

VILLAGE OF WOODSTOCK, VERMONT

FINANCIAL STATEMENTS

JUNE 30, 2017

AND

INDEPENDENT AUDITOR'S REPORTS

VILLAGE OF WOODSTOCK, VERMONT

JUNE 30, 2017

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Village of Woodstock, Vermont

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Woodstock, Vermont (the Village) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Woodstock, Vermont as of June 30, 2017, 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 4 and 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2018 on our consideration of the Village's internal control over financial reporting; on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements; and on other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Montpelier, Vermont
January 3, 2018

*Mudgett, Jennett &
Hugh-Weir, P.C.*

Management's Discussion and Analysis

The Village of Woodstock was chartered by the State of Vermont on November 11, 1836. It is located in the north central part of the Town of Woodstock. Consisting of approximately one square mile, the Village is the main heart of Woodstock.

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

The following is a discussion and analysis of the Village of Woodstock's (the Village) financial performance, including an overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2017. Readers should consider this information in conjunction with the Village's financial statements which are located after this analysis.

GENERAL FUND BUDGETARY HIGHLIGHTS

On March 15, 2016 the voters of the Village of Woodstock convened at the Town Hall for the annual Village Meeting. A budget (excluding special articles) of \$1,515,070 (for fiscal year 2017) was presented which included specific sums of money to operate the various Village departments. To defray operating costs, the amount needed to be raised by taxation was \$633,170. The budget was voted and adopted.

This budget increased by \$12,100 over the FY 16 budget. The increase was primarily due to a raise in insurance costs.

The amount to be raised by taxation (excluding special articles) of \$633,170 was an increase of 0.3% over the previous year's amount. An amount of \$10,000 was used from the surplus for the purpose of tax stabilization for the fiscal year 2017.

FINANCIAL HIGHLIGHTS

Government-wide Highlights

The Village's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2017, by \$1,908,553 for its governmental activities. Net position for governmental activities increased by \$1,214 and net position for business-type activities did not change. There were deferred inflows of resources of \$2,134 and deferred outflows of \$225,559.

Fund Highlights

At the end of the fiscal year, the Village's governmental funds reported a combined ending fund balance of \$626,695, a decrease of \$64,783 compared to the prior year. The unassigned portion of the combined fund balance includes the General Fund unassigned balance of \$0 and the Capital Reserve Fund unassigned deficit of \$167 for a net unassigned deficit of \$167. The remaining \$626,862 represents amounts classified for specific purposes, such as endowments and subsequent year's expenditures. The proprietary funds reported a net position at June 30, 2017, of \$5,008 no change for the year.

Long-term Debt

The Village's total debt increased during the fiscal year to \$167,088 for compensated absences.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) establishes accounting principles generally accepted in the United States of America (U.S. GAAP) for governmental entities. The Village's financial statements for the year ended June 30, 2017 are prepared and presented using the guidelines established by the GASB.

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

- **Management's Discussion and Analysis** - An introduction to the basic financial statements that is intended to be an easily read analysis of the Village's financial activities based on currently known facts, decisions or conditions.
- **Basic Financial Statements** - This section of the report includes government-wide financial statements, fund financial statements and notes to the financial statements. The government-wide financial statements present the financial position and activities of the Village as a whole using accounting methods similar to those used by private-sector companies. The fund financial statements present financial information on specific activities of the Village. The notes to the financial statements provide additional disclosures to the information presented in the financial statements.
- **Supplementary Schedules** - This section of the report includes schedules 1, 2 and 3, 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 the budgetary basis for the General Fund and the combining information for the individual components of the Permanent Fund. This section also includes schedules 4 and 5, which report information required by U.S. GAAP. These schedules contain historical pension information for the Village's portion of VMERS.

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Woodstock, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Village's funds can be divided into two categories: governmental and proprietary. Each of these categories uses different methods of accounting.

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

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

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

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

- Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position.

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

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

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Position

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

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

	Activities		Activities		Total	
	2017	2016	2017	2016	2017	2016
Current Assets	\$ 670,692	\$ 754,494	\$ 5,008	\$ 5,008	\$ 675,700	\$ 759,502
Capital Assets	1,576,612	1,450,446	-	-	1,576,612	1,450,446
Total Assets	2,247,304	2,204,940	5,008	5,008	2,252,312	2,209,948
Deferred Outflows of Resources	225,559	127,973	-	-	225,559	127,973
Current Liabilities	43,997	63,016	-	-	43,997	63,016
Long-term Liabilities	518,179	359,439	-	-	518,179	359,439
Total Liabilities	562,176	422,455	-	-	562,176	422,455
Deferred Inflows of Resources	2,134	3,119	-	-	2,134	3,119
Net Position:						
Investment in Capital Assets	1,576,612	1,450,446	-	-	1,576,612	1,450,446
Restricted - Nonexpendable	208,078	189,083	-	-	208,078	189,083
Restricted - Expendable	315,558	328,723	5,008	5,008	320,566	333,731
Unrestricted	(191,695)	(60,913)	-	-	(191,695)	(60,913)
Total Net Position	\$ 1,908,553	\$ 1,907,339	\$ 5,008	\$ 5,008	\$ 1,913,561	\$ 1,912,347

The portion of the Village's net position as of June 30, 2017 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 \$1,576,612 or 82.6%. The Village uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the Village's net position (27.4%) represents restricted net position. These resources are subject to external restrictions on how they may be used. The remaining net position is an unrestricted deficit of \$191,695.

At the end of the 2017 fiscal year, the Village of Woodstock is able to report positive balances in two of the three categories of net position for the government as a whole.

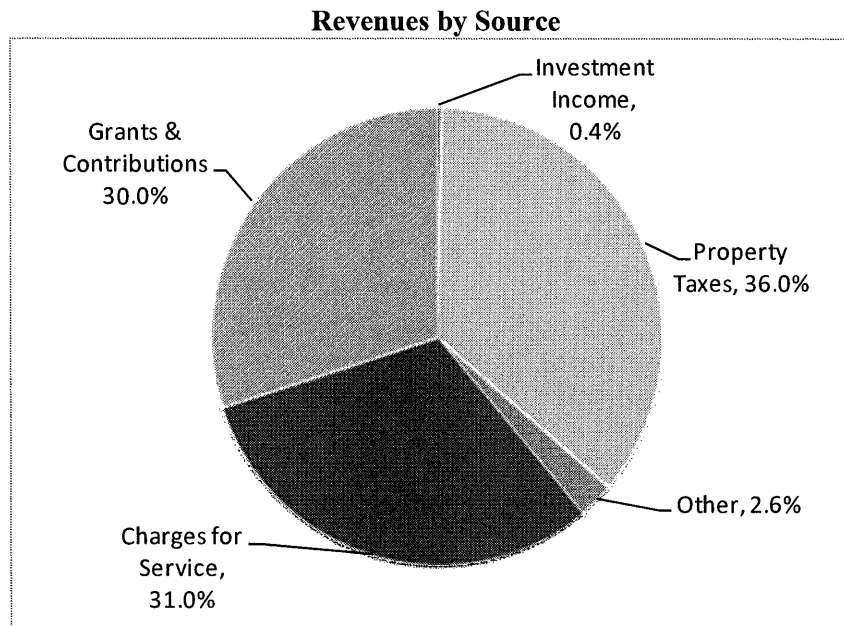
Changes in Net Position for the Fiscal Years Ended June 30, 2017 and 2016

