,819
Communications computer	5,462	-	-	-	5,462
Total committed general expenditures	634,252	252,000	480,100	-	406,152
Restoration of records	90,177	3,825	-	-	94,002
Road improvements	3,224	-	-	-	3,224
Bridge construction	15,000	20,000	-	-	35,000
Storm drains	8,402	-	-	-	8,402
Salt and sand	2,647	-	-	-	2,647
Vail Field improvements	75,000	50,000	-	-	125,000
Ambulance - VLCT grant	-	2,500	-	-	2,500
Ambulance	-	4,000	-	-	4,000

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

	Balance July 1, 2015	Transfers In	Transfers Out	Reallocations and Interest	Balance June 30, 2016
General expenditures (continued):					
Bunker gear	599	-	599	-	-
Air packs	1,600	-	-	-	1,600
Selectboard contingency	34,678	20,000	1,266	-	53,412
Total assigned general expenditures	231,327	100,325	1,865	-	329,787
Unassigned	2,307	-	(2)	61	2,370
Total general expenditures	939,474	371,002	557,552	61	752,985
Sewer expenditures:					
I.I. Study	20,000	-	-	-	20,000
Pick-up truck	13,089	3,000	-	-	16,089
Dechlorination equipment	1,214	-	-	-	1,214
Tractor	81,336	5,000	-	-	86,336
Manager's pick-up - sewer	3,423	600	-	-	4,023
Test/monitor wells	4,508	-	-	-	4,508
Sludge disposal truck	213,378	3,000	-	-	216,378
Repairs and maintenance - sewer	-	20,000	19,343	-	657
Ton truck - sewer	13,858	-	12,188	-	1,670
Line flusher	40,000	-	-	-	40,000
TV camera	10,000	-	-	-	10,000
Sewer line maintenance	3,696	-	-	-	3,696
Total committed sewer expenditure	404,502	31,600	31,531	-	404,571
Dechlorination equipment	4,000	-	-	-	4,000
Assigned sewer capital expenditure	93,290	-	7,195	-	86,095
Total assigned sewer expenditure	97,290	-	7,195	-	90,095
Unassigned	6,614	-	-	47	6,661
Total sewer expenditures	508,406	31,600	38,726	47	501,327
Total Capital Reserve Fund	\$ 1,447,880	\$ 402,602	\$ 596,278	\$ 108	\$ 1,254,312

**10. 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. 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, 05609-6200, by calling (802) 828-2305 or online at <http://www.vermonttreasurer.gov/retirement/municipal-vmers>.

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**10. Pension plan (continued):**

Vermont Municipal Employees' Retirement System (continued) -

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

Contributions: Defined Benefit Plan members are required to contribute 2.5% (Group A), 4.875% (Group B), or 10.0% (Group C) of their annual covered salary, and the Town is required to contribute 4.0% (Group A), 5.5% (Group B), or 7.25% (Group C) 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, 2016, 2015, and 2014 were \$72,357, \$65,619, and \$62,861, respectively. The amounts contributed were equal to the required contributions for each year.

Pension liabilities, deferred outflows of resources, deferred inflows of resources: These financial statements include the Town's proportionate share of the VMERS' net pension liability, deferred outflows of resources for pension expense, deferred inflows of resources from investment earnings and contributions, and the related effects on government-wide net position and activities. The State of Vermont has provided the following information to all employers participating in VMERS, which is based on its calculation of the Town and Village of Woodstock's combined 0.7289% proportionate share of VMERS Defined Benefit Plan. In addition, Town management has estimated 0.3688% and 0.0989% of the total VMERS net pension liability to be attributable to governmental activities of the Town and the Town Sewer Department, respectively. As discussed in note 1, the Town reports sewer fund activity in a proprietary fund. Village of Woodstock management has estimated that the Village of Woodstock has a 0.2612% proportionate share of the total VMERS net pension liability.

	Town (Excluding Sewer Department)	Sewer Department
Town share of VMERS net pension liability	\$ 284,356	\$ 76,259
Deferred outflow of resources - Deferred pension expense	\$ 180,724	\$ 48,465
Deferred inflow of resources - Deferred pension credits	\$ 4,405	\$ 1,181

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

The Town adopted GASB Statement No. 68 in FY 2015 and is developing the ten years of required supplementary information in schedules 5 and 6. This historical pension information includes the Town's Proportionate Share of Net Pension Liability of VMERS and Town's contributions to VMERS.

**TOWN OF WOODSTOCK, VERMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**11. Note receivable:**

The Town, through various federal and state loan programs, has received grants and advanced funds to encourage community development. At June 30, 2016 the Town had \$995,000 outstanding on a note receivable, with a security interest in the real and personal property, due March 2045 with no interest.

**12. Commitments and subsequent event:**

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, 2016, the Town has recorded lease expense of \$92,000 related to this agreement.

In May 2016 the Town entered into an agreement for public relations effective June 1, 2016 continuing through June 1, 2017 for a total of \$60,000. For the year ended June 30, 2016, the Town paid \$5,000 under this agreement.

Subsequent to year end, the Town entered into an agreement for road paving and striping totaling \$98,299.