	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues						
Program Revenues						
Grants and Contributions	\$ 534,211	\$ 368,190	\$ -	\$ -	\$ 534,211	\$ 368,190
Charges for Services	554,009	552,931	-	-	554,009	552,931
Other	45,045	44,277	-	-	45,045	44,277
General Revenues						
Property Taxes	642,661	650,860	-	-	642,661	650,860
Investment Income	6,437	7,922	-	-	6,437	7,922
Total Revenues	<u>1,782,363</u>	<u>1,624,180</u>	<u>-</u>	<u>-</u>	<u>1,782,363</u>	<u>1,624,180</u>
Expenses						
Governmental Activities						
General Government	395,464	334,409	-	-	395,464	334,409
Public Works	610,112	473,169	-	-	610,112	473,169
Public Safety	787,342	746,825	-	-	787,342	746,825
Culture and Recreation	9,914	16,054	-	-	9,914	16,054
Business-type Activities						
Unemployment	-	-	-	-	-	-
Total Expenses	<u>1,802,832</u>	<u>1,570,457</u>	<u>-</u>	<u>-</u>	<u>1,802,832</u>	<u>1,570,457</u>
Changes in Net Position before Changes in Market Value (MV) and Transfers	(20,469)	53,723	-	-	(20,469)	53,723
MV Increase (Decrease)	<u>21,683</u>	<u>(3,857)</u>	<u>-</u>	<u>-</u>	<u>21,683</u>	<u>(3,857)</u>
Changes in Net Position	1,214	49,866	-	-	1,214	49,866
Net Position - Beginning	<u>1,907,339</u>	<u>1,857,473</u>	<u>5,008</u>	<u>5,008</u>	<u>1,912,347</u>	<u>1,862,481</u>
Net Position - Ending	<u>\$ 1,908,553</u>	<u>\$ 1,907,339</u>	<u>\$ 5,008</u>	<u>\$ 5,008</u>	<u>\$ 1,913,561</u>	<u>\$ 1,912,347</u>

Governmental Activities - In fiscal year 2017, property taxes provided 36.0% of revenues. Grants and Contributions accounted for 30.0%. The amount earned on investments was 0.4% of total governmental activities revenues. Charges for Services brought in 31%.

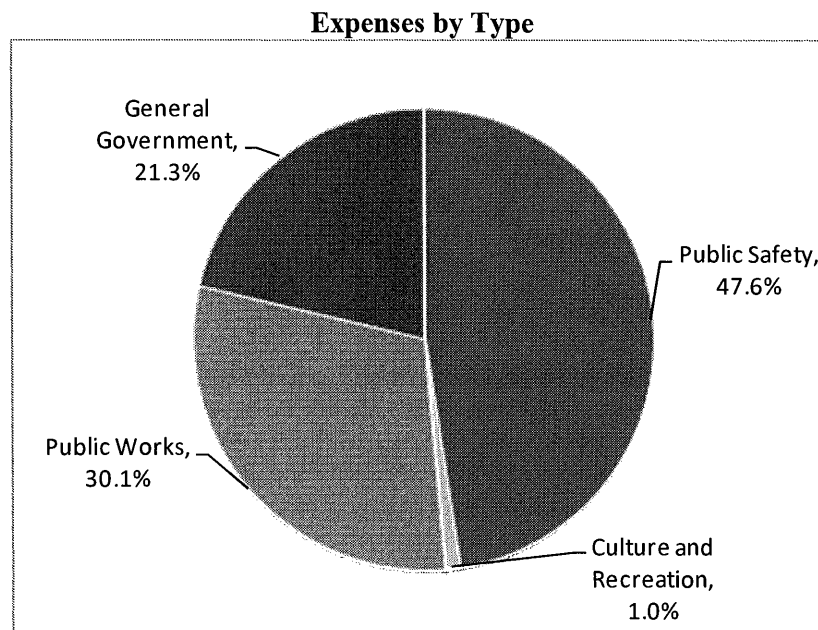
Business-type Activities - No revenue was reported for fiscal year 2017.

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



For FY 2017, governmental activity expenses exceeded program revenues by \$669,567 compared to \$605,059 for FY 2016.

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



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

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

At the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$626,695. A combined unassigned deficit of \$167 consists of a General Fund unassigned balance of \$0 and a Capital Reserve Fund unassigned deficit of \$167. The remainder of the fund balance is classified to indicate that it is not available for new spending because it has already been set aside for specific purposes such as subsequent year's expenditures and capital improvements.

General Fund - The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance was \$0 and assigned fund balance was \$103,226. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures and interfund transfers. Unassigned fund balance represents 0% of total General Fund expenditures and interfund transfers. Total fund balance represents 5.6% of total General Fund expenditures and interfund transfers. The fund balance of the Village's General Fund decreased by \$75,616 during the fiscal year.

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

Unrestricted net position of the Village's Unemployment Fund amounts to \$0.00. Restricted net position of the Village's Unemployment Fund amounts to \$5,008, unchanged from last year. Other factors concerning this fund have already been addressed in the discussion of the Village's business-type activities.

CAPITAL ASSETS

The Village's investment in capital assets for its governmental and business-type activities as of June 30, 2017, amounts to \$1,576,612 (net of depreciation). This amount represents an increase of \$126,166 from the prior year. This investment in capital assets includes land and improvements, buildings and improvements, vehicles and equipment, and infrastructure.

Capital Assets as of June 30, 2017 and June 30, 2016
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 107,798	\$ 37,798	\$ -	\$ -	\$ 107,798	\$ 37,798
Construction in Progress	75,694	92,555	-	-	75,694	92,555
Land Improvements	622,652	501,014	-	-	622,652	501,014
Infrastructure	543,306	578,198	-	-	543,306	578,198
Buildings and Improvements	53,007	55,336	-	-	53,007	55,336
Vehicles and Equipment	167,545	175,736	-	-	167,545	175,736
Office Equipment and Computers	<u>6,610</u>	<u>9,809</u>	<u>-</u>	<u>-</u>	<u>6,610</u>	<u>9,809</u>
Total Capital Assets	<u>\$ 1,576,612</u>	<u>\$ 1,450,446</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,576,612</u>	<u>\$ 1,450,446</u>

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

DEBT ADMINISTRATION

Long-term Debt - On June 30, 2017, the Village of Woodstock had total long-term debt outstanding of \$167,088. This amount represents accrued compensated absences.

FISCAL YEAR 2018 BUDGET

For fiscal year 2018, property taxes are projected to increase 27.3% or \$174,195 over last year's budget. The Village public work will be merging with the Town public works at the beginning of fiscal year 2018. The Village highway net will be \$0.00

Notwithstanding the anticipated level of funding of state aid, increases for public safety, highway maintenance, and allocations for special articles, the fiscal year 2018 budget adopted at the Village Meeting in March, 2017 will maintain services at the fiscal year 2017 levels.

Requests for Information

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

VILLAGE OF WOODSTOCK, VERMONT
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
ASSETS:			
Current assets -			
Cash and cash equivalents	\$ 368,614	\$ 5,008	\$ 373,622
Investments	211,357	-	211,357
Accounts receivable	85,624	-	85,624
Due from Town of Woodstock	5,097	-	5,097
Total current assets	<u>670,692</u>	<u>5,008</u>	<u>675,700</u>
Noncurrent assets -			
Capital assets	2,644,369	-	2,644,369
less - accumulated depreciation	<u>(1,067,757)</u>	<u>-</u>	<u>(1,067,757)</u>
Total noncurrent assets	<u>1,576,612</u>	<u>-</u>	<u>1,576,612</u>
Total assets	<u>2,247,304</u>	<u>5,008</u>	<u>2,252,312</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred pension expense	<u>225,559</u>	<u>-</u>	<u>225,559</u>
LIABILITIES:			
Current liabilities -			
Accounts payable	29,940	-	29,940
Accrued expenses	14,057	-	14,057
Total current liabilities	<u>43,997</u>	<u>-</u>	<u>43,997</u>
Noncurrent liabilities -			
Accrued compensated absences	167,088	-	167,088
Net pension liability	351,091	-	351,091
Total noncurrent liabilities	<u>518,179</u>	<u>-</u>	<u>518,179</u>
Total liabilities	<u>562,176</u>	<u>-</u>	<u>562,176</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred pension credits	<u>2,134</u>	<u>-</u>	<u>2,134</u>
NET POSITION:			
Investment in capital assets	1,576,612	-	1,576,612
Restricted - non-expendable	208,078	-	208,078
Restricted - expendable	315,558	5,008	320,566
Unrestricted	<u>(191,695)</u>	<u>-</u>	<u>(191,695)</u>
Total net position	<u>\$ 1,908,553</u>	<u>\$ 5,008</u>	<u>\$ 1,913,561</u>

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

VILLAGE OF WOODSTOCK, VERMONT
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Grants and Contributions	Charges for Services	Other	Governmental Activities	Business-type Activities	Totals
FUNCTIONS/PROGRAMS:							
Governmental activities -							
General government	\$ 395,464	\$ 11,731	\$ 6,531	\$ 45,045	\$ (332,157)	\$ -	\$ (332,157)
Highways, streets, and bridges	610,112	470,692	-	-	(139,420)	-	(139,420)
Public safety	787,342	51,788	547,478	-	(188,076)	-	(188,076)
Culture and recreation	9,914	-	-	-	(9,914)	-	(9,914)
Total governmental activities	<u>1,802,832</u>	<u>534,211</u>	<u>554,009</u>	<u>45,045</u>	<u>(669,567)</u>	<u>-</u>	<u>(669,567)</u>
Business-type activities -							
Unemployment	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,802,832</u>	<u>\$ 534,211</u>	<u>\$ 554,009</u>	<u>\$ 45,045</u>	<u>(669,567)</u>	<u>-</u>	<u>(669,567)</u>
GENERAL REVENUES		- PROPERTY TAXES			642,661	-	642,661
		- INVESTMENT INCOME			6,437	-	6,437
		- NET INCREASE (DECREASE) IN FAIR VALUE OF INVESTMENTS			21,683	-	21,683
					<u>670,781</u>	<u>-</u>	<u>670,781</u>
CHANGE IN NET POSITION					1,214	-	1,214
NET POSITION, July 1, 2016					<u>1,907,339</u>	<u>5,008</u>	<u>1,912,347</u>
NET POSITION, June 30, 2017					\$ 1,908,553	\$ 5,008	\$ 1,913,561

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

VILLAGE OF WOODSTOCK, VERMONT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017
(Page 1 of 2)

	<u>General Fund</u>	<u>Capital Reserve Fund</u>	<u>Permanent Fund</u>	<u>Totals Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 47,604	\$ 125,509	\$ 195,501	\$ 368,614
Investments	-	-	211,357	211,357
Accounts receivable	85,624	-	-	85,624
Due from other funds	8,870	-	-	8,870
Due from Town of Woodstock	5,097	-	-	5,097
Total assets	\$ <u>147,195</u>	\$ <u>125,509</u>	\$ <u>406,858</u>	\$ <u>679,562</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
Accounts payable	\$ 29,912	\$ -	\$ 28	\$ 29,940
Accrued expenses	14,057	-	-	14,057
Due to other funds	-	8,470	400	8,870
Total liabilities	<u>43,969</u>	<u>8,470</u>	<u>428</u>	<u>52,867</u>
FUND BALANCES:				
Nonspendable	-	-	208,078	208,078
Restricted	-	-	198,352	198,352
Committed	-	117,206	-	117,206
Assigned	103,226	-	-	103,226
Unassigned	-	(167)	-	(167)
Total fund balances	<u>103,226</u>	<u>117,039</u>	<u>406,430</u>	<u>626,695</u>
Total liabilities and fund equity	\$ <u>147,195</u>	\$ <u>125,509</u>	\$ <u>406,858</u>	\$ <u>679,562</u>

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

VILLAGE OF WOODSTOCK, VERMONT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017
(Page 2 of 2)

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

Amount reported on Balance Sheet - Governmental Funds - total fund balances	\$ 626,695
Amounts reported for governmental activities in the Government-wide Statement of Net Position are different because -	
Capital assets used in governmental funds are not financial resources and are therefore not reported in the funds.	
Capital assets	2,644,369
Accumulated depreciation	(1,067,757)
Liabilities not due and payable in the year are not reported in the governmental funds.	
Accrued compensated absences	(167,088)
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	225,559
Deferred pension credits	(2,134)
Net pension liability	<u>(351,091)</u>
Net position of governmental activities - Government-wide Statement of Net Position	\$ <u>1,908,553</u>

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

VILLAGE OF WOODSTOCK, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(Page 1 of 2)

	General Fund	Capital Reserve Fund	Permanent Fund	Totals Governmental Funds
REVENUES:				
Taxes	\$ 642,662	\$ -	\$ -	\$ 642,662
Intergovernmental	533,211	-	-	533,211
Licenses, permits, fines, and fees	217,863	-	-	217,863
Charges for goods and services	336,146	-	-	336,146
Investment income	5	3	6,427	6,435
Net increase (decrease) in fair value of investments	-	-	21,683	21,683
Miscellaneous	1,153	-	-	1,153
Total revenues	<u>1,731,040</u>	<u>3</u>	<u>28,110</u>	<u>1,759,153</u>
EXPENDITURES:				
Current -				
General government	314,203	-	1,210	315,413
Highways, streets, and bridges	477,141	-	-	477,141
Public safety	762,788	-	-	762,788
Special Articles	3,285	-	-	3,285
Culture and recreation	7,645	-	-	7,645
Grant expense	52,720	-	-	52,720
Capital outlay	249,839	-	-	249,839
Total expenditures	<u>1,867,621</u>	<u>-</u>	<u>1,210</u>	<u>1,868,831</u>
EXCESS OF REVENUES OR (EXPENDITURES)	<u>(136,581)</u>	<u>3</u>	<u>26,900</u>	<u>(109,678)</u>
OTHER FINANCING SOURCES (USES):				
Insurance recoveries	44,895	-	-	44,895
Interfund transfers in	67,820	51,750	-	119,570
Interfund transfers out	(51,750)	(60,220)	(7,600)	(119,570)
Total other financing sources (uses)	<u>60,965</u>	<u>(8,470)</u>	<u>(7,600)</u>	<u>44,895</u>
NET CHANGE IN FUND BALANCES	(75,616)	(8,467)	19,300	(64,783)
FUND BALANCES, July 1, 2015	<u>178,842</u>	<u>125,506</u>	<u>387,130</u>	<u>691,478</u>
FUND BALANCES, June 30, 2016	\$ <u>103,226</u>	\$ <u>117,039</u>	\$ <u>406,430</u>	\$ <u>626,695</u>

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

VILLAGE OF WOODSTOCK, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

(Page 2 of 2)

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

Net change in fund balances - total governmental funds	\$ (64,783)
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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	245,256
Depreciation	(119,090)

The increase in compensated absences is allocated as an expense in the
Statement of Activities, but is not recorded in the governmental funds.