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Schedule 1  
Page 1 of 12

	Original and Final Budget	Actual (Budgetary Basis)	Variance Over (Under)
<b>REVENUES:</b>			
Property taxes -			
Current (net of taxes abated)	\$ 3,311,697	\$ 3,344,964	\$ 33,267
In lieu of taxes and land use	<u>234,000</u>	<u>239,240</u>	<u>5,240</u>
Total property taxes	<u>3,545,697</u>	<u>3,584,204</u>	<u>38,507</u>
Licenses and permits -			
Licenses and fees	52,500	51,472	(1,028)
Boards and agencies	<u>10,000</u>	<u>10,674</u>	<u>674</u>
Total licenses and permits	<u>62,500</u>	<u>62,146</u>	<u>(354)</u>
Intergovernmental -			
Highway State Aid	133,000	133,307	307
Miscellaneous State of Vermont	-	18,677	18,677
Grants	<u>-</u>	<u>23,905</u>	<u>23,905</u>
Total intergovernmental	<u>133,000</u>	<u>175,889</u>	<u>42,889</u>
Charges for services -			
False alarms and permits	9,200	10,595	1,395
Ambulance services	440,500	379,009	(61,491)
Police fees	<u>64,730</u>	<u>64,730</u>	<u>-</u>
Total charges for services	<u>514,430</u>	<u>454,334</u>	<u>(60,096)</u>
Fines and forfeits -			
Moving violations	4,000	-	(4,000)
Delinquent tax penalties and interest	<u>125,000</u>	<u>133,968</u>	<u>8,968</u>
Total fines and forfeits	<u>129,000</u>	<u>133,968</u>	<u>4,968</u>
Investment income	<u>100</u>	<u>250</u>	<u>150</u>
Miscellaneous -			
Rental income	12,000	12,870	870
Miscellaneous	<u>15,000</u>	<u>16,806</u>	<u>1,806</u>
Total miscellaneous	<u>27,000</u>	<u>29,676</u>	<u>2,676</u>
Total revenues	<u>4,411,727</u>	<u>4,440,467</u>	<u>28,740</u>

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Schedule 1  
Page 2 of 12

	<u>Original and Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Over (Under)</u>
<b>EXPENDITURES:</b>			
General Government -			
Town Selectboard:			
Legislating -			
Salaries and wages	5,000	5,000	-
Benefits	390	383	(7)
Community television	2,400	700	(1,700)
Dues, subscriptions, and meetings	5,000	4,978	(22)
Total legislating	<u>12,790</u>	<u>11,061</u>	<u>(1,729)</u>
Printing orders and proceedings -			
Printing and binding	<u>4,500</u>	<u>4,458</u>	<u>(42)</u>
Legal -			
Professional services	<u>2,000</u>	<u>10,332</u>	<u>8,332</u>
Total Town Selectboard	<u>19,290</u>	<u>25,851</u>	<u>6,561</u>
Town Executive Department:			
Managing municipality -			
Salaries and wages	91,900	107,750	15,850
Benefits	29,600	34,028	4,428
Dues, subscriptions, and meetings	1,400	1,140	(260)
Total Town Executive Department	<u>122,900</u>	<u>142,918</u>	<u>20,018</u>
Town Administration:			
Office supplies	3,500	3,091	(409)
Operating supplies	3,200	3,159	(41)
Postage	4,200	4,178	(22)
Equipment maintenance	1,800	3,483	1,683
Machinery and equipment	2,000	2,641	641
Communication	3,500	3,863	363
Advertising	2,500	4,825	2,325
Total Town Administration	<u>20,700</u>	<u>25,240</u>	<u>4,540</u>
Town Finance Department:			
Treasurer -			
Salaries and wages	16,000	16,308	308
Benefits	1,200	1,248	48
Travel and transportation	2,200	2,414	214
Dues, subscriptions, and meetings	100	20	(80)
Total Treasurer	<u>19,500</u>	<u>19,990</u>	<u>490</u>

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Schedule 1  
Page 3 of 12

	Original and Final Budget	Actual (Budgetary Basis)	Variance Over (Under)
<b>EXPENDITURES (CONTINUED):</b>			
General Government (continued) -			
Town Finance Department (continued):			
Accounting and Bookkeeping -			
Salaries and wages	41,100	41,661	561
Benefits	12,625	11,372	(1,253)
Other purchased services	800	-	(800)
Professional services	200	183	(17)
Software upgrades	100	-	(100)
Total accounting and bookkeeping	54,825	53,216	(1,609)
Auditing -			
Professional services	18,000	11,759	(6,241)
Tax Listing -			
Salaries and wages	74,100	74,664	564
Benefits	32,825	34,077	1,252
Operating supplies	150	222	72
Dues, subscriptions, and meetings	750	80	(670)
Professional services	200	-	(200)
Travel and transportation	500	164	(336)
Other purchased services	350	270	(80)
Repairs and maintenance	100	100	-
Licensed state support	350	-	(350)
Total tax listing	109,325	109,577	252
Tax Collecting -			
Salaries and wages	14,850	15,353	503
Benefits	5,000	4,605	(395)
Total tax collecting	19,850	19,958	108
Total Town Finance Department	221,500	214,500	(7,000)
Town Administration Department:			
Town Clerk -			
Salaries and wages	58,600	83,386	24,786
Assistant Town Clerk wages	13,000	13,464	464
Benefits	25,100	34,386	9,286
Record retention	3,200	3,307	107
Other purchased services	300	120	(180)
Dues, subscriptions, and meetings	400	469	69
Machinery and equipment	500	638	138
Copier lease	-	571	571
Restoration of records	50	-	(50)
Office supplies	150	188	38
Total Town Clerk	101,300	136,529	35,229

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Schedule 1  
Page 4 of 12

	<u>Original and Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Over (Under)</u>
<b>EXPENDITURES (CONTINUED):</b>			
General Government (continued) -			
Town Administration Department (continued):			
Board of Civil Authority -			
Salaries and wages, including volunteers	400	218	(182)
Election wages	1,600	1,315	(285)
Office/printing supplies	3,000	2,697	(303)
Total Board of Civil Authority	<u>5,000</u>	<u>4,230</u>	<u>(770)</u>
Total Town Administration Department	<u>106,300</u>	<u>140,759</u>	<u>34,459</u>
Municipal Planning and Zoning:			
Salaries and wages	71,725	73,838	2,113
Benefits	30,825	25,517	(5,308)
Advertising	2,500	2,197	(303)
Dues, subscriptions, and meetings	5,700	5,126	(574)
Travel and transportation	4,000	3,681	(319)
Professional services	500	-	(500)
Conservation Commission	500	105	(395)
Equipment purchase	250	90	(160)
GIS mapping	100	-	(100)
Total Municipal Planning and Zoning	<u>116,100</u>	<u>110,554</u>	<u>(5,546)</u>
Town Plant and Equipment:			
Building and maintenance - Town Hall -			
Custodial services	18,000	10,247	(7,753)
Operating supplies	3,000	2,118	(882)
Small tools and equipment	500	350	(150)
Other purchased services	7,500	8,420	920
Repair and maintenance	8,000	18,281	10,281
Utilities	50,000	35,605	(14,395)
Improvements	1,000	3,937	2,937
Total Town Plant and Equipment	<u>88,000</u>	<u>78,958</u>	<u>(9,042)</u>
Town Contingency Department:			
Unclassified	30,000	9,868	(20,132)
House numbers	500	249	(251)
Insurance	130,000	159,630	29,630
Total Town Contingency Department	<u>160,500</u>	<u>169,747</u>	<u>9,247</u>
Total General Government expenditures	<u>855,290</u>	<u>908,527</u>	<u>53,237</u>

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Schedule 1  
Page 5 of 12

	Original and Final <u>Budget</u>	Actual (Budgetary Basis) <u>Basis)</u>	Variance Over (Under) <u>(Under)</u>
<b>EXPENDITURES (CONTINUED):</b>			
Public Safety -			
Town Constables:			
Crime investigation control -			
Salaries and wages	5,000	5,593	593
Benefits	400	428	28
Operating supplies	500	1,094	594
Office supplies	200	294	94
Repair and maintenance supplies	100	100	-
Communications	200	-	(200)
Other purchased services	200	200	-
Machinery and equipment	200	-	(200)
Mileage - Blue Light	700	-	(700)
Total Town Constables	<u>7,500</u>	<u>7,709</u>	<u>209</u>
Town Communications Department:			
Salaries and wages	198,000	200,349	2,349
Training wages	1,000	1,582	582
Residency stipend	1,600	589	(1,011)
EMT stipend	725	706	(19)
Benefits	52,200	60,627	8,427
Office supplies	1,300	942	(358)
Repairs and maintenance supplies	500	487	(13)
Small tools and equipment	400	568	168
Communications	4,600	4,138	(462)
Tower rent	3,000	3,013	13
Tower maintenance	200	210	10
Repairs and maintenance	1,800	815	(985)
Machinery and equipment	300	356	56
Training/tuition	200	255	55
Travel and transportation	200	190	(10)
Operating supplies	1,200	1,025	(175)
Total Town Communications Department	<u>267,225</u>	<u>275,852</u>	<u>8,627</u>
Town Fire Department:			
Firefighting -			
Salaries and wages	85,000	63,713	(21,287)
Benefits	6,800	4,874	(1,926)
Operating supplies	2,000	3,129	1,129
Dues, subscriptions, and meetings	900	657	(243)
Professional services	2,000	1,095	(905)
Medical testing	750	101	(649)
CDL licensing	500	150	(350)
Travel and transportation	200	-	(200)
Fire prevention	1,000	890	(110)
Education	2,500	2,141	(359)