Increase in compensated absences, net	(9,002)
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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>(51,167)</u>
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Change in net position of governmental activities - Government-wide Statement of Activities	\$ <u>1,214</u>
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The notes to financial statements are an integral part of this statement.

VILLAGE OF WOODSTOCK, VERMONT
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original and Final <u>Budget</u>	Actual (Budgetary Basis) <u>Basis)</u>	Variance Over (Under) <u>(Under)</u>
REVENUES:			
Property taxes	\$ 639,870	\$ 642,662	\$ 2,792
Licenses and permits	7,500	6,531	(969)
Intergovernmental	280,900	533,211	252,311
Charges for services	330,080	336,146	6,066
Fines and forfeits	242,500	211,332	(31,168)
Investment income	20	5	(15)
Miscellaneous	<u>2,000</u>	<u>1,153</u>	<u>(847)</u>
Total revenues	<u>1,502,870</u>	<u>1,731,040</u>	<u>228,170</u>
EXPENDITURES:			
General government	302,930	314,701	11,771
Public safety	731,690	762,753	31,063
Highways and streets	420,350	471,965	51,615
Culture and recreation	6,850	7,645	795
Special Articles	7,300	3,285	(4,015)
Grant expenses	-	242,052	242,052
Capital reserve spending	<u>33,500</u>	<u>65,220</u>	<u>31,720</u>
Total expenditures	<u>1,502,620</u>	<u>1,867,621</u>	<u>365,001</u>
EXCESS OF REVENUES OR (EXPENDITURES)	<u>250</u>	<u>(136,581)</u>	<u>(136,831)</u>
OTHER FINANCING SOURCES (USES):			
Insurance recoveries	-	44,895	44,895
Transfers in	41,500	67,820	26,320
Transfers out	<u>(51,750)</u>	<u>(51,750)</u>	<u>-</u>
Total other financing sources (uses)	<u>(10,250)</u>	<u>60,965</u>	<u>71,215</u>
NET CHANGE IN FUND BALANCE	\$ <u>(10,000)</u>	\$ <u>(75,616)</u>	\$ <u>(65,616)</u>

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

VILLAGE OF WOODSTOCK, VERMONT
STATEMENT OF NET POSITION - PROPRIETARY FUND
JUNE 30, 2017

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

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

**VILLAGE OF WOODSTOCK, VERMONT
STATEMENT OF REVENUES, EXPENSES AND CHANGE
IN NET POSITION - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Unemployment <u>Fund</u>
OPERATING REVENUES	\$ -
OPERATING EXPENSES	<u>-</u>
Operating income (loss)	-
NONOPERATING REVENUES (EXPENSES):	
Interest income	<u>-</u>
Operating transfers in (out)	<u>-</u>
CHANGE IN NET POSITION	-
NET POSITION, July 1, 2016	<u>5,008</u>
NET POSITION, June 30, 2017	\$ <u>5,008</u>

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

VILLAGE OF WOODSTOCK, VERMONT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Unemployment <u>Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	\$ <u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	<u>-</u>
Interest income	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	<u>-</u>
Transfers (to) from other funds, net	
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 -
 CASH AND CASH EQUIVALENTS, July 1, 2016	 <u>5,008</u>
 CASH AND CASH EQUIVALENTS, June 30, 2017	 \$ <u>5,008</u>

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

VILLAGE OF WOODSTOCK, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

1. Summary of significant accounting policies:

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

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

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

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

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

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

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

VILLAGE OF WOODSTOCK, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

1. Summary of significant accounting policies (continued):

C. Basis of presentation (continued) -

The Village reports the following major governmental funds:

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

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

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

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

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

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

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

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

- E. Budgets and budgetary accounting -** The Village adopts a budget for the General Fund at an annual Village Meeting. The tax rate is determined by the Board of Trustees based on the education and municipal grand lists and the approved operating budget. The accounting method used for budget presentation is the same method used for the financial presentation of operations under U.S. GAAP. Formal budgetary integration is employed as a management control during the year for the General Fund. The Village does not legally adopt budgets for other governmental funds. All budgeted amounts lapse at year end.

VILLAGE OF WOODSTOCK, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

1. Summary of significant accounting policies (continued):

- F. Property taxes - Property taxes attach as an enforceable lien on property owned as of April 1st. Listers establish a grand list of all property and the Board of Trustees sets the tax rate required to raise the tax revenue authorized by Village and School District voters and the Vermont Agency of Education. Property taxes for the fiscal year ended June 30, 2017 were payable in two installments due November 2016 and May 2017.
- G. Use of estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred outflows/inflows of resources as well as disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.
- H. Risk management - The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and others; environmental liability, and natural disasters. The Village manages these risks through commercial insurance packages and participation in public entity risk pools covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. There were no settlements in excess of the insurance coverage in any of the past three fiscal years.

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

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

VILLAGE OF WOODSTOCK, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

1. Summary of significant accounting policies (continued):

J. Capital assets (continued) -

Capital assets are depreciated using the straight-line method over the useful lives shown below:

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

- K. Deferred outflows/inflows of resources -** In addition to assets and liabilities, deferred outflows of resources and deferred inflows of resources are reported as separate sections in the applicable statement of net position or 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 Village. Upon retirement, termination or death, certain employees are compensated for up to a maximum of 30 days of unused vacation (subject to certain limitations) at their then current rates of pay, provided that the employee gives a minimum notice of two weeks if the employee resigns.

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

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

The Village's long-term obligations at June 30, 2017 consisted of \$167,088 in compensated absences, an increase of \$9,002 from the balance of \$158,086 at June 30, 2016.

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

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

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

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

VILLAGE OF WOODSTOCK, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

1. Summary of significant accounting policies (continued):

M. Fund equity (continued) -

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

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

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

2. Deposits and investments:

Fair value and classification - Deposits and investments are stated at fair value as described in note 1.I. The classification of investments as of June 30, 2017 are as follows:

<u>Investment</u>	<u>Fair Value</u>
Mutual funds	\$ 22,630
Corporate bonds - domestic	45,781
Corporate bonds - international	3,425
Corporate stocks - domestic	121,109
Corporate stocks - international	<u>18,412</u>
	\$ <u>211,357</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 Village will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. 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 Village does not have a policy for custodial credit risk. As of June 30, 2017, the Village'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 Village does not have a policy for interest rate risk. Maturities of interest-earning investments at June 30, 2017 include the Village's corporate domestic bonds totaling \$45,781 with \$4,123 maturing in less than one year, \$41,658 maturing in one to five years, and corporate international bonds totaling \$3,425 maturing in less than one year.