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Schedule 1  
Page 6 of 12

	Original and Final Budget	Actual (Budgetary Basis)	Variance Over (Under)
<b>EXPENDITURES (CONTINUED):</b>			
Public Safety (continued) -			
Town Fire Department (continued):			
Firefighting (continued) -			
Hydrant rental	23,000	24,308	1,308
Winter hydrant maintenance	3,600	3,500	(100)
Total firefighting	128,250	104,558	(23,692)
Fire communications -			
Alarm registration	1,500	-	(1,500)
Communications	2,400	2,374	(26)
Repairs and maintenance	2,400	162	(2,238)
Machinery and equipment	2,000	77	(1,923)
Total fire communications	8,300	2,613	(5,687)
Fire truck and equipment -			
Storage trailer	2,500	1,881	(619)
Operating supplies	1,200	1,504	304
Repairs and maintenance	2,000	2,339	339
Fuel	2,800	1,301	(1,499)
Engine/tanker maintenance	9,500	9,459	(41)
Total fire truck and equipment	18,000	16,484	(1,516)
Fire fighting equipment -			
Operating supplies	500	2,483	1,983
Rescue equipment	800	494	(306)
Air pack maintenance and equipment	2,000	3,189	1,189
Bunker gear	2,500	5,076	2,576
Hose and hose adapters	1,000	-	(1,000)
Small tools and equipment	400	485	85
Equipment maintenance and reserve	1,000	33	(967)
Equipment purchase	2,000	2,999	999
Total fire fighting equipment	10,200	14,759	4,559
Woodstock Station #2 -			
Maintenance supplies	150	119	(31)
Repairs and maintenance	2,400	2,536	136
Propane	1,600	595	(1,005)
Electricity	1,300	893	(407)
Utilities	1,800	2,289	489
Total Woodstock Station #2	7,250	6,432	(818)
Total Town Fire Department	172,000	144,846	(27,154)
Town Ambulance Department:			
Operations -			
Salaries and wages, including volunteer services	40,000	31,972	(8,028)
Associates' salaries	202,700	226,762	24,062

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Schedule 1  
Page 7 of 12

	<u>Original and Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Over (Under)</u>
<b>EXPENDITURES (CONTINUED):</b>			
Public Safety (continued) -			
Town Ambulance Department (continued):			
Operations (continued) -			
Benefits	6,500	5,542	(958)
Office supplies	2,700	2,735	35
Operating supplies	23,000	21,132	(1,868)
Repairs and maintenance supplies	100	67	(33)
Paramedic supplies	2,500	1,663	(837)
Billing software	4,000	8,028	4,028
Other purchased services	2,600	1,724	(876)
Dues, subscriptions, and meetings	750	695	(55)
Uncollectible accounts	25,100	35,906	10,806
Personal protection equipment	1,500	392	(1,108)
Communications	100	564	464
Contract services	-	16,506	16,506
Paramedic intercept	9,000	10,430	1,430
Medical testing	300	-	(300)
Total operations	<u>320,850</u>	<u>364,118</u>	<u>43,268</u>
Vehicle maintenance -			
Small tools and equipment	800	472	(328)
Repair and maintenance	8,000	9,606	1,606
Communications	-	160	160
Fuel	9,000	4,380	(4,620)
Storage trailer	2,500	1,881	(619)
Total vehicle maintenance	<u>20,300</u>	<u>16,499</u>	<u>(3,801)</u>
Training -			
Salaries and wages	7,000	1,897	(5,103)
Benefits	535	145	(390)
Operating supplies	1,100	199	(901)
Small tools and equipment	300	-	(300)
Dues, subscriptions and meetings	200	175	(25)
Professional services	1,500	533	(967)
State EMS training	8,000	4,513	(3,487)
Travel and transportation	500	250	(250)
Total training	<u>19,135</u>	<u>7,712</u>	<u>(11,423)</u>
Communications -			
Office phone and internet	1,600	1,471	(129)
Vehicle cell phones	1,000	265	(735)
Pagers	1,000	1,562	562
Portable radios	1,000	2,051	1,051
Vehicle mobile radios	500	1,980	1,480
Total communications	<u>5,100</u>	<u>7,329</u>	<u>2,229</u>
Total Town Ambulance Department	<u>365,385</u>	<u>395,658</u>	<u>30,273</u>

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Schedule 1  
Page 8 of 12

	Original and Final Budget	Actual (Budgetary Basis)	Variance Over (Under)
<b>EXPENDITURES (CONTINUED):</b>			
Public Safety (continued) -			
Emergency Services Department:			
Maintenance supplies	1,400	1,319	(81)
Painting exterior of ESB	1,000	518	(482)
Equipment repair and maintenance	7,000	13,826	6,826
Building custodian	4,400	4,275	(125)
Propane	4,500	794	(3,706)
Electricity	8,000	9,408	1,408
Utilities	1,800	2,541	741
Total Emergency Services Department	28,100	32,681	4,581
Town Police Department:			
Salaries and wages	72,000	68,317	(3,683)
Employer paid benefits	28,850	28,614	(236)
Training wages	1,300	1,725	425
Stipend	3,000	-	(3,000)
Training paid benefits	200	13	(187)
Uniform service	1,300	1,193	(107)
Repairs and maintenance of vehicles	2,500	2,345	(155)
Small tools and equipment	500	470	(30)
4x4 Vehicle lease	7,250	7,577	327
4x4 Radio, lights, radar	800	800	-
Flashing radar speed signs	8,000	7,663	(337)
Communications	-	50	50
Fuel	4,500	2,057	(2,443)
Dues, subscriptions and meetings	-	54	54
Tuition	750	689	(61)
Total Town Police Department	130,950	121,567	(9,383)
Amounts paid to Village for police services	193,800	193,800	-
Total Town Police Services	324,750	315,367	(9,383)
Total Public Safety expenditures	1,164,960	1,172,113	7,153
Public Works -			
Highways and Streets:			
Highway maintenance -			
Salaries and wages	252,000	251,497	(503)
Overtime	35,000	22,851	(12,149)
Benefits	117,125	110,815	(6,310)
Office supplies	250	70	(180)
Operating supplies	28,000	15,579	(12,421)
Small tools and equipment	500	625	125
Communications	2,600	794	(1,806)
Other purchased services	20,000	16,012	(3,988)
Professional services	1,000	375	(625)
Rentals	500	-	(500)

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Schedule 1  
Page 9 of 12

	<u>Original and Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Over (Under)</u>
<b>EXPENDITURES (CONTINUED):</b>			
Public Works (continued) -			
Highways and Streets (continued):			
Highway maintenance (continued) -			
Travel and transportation (fuel)	70,000	27,783	(42,217)
Spot gravel	70,000	67,727	(2,273)
Road stabilization	25,000	29,157	4,157
Pavement patch	1,000	73	(927)
Salt and sand	105,000	109,260	4,260
Total highway maintenance	<u>727,975</u>	<u>652,618</u>	<u>(75,357)</u>
Construction -			
Other purchased services	2,000	-	(2,000)
Rentals	500	-	(500)
Unclassified	15,000	7,549	(7,451)
Total construction	<u>17,500</u>	<u>7,549</u>	<u>(9,951)</u>
Maintenance of storm drains -			
Culverts and drains	<u>6,000</u>	<u>7,176</u>	<u>1,176</u>
Construction and maintenance of bridges -			
Operating supplies	2,000	-	(2,000)
Repair and maintenance supplies	6,000	1,815	(4,185)
Other purchased services	10,000	7,236	(2,764)
Bridge rehabilitation and miscellaneous	30,000	9,035	(20,965)
Rentals	500	-	(500)
Engineering services	1,000	261	(739)
Total construction and maintenance of bridges	<u>49,500</u>	<u>18,347</u>	<u>(31,153)</u>
Traffic control -			
Operating supplies	2,750	2,772	22
Equipment repairs and maintenance	500	-	(500)
Total traffic control	<u>3,250</u>	<u>2,772</u>	<u>(478)</u>
Street lights -			
Utilities	<u>12,200</u>	<u>10,960</u>	<u>(1,240)</u>
Equipment maintenance and purchase -			
Repairs and maintenance supplies	40,000	39,104	(896)
Small tools and equipment	1,000	288	(712)
Communications	500	216	(284)
Operating supplies	10,000	7,524	(2,476)
Backhoe note	17,200	17,168	(32)
Loader note	16,000	15,892	(108)
Grader note	27,780	24,792	(2,988)

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Schedule 1  
Page 10 of 12

	<u>Original and Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Over (Under)</u>
<b>EXPENDITURES (CONTINUED):</b>			
Public Works (continued) -			
Highways and Streets (continued):			
Equipment maintenance and purchase (continued) -			
Ton truck note	14,000	14,054	54
Dump truck notes	45,700	57,436	11,736
Other purchased services	4,000	407	(3,593)
Total equipment maintenance and purchase	<u>176,180</u>	<u>176,881</u>	<u>701</u>
Public Works building -			
Repairs and maintenance	1,850	2,607	757
Utilities	20,000	13,639	(6,361)
Bond payment - principal	70,000	70,000	-
- interest	40,500	27,236	(13,264)
Total Public Works building	<u>132,350</u>	<u>113,482</u>	<u>(18,868)</u>
Total Highway and Streets expenditures	<u>1,124,955</u>	<u>989,785</u>	<u>(135,170)</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	<u>38,600</u>	<u>38,557</u>	<u>(43)</u>
Total Public Works expenditures	<u>1,178,555</u>	<u>1,043,342</u>	<u>(135,213)</u>
Culture and Recreation -			
Culture and Recreation:			
Woodstock Council on Aging	10,200	10,200	-
Parades	1,500	2,085	585
Pentangle	33,150	33,150	-
Little Theatre - principal	11,000	11,000	-
- interest	6,000	5,754	(246)
Woodstock Recreation Department	278,900	278,900	-
Grants, subsidies and contributions, Town Library	139,200	139,200	-
Fireworks	7,500	7,500	-
July 4th celebration	-	3,800	3,800
Professional services	-	12,779	12,779
Elementary school space rent	92,000	92,000	-
Total culture and recreation	<u>579,450</u>	<u>596,368</u>	<u>16,918</u>
Public Health Services:			
Salaries and wages	5,700	5,700	-
Benefits	425	436	11
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, 2016**