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

VILLAGE OF WOODSTOCK, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

2. Deposits and investments (continued):

Credit risk (continued) -

<u>Bond Rating</u>	<u>Fair Value</u>
AA+	\$ 4,226
AA-	8,457
A+	3,425
A	16,616
A-	4,138
BBB+	4,121
BBB	<u>8,223</u>
	\$ <u>49,206</u>

Foreign currency risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a deposit or investment. The Village does not have a policy for foreign currency risk. As of June 30, 2017, \$21,837 of the Village's total investments of \$211,357 was invested in international corporate stocks and corporate bonds subject to foreign currency risk.

3. Capital assets:

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Balance July 1, 2016</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2017</u>
Governmental activities -				
Capital assets, not depreciated:				
Land	\$ 37,798	\$ 70,000	\$ -	\$ 107,798
Construction in progress	<u>92,555</u>	<u>20,335</u>	<u>37,196</u>	<u>75,694</u>
Total capital assets, not depreciated	<u>130,353</u>	<u>90,335</u>	<u>37,196</u>	<u>183,492</u>
Capital assets, depreciated:				
Land improvements	726,150	159,246	-	885,396
Buildings and improvements	107,353	-	-	107,353
Vehicles and equipment	515,548	37,003	33,126	519,425
Office equipment and computers	78,005	450	328	78,127
Infrastructure	<u>870,576</u>	<u>-</u>	<u>-</u>	<u>870,576</u>
Total capital assets, depreciated	<u>2,297,632</u>	<u>196,699</u>	<u>33,454</u>	<u>2,460,877</u>

VILLAGE OF WOODSTOCK, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

3. Capital assets (continued):

	Balance <u>July 1, 2016</u>	<u>Increase</u>	<u>Decrease</u>	Balance <u>June 30, 2017</u>
Less accumulated depreciation for:				
Land improvements	225,136	37,608	-	262,744
Buildings and improvements	52,017	2,329	-	54,346
Vehicles and equipment	339,812	40,640	28,572	351,880
Office equipment and computers	68,196	3,621	300	71,517
Infrastructure	292,378	34,892	-	327,270
Total accumulated depreciation	<u>977,539</u>	<u>119,090</u>	<u>28,872</u>	<u>1,067,757</u>
Total capital assets, depreciated, net	<u>1,320,093</u>	<u>77,609</u>	<u>4,582</u>	<u>1,393,120</u>
Capital assets, net	\$ <u>1,450,446</u>	\$ <u>167,944</u>	\$ <u>41,778</u>	\$ <u>1,576,612</u>

Depreciation expense of \$119,090 in the governmental activities was allocated to expenses of the general government (\$1,284), highways, streets, and bridges (\$100,472), public safety (\$15,065), and culture and recreation (\$2,269) programs based on capital assets assigned to those functions.

4. Interfund transfers:

Interfund transfers constitute the transfer of resources from the fund that receives the resources to the fund that utilizes them. Interfund transfers for the year ended June 30, 2017 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds -		
General Fund	\$ 67,820	\$ 51,750
Capital Reserve Fund	51,750	60,220
Permanent Fund	<u>-</u>	<u>7,600</u>
	\$ <u>119,570</u>	\$ <u>119,570</u>

Transfers from the General Fund to the Capital Reserve Fund totaling \$51,750 represent voter committed transfers. The transfers from the Capital Reserve Fund to the General Fund were for the payment of committed capital expenditures. The transfers from the Permanent Fund to the General Fund were for voter approved disbursement of assets from the Permanent Fund.

5. Related party:

The Village shares common personnel, office facilities and equipment with the Town of Woodstock. Shared costs are billed and paid within normal payment cycles. As of June 30, 2017, amounts due from the Town of Woodstock were \$5,097.

VILLAGE OF WOODSTOCK, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

6. Police services:

The Village and the Town of Woodstock (the Town) have entered into an agreement for the Village to provide police services to the Town for the geographic region located in the Town, but outside of the Village. The Village has recorded revenues of \$323,610 applicable to these services.

7. Fund balances:

As of June 30, 2017, the fund balances of the governmental funds consisted of the following:

	<u>General Fund</u>	<u>Capital Reserve Fund</u>	<u>Permanent Fund</u>	<u>Totals</u>
Nonspendable:				
Endowment principal	\$ -	\$ -	\$ 208,078	\$ 208,078
Restricted for:				
Benefit of the Village	-	-	198,352	198,352
Committed to:				
Capital projects and equipment	-	117,206	-	117,206
Assigned to:				
Parking program	97,663	-	-	97,663
Accrued benefits	5,563	-	-	5,563
	<u>103,226</u>	<u>-</u>	<u>-</u>	<u>103,226</u>
Unassigned	-	(167)	-	(167)
	<u>\$ 103,226</u>	<u>\$ 117,039</u>	<u>\$ 406,430</u>	<u>\$ 626,695</u>

For the year ended June 30, 2017, the changes in the Capital Reserve Fund's committed and unassigned fund balances were as follows:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>Balance June 30, 2017</u>
Committed -				
Office equipment - computers	\$ 11,287	\$ 1,000	\$ 466	\$ 11,821
Computer equipment	681	500	-	1,181
Village plan update	2,000	1,000	-	3,000
Snow blower	19,174	12,500	-	31,674
Manager pick-up	2,758	500	-	3,258
The Green archway	-	3,000	-	3,000
Parking program	32,508	-	32,508	-
Trucks	24,854	13,000	-	37,854
Police computer	9,175	250	-	9,425

VILLAGE OF WOODSTOCK, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

7. Fund balances (continued):

	Balance June 30, 2016	Additions	Withdrawals	Balance June 30, 2017
Committed (continued) -				
Police cruiser	17,975	15,000	27,246	5,729
Radio system	4,000	2,000	-	6,000
Radar speed sign	1,014	3,000	-	4,014
Police office carpet	250	-	-	250
Total committed	125,676	51,750	60,220	117,206
Unassigned (deficit)	(170)	3	-	(167)
Total Capital Reserve Fund	\$ 125,506	\$ 51,753	\$ 60,220	\$ 117,039

8. Pension plan:

Vermont Municipal Employees' Retirement System -

Plan description: The Village contributes to the Vermont Municipal Employees' Retirement System (VMERS) a cost-sharing multiple-employer public employee retirement system with defined benefit and defined contribution plans, administered by the State of Vermont. The state statutory provisions, found in Title 24, Chapter 125, of the V.S.A., govern eligibility for benefits, service requirements and benefit provisions. The general administration and responsibility for the proper operation of VMERS is vested in the Board of Trustees consisting of five members. VMERS issues annual financial information which is available and may be reviewed at the VMERS' office, 109 State Street, Montpelier, Vermont, 05609-6200, by calling (802) 828-2305 or online at <http://www.vermonttreasurer.gov>.

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) or 11.35% (Group D) of their annual covered salary, and the Village is required to contribute 4.0% (Group A), 5.5% (Group B), or 7.25% (Group C) or 9.85% (Group D) of the employees' compensation. Defined Contribution Plan members are required to contribute 5.0% of their annual covered salary and the Village is required to contribute an equal dollar amount. The contribution requirements of plan members and the Village are established and may be amended by the Board of Trustees. The Village's contributions to VMERS for the years ended June 30, 2017, 2016, and 2015 were \$44,833, \$40,404, and \$36,274, 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 Village'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

VILLAGE OF WOODSTOCK, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

8. Pension plan (continued):

Vermont Municipal Employees' Retirement System (continued) -

the following information to all employers participating in VMERS, which is based on its calculation of the Village and Town of Woodstock's combined 0.74193% proportionate share of VMERS Defined Benefit Plan. In addition, Village management has estimated 0.27281% of the total VMERS net pension liability to be attributable to governmental activities of the Village. Town of Woodstock management has estimated that the Town of Woodstock has a 0.46912% proportionate share of the total VMERS net pension liability.