Schedule 1  
Page 11 of 12

	<u>Original and Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Over (Under)</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>6,425</u>	<u>6,136</u>	<u>(289)</u>
Total Culture and Recreation expenditures	<u>585,875</u>	<u>602,504</u>	<u>16,629</u>
Comfort Station -			
Maintenance supplies	2,000	2,419	419
Custodial services	19,000	18,343	(657)
Propane	1,200	799	(401)
Electricity	1,250	915	(335)
Miscellaneous utilities	3,000	3,290	290
Building improvements	-	79,072	79,072
Building repairs and maintenance	1,000	1,958	958
Total Comfort Station expenditures	<u>27,450</u>	<u>106,796</u>	<u>79,346</u>
Intergovernmental -			
Highway rebate	<u>220,000</u>	<u>234,737</u>	<u>14,737</u>
Special Articles -			
Trustee of Public Fund Wages	3,000	2,691	(309)
Trust fund audit	1,500	1,500	-
Woodstock Area Job Bank	3,000	3,000	-
Woodstock Council on Aging	31,200	31,200	-
Visiting Nurses	24,900	24,900	-
SE Community Action SEVCA	2,500	2,500	-
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	-
Ottauquechee Community Partnership	5,000	5,000	-
Spectrum Teen Center	1,250	1,250	-
Health Care & Rehab Services	3,247	3,247	-
Historical Society Education Program	7,500	7,500	-
Green Mountain RSVP	500	500	-
Welcome Center	25,000	25,000	-
Community television	2,500	2,500	-
Total Special Articles expenditures	<u>197,597</u>	<u>197,288</u>	<u>(309)</u>

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Schedule 1  
Page 12 of 12

	<u>Original and Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Over (Under)</u>
<b>EXPENDITURES (CONTINUED):</b>			
Capital Reserve Spending -			
Listers equipment/education	-	2,083	2,083
Tax map update - reappraisal	80,000	74,625	(5,375)
Town Hall improvements	50,000	85,111	35,111
Bridges	-	94,195	94,195
Culverts and stormwater	20,000	-	(20,000)
Dump truck purchase	85,000	81,159	(3,841)
F450 purchase	-	39,000	39,000
Truck purchase	-	75,000	75,000
Gator note principal	-	4,382	4,382
Gator note interest	-	366	366
Ambulance equipment	-	5,287	5,287
Fire department bunker gear	4,000	3,599	(401)
Dispatch equipment	-	848	848
Communications	10,000	36,492	26,492
Ambulance purchase	170,000	171,654	1,654
Computer equipment replacement	7,500	2,499	(5,001)
Total Capital Reserve Spending expenditures	<u>426,500</u>	<u>676,300</u>	<u>249,800</u>
Loss Repair -			
Property damage - guardrails	-	1,490	1,490
Vehicle damage repair	-	471	471
Total loss repair expenditures	<u>-</u>	<u>1,961</u>	<u>1,961</u>
Tropical Storm Irene -			
Bond interest	-	8,991	8,991
Grants -			
Fire ambulance	-	2,500	2,500
Cox Road	-	2,138	2,138
VT DPS Equipment	-	887	887
2014 equipment incentive	-	326	326
Safford Commons	-	2,046	2,046
Bypass mitigation	-	13,509	13,509
Total Grants expenditures	<u>-</u>	<u>21,406</u>	<u>21,406</u>
Total expenditures	<u>4,656,227</u>	<u>4,973,965</u>	<u>317,738</u>
EXCESS OF REVENUES OR (EXPENDITURES)	<u>(244,500)</u>	<u>(533,498)</u>	<u>288,998</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Note proceeds	-	210,000	210,000
Insurance reimbursements	-	2,491	2,491
Transfers in	426,500	567,052	140,552
Transfers out	(277,000)	(371,002)	94,002
Total other financing sources (uses)	<u>149,500</u>	<u>408,541</u>	<u>259,041</u>
NET CHANGE IN FUND BALANCE	\$ <u>(95,000)</u>	\$ <u>(124,957)</u>	\$ <u>29,957</u>

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET AND ACTUAL - SEWER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Schedule 2  
Page 1 of 3

	Original and Final Budget	Actual (Budgetary Basis)	Variance Over (Under)
<b>OPERATING REVENUES:</b>			
User fees	\$ 658,050	\$ 657,889	\$ (161)
Miscellaneous	2,000	3,605	1,605
Total operating revenues	660,050	661,494	1,444
<b>OPERATING EXPENSES:</b>			
Sewer administration -			
Salaries and wages	51,650	55,207	3,557
Benefits	16,600	17,153	553
Office supplies	1,100	1,432	332
Legal services	250	190	(60)
Communications	800	2,898	2,098
Professional services	7,300	6,566	(734)
Computer expense	500	63	(437)
Total sewer administration	78,200	83,509	5,309
Sewer operations -			
Salaries and wages	30,000	26,523	(3,477)
Benefits	11,500	12,591	1,091
Operating supplies	4,000	3,771	(229)
Professional services	3,000	1,468	(1,532)
Engineering services	10,000	-	(10,000)
Rentals	400	-	(400)
Repairs and maintenance	4,000	3,885	(115)
Machinery and equipment	500	504	4
Sewer line maintenance equipment	600	456	(144)
Sewer line cleaning	12,000	16,505	4,505
I.I. Improvements	100	-	(100)
Total sewer operations	76,100	65,703	(10,397)
Maintenance of plant -			
Salaries and wages	150,000	155,964	5,964
Benefits	57,175	65,614	8,439
Office supplies	600	-	(600)
Operating supplies	35,000	50,446	15,446
Repairs and maintenance supplies	6,000	6,003	3
Contingencies	15,000	13,880	(1,120)
Professional services	10,000	126	(9,874)
Small tools and equipment	1,000	901	(99)

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET AND ACTUAL - SEWER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Schedule 2  
Page 2 of 3

	<u>Original and Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Over (Under)</u>
<b>OPERATING EXPENSES (CONTINUED):</b>			
Maintenance of plant (continued) -			
Communications	4,800	4,374	(426)
Dues, subscriptions, and meetings	1,500	1,049	(451)
Insurance and fidelity bond premiums	21,000	30,842	9,842
Other purchased services	23,000	19,696	(3,304)
Repairs and maintenance	17,000	19,264	2,264
Taxes, licensing and regulations	1,000	2,312	1,312
Travel and transportation	500	-	(500)
Utilities	85,000	77,540	(7,460)
Test/monitor wells	500	-	(500)
Laboratory testing	6,500	15,013	8,513
Field rental	12,000	13,727	1,727
Field lime	3,500	-	(3,500)
Uniforms and protective gear	5,000	3,678	(1,322)
Engineering	10,000	-	(10,000)
Bond repayment	37,675	-	(37,675)
Total maintenance of plant	<u>503,750</u>	<u>480,429</u>	<u>(23,321)</u>
Sewer vehicles -			
Repairs and maintenance supplies	22,500	16,107	(6,393)
Travel and transportation	10,000	5,195	(4,805)
Total sewer vehicles	<u>32,500</u>	<u>21,302</u>	<u>(11,198)</u>
Depreciation	<u>-</u>	<u>190,682</u>	<u>190,682</u>
Total operating expenses	<u>690,550</u>	<u>841,625</u>	<u>151,075</u>
Operating income (loss)	<u>(30,500)</u>	<u>(180,131)</u>	<u>149,631</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Tap fees	-	18,463	18,463
(Increase)/decrease in net pension liability	-	(8,006)	8,006
Gain/(Loss) on asset disposal	-	17,867	17,867
Interest income	100	2,263	2,163
Total nonoperating revenues (expenses)	<u>100</u>	<u>30,587</u>	<u>30,487</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(30,400)</u>	<u>(149,544)</u>	<u>119,144</u>

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET AND ACTUAL - SEWER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Schedule 2  
Page 3 of 3

	Original and Final <u>Budget</u>	Actual (Budgetary Basis) <u>Basis)</u>	Variance Over (Under) <u>(Under)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers to Capital Reserve Fund -			
Pick-up truck - Manager	(600)	(600)	-
Pick-up truck 4x4	(3,000)	(3,000)	-
Repairs and maintenance	(20,000)	(20,000)	-
Tractor	(5,000)	(5,000)	-
Sludge spreading truck	(3,000)	(3,000)	-
Total transfers to Capital Reserve Fund	(31,600)	(31,600)	-
Interfund transfers in	12,000	38,726	26,726
Total other financing sources (uses)	(19,600)	7,126	(26,726)
<b>CHANGE IN NET POSITION</b>	<b>\$ (50,000)</b>	<b>\$ (142,418)</b>	<b>\$ 92,418</b>

**TOWN OF WOODSTOCK, VERMONT**  
**COMBINING BALANCE SHEET**  
**PERMANENT FUND**  
**JUNE 30, 2016**

	Common Fund	Cemetery Fund	Billings Park Fund	Boyce Fund	Dreer Fund	Freeman Fund	Gilman Fund
<b>ASSETS</b>							
Cash and cash equivalents	\$ 10,490	\$ 76,350	\$ 116,610	\$ 52,304	\$ 18,369	\$ 25,920	\$ 3,663
Investments	-	-	186,651	3,061	-	-	-
Due from other funds	1,400	-	-	-	-	-	-
Total assets	\$ 11,890	\$ 76,350	\$ 303,261	\$ 55,365	\$ 18,369	\$ 25,920	\$ 3,663

**LIABILITIES AND FUND EQUITY**

<b>LIABILITIES:</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
<b>FUND BALANCES:</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	11,890	76,350	303,261	55,365	18,369	25,920	3,663
Total fund balances	11,890	76,350	303,261	55,365	18,369	25,920	3,663
Total liabilities and fund equity	\$ 11,890	\$ 76,350	\$ 303,261	\$ 55,365	\$ 18,369	\$ 25,920	\$ 3,663

TOWN OF WOODSTOCK, VERMONT  
COMBINING BALANCE SHEET  
PERMANENT FUND  
JUNE 30, 2016

	Whitcomb		Marbara		Gary		George C.		Totals	
	Fund		Scholarship	Bagley	Award		Scholarship		Endowment	Permanent
			Fund	Fund	Fund		Fund		Fund	Fund
Cash and cash equivalents	\$ 53	\$	49	\$	2,413	\$	1,626	\$	58,850	\$ 366,697
Investments	25,645		42,210		-		-		1,238,362	1,495,929
Due from other funds	-		-		-		-		-	1,400
Total assets	\$ 25,698	\$	42,259	\$	2,413	\$	1,626	\$	1,297,212	\$ 1,864,026

## LIABILITIES AND FUND EQUITY

LIABILITIES:										
Accounts payable	\$ -	\$	1,500	\$	-	\$	-	\$	-	\$ 1,500
Due to other funds	1,400		-		-		-		-	1,400
Total liabilities	1,400		1,500		-		-		-	2,900
FUND BALANCES:										
Nonspendable	-		-		-		-		1,191,083	1,191,083
Restricted	24,298		40,759		2,413		1,626		106,129	670,043
Total fund balances	24,298		40,759		2,413		1,626		1,297,212	1,861,126
Total liabilities and fund equity	\$ 25,698	\$	42,259	\$	2,413	\$	1,626	\$	1,297,212	\$ 1,864,026