Village share of VMERS net pension liability	\$ 351,091
Deferred outflow of resources - Deferred pension expense	\$ 225,559
Deferred inflow of resources - Deferred pension credits	\$ 2,134

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 Village adopted GASB Statement No. 68 in FY 2015 and is developing the ten years of required supplementary information in schedules 4 and 5. This historical pension information includes the Village's Proportionate Share of Net Pension Liability of VMERS and Village's Contributions to VMERS.

VILLAGE OF WOODSTOCK, VERMONT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

Schedule 1
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	Original and Final <u>Budget</u>	Actual (Budgetary Basis) <u>Basis)</u>	Variance Over (Under) <u>(Under)</u>
REVENUES:			
Property Taxes -			
Real estate	\$ 639,670	\$ 641,213	\$ 1,543
In lieu of taxes	200	1,449	1,249
Total Property Taxes	<u>639,870</u>	<u>642,662</u>	<u>2,792</u>
Licenses and Permits -			
Curb cut permits	-	150	150
Zoning permits	7,500	6,291	(1,209)
Yard sale permits	-	90	90
Total Licenses and Permits	<u>7,500</u>	<u>6,531</u>	<u>(969)</u>
Intergovernmental -			
Highway State Aid	44,900	44,961	61
Highway rebate	236,000	246,198	10,198
Police equipment grant	-	9,799	9,799
Park and ride grant	-	20,287	20,287
DUI enforcement grant	-	9,489	9,489
Snow dump grant	-	159,246	159,246
Sustainable Woodstock grant	-	32,500	32,500
Safe routes to schools grant	-	10,731	10,731
Total Intergovernmental	<u>280,900</u>	<u>533,211</u>	<u>252,311</u>
Charges for Services -			
Alarms answered	500	-	(500)
Miscellaneous police revenue	-	2,035	2,035
Police contract with Town of Woodstock	320,580	323,610	3,030
Police contracts	9,000	10,501	1,501
Total Charges for Services	<u>330,080</u>	<u>336,146</u>	<u>6,066</u>
Fines and Forfeits -			
Parking ticket fines	25,000	19,885	(5,115)
Parking meter revenue - coins	85,000	89,074	4,074
Parking meter revenue - credit cards	-	10,597	10,597
Moving violations	132,500	91,776	(40,724)
Total Fines and Forfeits	<u>242,500</u>	<u>211,332</u>	<u>(31,168)</u>
Miscellaneous -			
Investment income	20	5	(15)
Miscellaneous	2,000	1,153	(847)
Total Miscellaneous	<u>2,020</u>	<u>1,158</u>	<u>(862)</u>
Total Revenues	<u>1,502,870</u>	<u>1,731,040</u>	<u>228,170</u>

VILLAGE OF WOODSTOCK, VERMONT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

Schedule 1
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	<u>Original and Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Over (Under)</u>
EXPENDITURES:			
General Government -			
Trustees:			
Salaries and wages	3,750	3,750	-
Benefits	300	287	(13)
Advertising	1,000	1,206	206
Dues, subscriptions, and meetings	1,000	860	(140)
Printing Village Annual Report	1,200	1,206	6
Legal fees	2,750	6,866	4,116
Community television	1,200	-	(1,200)
Lobbyist	5,000	5,771	771
Insurance	62,000	78,025	16,025
Unclassified	3,000	2,798	(202)
Total Trustees	<u>81,200</u>	<u>100,769</u>	<u>19,569</u>
Executive Department:			
Managing Municipality -			
Salaries and wages	44,200	42,810	(1,390)
Benefits	16,200	14,602	(1,598)
Professional services	50	-	(50)
Dues, subscriptions, and meetings	650	515	(135)
Advertising	50	-	(50)
Total Executive Department	<u>61,150</u>	<u>57,927</u>	<u>(3,223)</u>
Finance Department:			
Collection, Custody, and Distribution of Funds -			
Salaries and wages	1,500	1,500	-
Benefits	130	115	(15)
Travel and transportation	40	-	(40)
Total collection, custody, and distribution of funds	<u>1,670</u>	<u>1,615</u>	<u>(55)</u>
Accounting and Bookkeeping -			
Salaries and wages	21,100	22,766	1,666
Benefits	6,600	6,834	234
Professional services	600	163	(437)
Dues, subscriptions, and meetings	60	-	(60)
Total accounting and bookkeeping	<u>28,360</u>	<u>29,763</u>	<u>1,403</u>
Auditing -			
Professional services	12,500	13,600	1,100
Total Finance Department	<u>42,530</u>	<u>44,978</u>	<u>2,448</u>
Village Clerk:			
Salaries	<u>400</u>	<u>400</u>	<u>-</u>

VILLAGE OF WOODSTOCK, VERMONT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

Schedule 1
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	<u>Original and Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Over (Under)</u>
EXPENDITURES (CONTINUED):			
General Government (continued) -			
Administration:			
Equipment repairs and maintenance	2,000	2,291	291
Communications	2,100	2,419	319
Office supplies	1,500	1,443	(57)
Postage	2,200	2,154	(46)
Operating supplies	1,500	915	(585)
Total Administration	<u>9,300</u>	<u>9,222</u>	<u>(78)</u>
Boards and Agencies:			
Municipal Planning and Zoning -			
Salaries and wages	71,675	69,909	(1,766)
Benefits	31,500	25,625	(5,875)
Advertising	2,500	2,042	(458)
Dues, subscriptions, and meetings	1,000	3,430	2,430
Printing and mapping	400	-	(400)
Travel and transportation	275	284	9
Professional services	500	-	(500)
Equipment purchase	500	115	(385)
Total Municipal Planning and Zoning	<u>108,350</u>	<u>101,405</u>	<u>(6,945)</u>
Total General Government	<u>302,930</u>	<u>314,701</u>	<u>11,771</u>
Public Safety -			
Police Administration:			
Salaries and wages	115,150	113,150	(2,000)
EMT training and stipend	1,250	2,000	750
Benefits	39,800	38,614	(1,186)
Office supplies	500	499	(1)
Travel and transportation	275	274	(1)
Advertising	300	436	136
Operating supplies	1,500	1,589	89
Dues, subscriptions, and meetings	1,500	1,441	(59)
Printing and binding	125	54	(71)
Total Police Administration	<u>160,400</u>	<u>158,057</u>	<u>(2,343)</u>
Police Office Maintenance:			
Salaries and wages	1,500	1,904	404
Benefits	100	146	46

VILLAGE OF WOODSTOCK, VERMONT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