- 59 -

**TOWN OF WOODSTOCK, VERMONT**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - PERMANENT FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Whitcomb	Marbara	Gary	George C.	Totals
	Fund	Bagley	Hersey	Brockway	Permanent
	Fund	Scholarship	Award	Scholarship	Fund
<b>REVENUES:</b>					
Investment income	\$ 1,092	\$ 1,140	\$ 1	\$ 2	\$ 51,216
Net increase (decrease) in fair value of investments	(526)	(2,319)	-	-	(39,645)
Miscellaneous	-	-	-	150	150
Total revenues	566	(1,179)	1	152	11,721
<b>EXPENDITURES:</b>					
Investment fees	-	-	-	-	7,467
Paid to school	-	-	-	-	34,000
Scholarships	700	-	500	2,000	3,700
Safe deposit box	-	-	-	-	52
Total expenditures	700	-	500	2,000	45,219
<b>EXCESS OF REVENUES OR (EXPENDITURES)</b>	(134)	(1,179)	(499)	(1,848)	(33,498)
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in (out), net	-	-	-	-	(9,500)
<b>NET CHANGE IN FUND BALANCES</b>	(134)	(1,179)	(499)	(1,848)	(42,998)
<b>FUND BALANCES, July 1, 2015</b>	24,432	41,938	2,912	3,474	1,904,124
<b>FUND BALANCES, June 30, 2016</b>	\$ 24,298	\$ 40,759	\$ 2,413	\$ 1,626	\$ 1,861,126

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF**  
**NET PENSION LIABILITY - VMERS**  
**JUNE 30, 2016**

Schedule 5

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
<b>Town (Excluding Sewer Department)</b>		
Town's proportion of the net pension liability	0.3688%	0.3439%
Town's proportionate share of the net pension liability	\$ 284,356	\$ 31,384
Town's covered-employee payroll	\$ 833,306	\$ 783,589
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	34.1238%	4.0052%
VMERS net position as a percentage of the total pension liability	87.42%	98.32%
<b>Sewer Department</b>		
Sewer's proportion of the net pension liability	0.0989%	0.0909%
Sewer's proportionate share of the net pension liability	\$ 76,259	\$ 8,294
Sewer's covered-employee payroll	\$ 223,478	\$ 220,053
Sewer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	34.1237%	3.7691%
VMERS net position as a percentage of the total pension liability	87.42%	98.32%

**TOWN OF WOODSTOCK, VERMONT**  
**SCHEDULE OF TOWN'S CONTRIBUTIONS**  
**VMERS**  
**JUNE 30, 2016**

Schedule 6

	<u>June 30,</u> <u>2016</u>	<u>June 30,</u> <u>2015</u>
<b>Town (Excluding Sewer Department)</b>		
Contractually required contribution	\$ 57,057	\$ 51,232
Contributions in relation to the contractually required contribution	<u>57,057</u>	<u>51,232</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>
Town's covered-employee payroll	\$ 833,306	\$ 783,589
Contributions as a percentage of covered-employee payroll	6.8471%	6.5381%
<b>Sewer Department</b>		
Contractually required contribution	\$ 15,300	\$ 14,387
Contributions in relation to the contractually required contribution	<u>15,300</u>	<u>14,387</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>
Sewer's covered-employee payroll	\$ 223,478	\$ 220,053
Contributions as a percentage of covered-employee payroll	6.8463%	6.5380%

**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, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated November 28, 2016.

**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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2016-001 and 2016-002, that we consider to be significant deficiencies.

**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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Town's Responses 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  
November 28, 2016

Mudgett, Jennifer  
Kwoh-Wsin, P.C.

**TOWN OF WOODSTOCK  
SCHEDULE OF FINDINGS & RESPONSES  
JUNE 30, 2016**

**2016-001 Payroll segregation of duties:**

During the audit we observed that the Town Accountant is responsible for preparing weekly payroll reports, initiating payroll direct deposits, and authorizing direct deposits with the bank. The Town Accountant also makes journal entries for payroll in the general ledger.

In order to improve segregation of duties over the payroll process, we recommend that management review and sign off on the weekly direct deposit reports, agree the weekly direct deposit reports to the bank statement, and sign off on the journal entries made by the Town Accountant to record payroll.

Management's response - Direct deposits made on behalf of Town employees must be forwarded to the bank within a strict frame of time. Weekly, the treasurer reviews and signs the paper checks that some employees receive. She has agreed to review the direct deposit documents at the same time and to also review the corresponding bank statements and journal entries.

**2016-002 Financial oversight:**

During the audit we noted that Selectboard members are not reviewing budget to actual revenue and expenditure reports on a monthly or quarterly basis. A review of Selectboard minutes noted that a review of budget to actual information occurs during annual budget preparation.

To improve internal controls over financial reporting, we recommend that management provide the Selectboard with interim financial statements including budget to actual information. This would allow the Selectboard to obtain explanations for significant variances and to make more informed decisions throughout the year.

Management's response - The staff accountant has begun preparing budget to actual financial reports on a monthly basis which are distributed to the Selectboard at their regular meetings.