Schedule 1
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	Original and Final <u>Budget</u>	Actual (Budgetary Basis) <u>Basis)</u>	Variance Over (Under)
EXPENDITURES (CONTINUED):			
Public Safety (continued) -			
Police Office Maintenance (continued):			
Propane	2,600	1,563	(1,037)
Electricity	1,800	1,800	-
Rubbish removal	1,100	1,069	(31)
Water/sewer	700	656	(44)
Building maintenance	1,350	2,623	1,273
Total Police Office Maintenance	<u>9,150</u>	<u>9,761</u>	<u>611</u>
Law Enforcement:			
Salaries and wages	231,300	229,071	(2,229)
Benefits	65,000	66,832	1,832
Contract police coverage	-	16,171	16,171
Stipend	6,150	7,786	1,636
Operating supplies	850	857	7
Professional services	1,000	972	(28)
Weapon maintenance and supplies	1,600	1,300	(300)
Uniform service	4,000	4,007	7
Bike patrol	1,000	995	(5)
Small tools and equipment	3,200	3,118	(82)
Officer video recording	250	-	(250)
Dues, subscriptions, and meetings	250	353	103
Total Law Enforcement	<u>314,600</u>	<u>331,462</u>	<u>16,862</u>
Town Police Services:			
Salaries and wages	74,900	75,921	1,021
Training wages	1,300	1,178	(122)
Stipend	2,200	-	(2,200)
Training paid benefits	200	-	(200)
Employer paid benefits	17,450	26,636	9,186
Uniform service	1,300	1,246	(54)
Vehicle repair and maintenance	2,500	2,058	(442)
Small tools and equipment	500	472	(28)
4X4 Vehicle lease	7,250	7,874	624
4X4 Radio, lights, radar	800	799	(1)
Flashing speed signs	4,000	-	(4,000)
Communications	-	300	300
Fuel	2,500	3,047	547
Dues, subscriptions and meetings	-	126	126
Tuition	750	750	-
Total Town Police Services	<u>115,650</u>	<u>120,407</u>	<u>4,757</u>

VILLAGE OF WOODSTOCK, VERMONT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

Schedule 1
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	<u>Original and Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Over (Under)</u>
EXPENDITURES (CONTINUED):			
Public Safety (continued) -			
Training:			
Salaries and wages	4,000	4,013	13
Benefits	300	325	25
Tuition	1,800	1,857	57
Travel and transportation	300	299	(1)
Total Training	<u>6,400</u>	<u>6,494</u>	<u>94</u>
Communications:			
Repairs and maintenance	300	393	93
Dispatch services	64,730	64,730	-
Communications	11,500	10,582	(918)
Total Communications	<u>76,530</u>	<u>75,705</u>	<u>(825)</u>
Vehicles and Equipment:			
Repairs and maintenance	3,500	3,541	41
Small tools and equipment	600	470	(130)
Gasoline	10,000	6,803	(3,197)
Total Vehicles and Equipment	<u>14,100</u>	<u>10,814</u>	<u>(3,286)</u>
Buying, Maintenance, Parking Meters:			
Salaries and wages	21,000	23,417	2,417
Benefits	1,760	1,971	211
Office supplies	3,000	2,203	(797)
Repairs and maintenance	1,000	-	(1,000)
Equipment purchase	3,500	12,361	8,861
Postage	2,500	2,477	(23)
Professional service	400	555	155
Computer software	1,000	571	(429)
Parking meter credit card fees	-	5,837	5,837
Small tools and equipment	700	661	(39)
Total Buying, Maintenance, Parking Meters	<u>34,860</u>	<u>50,053</u>	<u>15,193</u>
Total Public Safety	<u>731,690</u>	<u>762,753</u>	<u>31,063</u>
Highways and Streets -			
Highway Maintenance:			
Salaries and wages	96,300	97,748	1,448
Overtime	12,750	25,885	13,135
Summer help - wages	4,000	3,416	(584)
Benefits	43,000	48,392	5,392
Operating supplies	6,000	6,513	513
Small tools and equipment	1,500	1,495	(5)

VILLAGE OF WOODSTOCK, VERMONT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

Schedule 1
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	<u>Original and Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Over (Under)</u>
EXPENDITURES (CONTINUED):			
Highways and Streets (continued) -			
Highway Maintenance (continued):			
NWPL parking lot rental	11,000	11,000	-
Road maintenance	6,000	6,490	490
Crosswalk and maintenance	16,000	11,729	(4,271)
Fuel	9,000	7,237	(1,763)
Storm drain maintenance	6,000	6,482	482
Road construction	55,000	54,229	(771)
Other purchased services	16,000	14,659	(1,341)
Salt and sand	58,000	64,786	6,786
Property damage - street light	-	797	797
Fence damage	-	33,318	33,318
Rubbish removal	13,000	10,730	(2,270)
Total Highway Maintenance	<u>353,550</u>	<u>404,906</u>	<u>51,356</u>
Traffic Control:			
Road signs	<u>1,000</u>	<u>2,117</u>	<u>1,117</u>
Installing and Maintaining Street Lights:			
Utilities	<u>31,500</u>	<u>30,360</u>	<u>(1,140)</u>
Maintenance of Sidewalks:			
Sidewalk construction	<u>16,000</u>	<u>19,474</u>	<u>3,474</u>
Highway Equipment Maintenance:			
Repair supplies	5,000	3,088	(1,912)
Maintenance supplies	6,000	5,881	(119)
Equipment repair	2,000	2,408	408
Equipment purchase	200	-	(200)
Small tools and equipment	100	-	(100)
Total Highway Equipment Maintenance	<u>13,300</u>	<u>11,377</u>	<u>(1,923)</u>
Maintenance of Public Works Building:			
Repairs and maintenance	1,000	-	(1,000)
Utilities	<u>4,000</u>	<u>3,731</u>	<u>(269)</u>
Total Maintenance of Public Works Building	<u>5,000</u>	<u>3,731</u>	<u>(1,269)</u>
Total Highways and Streets	<u>420,350</u>	<u>471,965</u>	<u>51,615</u>

VILLAGE OF WOODSTOCK, VERMONT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

Schedule 1
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	Original and Final <u>Budget</u>	Actual (Budgetary Basis) <u>Basis)</u>	Variance Over (Under)
EXPENDITURES (CONTINUED):			
Culture and Recreation Village Parks Unit -			
Acquisition and Maintenance of Park Areas:			
Operating supplies	2,000	2,744	744
Fence and park maintenance	200	900	700
Small tools and equipment	250	94	(156)
Park and ride street lights	-	174	174
Paw bags	1,400	1,483	83
Rubbish removal	3,000	2,250	(750)
Total Culture and Recreation Village Parks Unit	<u>6,850</u>	<u>7,645</u>	<u>795</u>
Special Articles -			
Public Trust Fund - audit	400	-	(400)
Public Trust Fund - trustee	400	400	-
Seasonal decorations	2,500	2,500	-
Tree Fund	4,000	385	(3,615)
Total Special Articles	<u>7,300</u>	<u>3,285</u>	<u>(4,015)</u>
Grant Expenses -			
Highway safety	-	9,799	9,799
Park and ride	-	20,287	20,287
Snow dump	-	159,246	159,246
DUI enforcement	-	9,489	9,489
Sustainable Woodstock	-	32,500	32,500
Safe routes to schools	-	10,731	10,731
Total Grant Expenses	<u>-</u>	<u>242,052</u>	<u>242,052</u>
Capital Reserve Spending -			
Computer equipment replacement	1,500	467	(1,033)
Snow dump land purchase	-	37,509	37,509
Police cruiser	32,000	27,244	(4,756)
Total Capital Reserve Spending	<u>33,500</u>	<u>65,220</u>	<u>31,720</u>
Total expenditures	<u>1,502,620</u>	<u>1,867,621</u>	<u>365,001</u>
EXCESS OF REVENUES OR (EXPENDITURES)	<u>250</u>	<u>(136,581)</u>	<u>(136,831)</u>
OTHER FINANCING SOURCES (USES):			
Insurance recoveries	-	44,895	44,895
Transfers in	41,500	67,820	26,320
Transfers out	(51,750)	(51,750)	-
Total other financing sources (uses)	<u>(10,250)</u>	<u>60,965</u>	<u>71,215</u>
NET CHANGE IN FUND BALANCE	\$ <u>(10,000)</u>	\$ <u>(75,616)</u>	\$ <u>(65,616)</u>

VILLAGE OF WOODSTOCK, VERMONT
COMBINING BALANCE SHEET
PERMANENT FUND
JUNE 30, 2017

Schedule 2

	Old Fire Station <u>Fund</u>	Orly Whitcomb <u>Fund</u>	Frank MacKenzie <u>Fund</u>	E. Woods Sidewalk <u>Fund</u>	Endowment <u>Fund</u>	<u>Totals</u>
ASSETS						
Cash and cash equivalents	\$ 29,979	\$ 86,397	\$ 5,591	\$ 58,360	\$ 15,174	\$ 195,501
Investments	<u>-</u>	<u>1,335</u>	<u>-</u>	<u>-</u>	<u>210,022</u>	<u>211,357</u>
Total assets	\$ <u>29,979</u>	\$ <u>87,732</u>	\$ <u>5,591</u>	\$ <u>58,360</u>	\$ <u>225,196</u>	\$ <u>406,858</u>
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Accounts payable	\$ -	\$ 28	\$ -	\$ -	\$ -	\$ 28
Due to other funds	<u>64</u>	<u>180</u>	<u>12</u>	<u>144</u>	<u>-</u>	<u>400</u>
Total liabilities	64	208	12	144	-	428
FUND BALANCES:						
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 208,078	\$ 208,078
Restricted	<u>29,915</u>	<u>87,524</u>	<u>5,579</u>	<u>58,216</u>	<u>17,118</u>	<u>198,352</u>
Total fund balances	\$ <u>29,915</u>	\$ <u>87,524</u>	\$ <u>5,579</u>	\$ <u>58,216</u>	\$ <u>225,196</u>	\$ <u>406,430</u>
Total liabilities and fund equity	\$ <u>29,979</u>	\$ <u>87,732</u>	\$ <u>5,591</u>	\$ <u>58,360</u>	\$ <u>225,196</u>	\$ <u>406,858</u>

VILLAGE OF WOODSTOCK, VERMONT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - PERMANENT FUND
FOR THE YEAR ENDED JUNE 30, 2017

Schedule 3

	Old Fire Station <u>Fund</u>	Orly Whitcomb <u>Fund</u>	Frank MacKenzie <u>Fund</u>	E. Woods Sidewalk <u>Fund</u>	Endowment <u>Fund</u>	<u>Totals</u>
REVENUES:						
Investment income	\$ 75	\$ 287	\$ 13	\$ 146	\$ 5,906	\$ 6,427
Net increase (decrease) in fair value of investments	<u>-</u>	<u>(57)</u>	<u>-</u>	<u>-</u>	<u>21,740</u>	<u>21,683</u>
Total revenues	75	230	13	146	27,646	28,110
EXPENDITURES:						
Miscellaneous	<u>-</u>	<u>29</u>	<u>-</u>	<u>-</u>	<u>1,181</u>	<u>1,210</u>
EXCESS OF REVENUES OR (EXPENDITURES)	75	201	13	146	26,465	26,900
OTHER FINANCING SOURCES (USES):						
Transfers out	<u>(64)</u>	<u>(180)</u>	<u>(12)</u>	<u>(144)</u>	<u>(7,200)</u>	<u>(7,600)</u>
NET CHANGE IN FUND BALANCES	11	21	1	2	19,265	19,300
FUND BALANCES, July 1, 2016	<u>29,904</u>	<u>87,503</u>	<u>5,578</u>	<u>58,214</u>	<u>205,931</u>	<u>387,130</u>
FUND BALANCES, June 30, 2017	\$ <u>29,915</u>	\$ <u>87,524</u>	\$ <u>5,579</u>	\$ <u>58,216</u>	\$ <u>225,196</u>	\$ <u>406,430</u>

VILLAGE OF WOODSTOCK

**SCHEDULE OF VILLAGE'S PROPORTIONATE SHARE OF
NET PENSION LIABILITY**

Schedule 4

VMERS

JUNE 30, 2017

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Village's proportion of the net pension liability	0.2728%	0.2612%	0.2735%
Village's proportionate share of the net pension liability	\$ 351,091	\$ 201,353	\$ 24,965
Village's covered payroll	\$ 648,941	\$ 590,066	\$ 554,808
Village's proportionate share of the net pension liability as a percentage of its covered payroll	54.102%	34.124%	4.500%
VMERS net position as a percentage of the total pension liability	80.95%	87.42%	98.32%

SCHEDULE OF VILLAGE'S CONTRIBUTIONS

Schedule 5

VMERS

JUNE 30, 2017

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 44,833	\$ 40,404	\$ 36,274
Contributions in relation to the contractually required contribution	<u>44,833</u>	<u>40,404</u>	<u>36,274</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Village's covered payroll	\$ 648,941	\$ 590,066	\$ 554,808
Contributions as a percentage of covered payroll	6.909%	6.847%	6.538%

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

The Board of Trustees
Village of Woodstock, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Woodstock, Vermont (the Village) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated January 3, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2017-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of

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

Village's 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
January 3, 2018

Mudgett Bennett &
Associates, P.C.

**VILLAGE OF WOODSTOCK, VERMONT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2017**

2017-001 Financial procedures and oversight:

On September 11, 2017 we received a combined Village and Town of Woodstock trial balance for audit. Subsequent to this trial balance we received approximately 87 journal entries by the Village Accountant to finalize the FY17 trial balance that was received for audit on September 11, 2017. We observed on September 11, 2017 approximately \$800,000 in Village and Town of Woodstock clearing account amounts that had not been moved by the Village Accountant to their natural expense/revenue classification. Timely and accurate reporting of revenues, expenditures/expenses among budget line item classifications is essential to managing the Village finances. We also observed that bank reconciliations for the Village and Town of Woodstock checking accounts from March 2017 through June 2017 were not complete as of September 13, 2017. The Village Accountant completed the March 2017 through June 2017 bank reconciliations in the latter half of September, October, and first part of November.

We recommend that bank reconciliations be done in the following month and be reviewed by the Treasurer or another appropriate individual in a timely manner. Additionally, we recommend that year end journal entries done by the Accountant be reviewed and recorded in a timely manner. Lastly, to help facilitate the above recommendations we feel that it would be in the best interest for the Village to consider adding a full time position to assist the Village Accountant. This would allow for more timely and accurate reporting to the Board and other financial report users.

Management's response -

Management has brought in temporary help (4 hours per week). Additionally staff has been proposed in the Fiscal Year 2018-2019 Budget to be considered by the Select Board.