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March 25, 2016

Washington West Supervisory Union
Att: Michelle Baker, Bus. Mgr.
340 Mad River Park, Ste. 7
Waitsfield, VT 05673

Dear Michelle:

I have electronically forwarded the final financial statements for Washington West Supervisory Union as of and for the year ended June 30, 2015. In addition I will be mailing you 12 bound copies. We have also sent a pdf copy to the AOE on your behalf.

If you are thinking of putting our audit report into your Town Report, auditing standards provides you with three options:

- You may include the entire audit report from page one through the last page;
- You may include pages 1 through Schedule 1;
- You can put a statement in that you were audited and that the audit is available at _____ and omit our audit report completely.

If you have any questions or need assistance, please do not hesitate to call us.

Sincerely,

Angolano & Company

Angolano & Company

Enclosures

Washington West Supervisory Union
Financial Statements
For The Year Ended June 30, 2015

Washington West Supervisory Union
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For The Year Ended June 30, 2015

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INDEPENDENT AUDITOR'S REPORT

To the School Board
Washington West Supervisory Union, Vermont

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Washington West Supervisory Union, Vermont, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Supervisory Union'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, each major fund, and the aggregate remaining fund information of the Washington West Supervisory Union, Vermont, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pensions and other post-employment benefit information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Washington West Supervisory Union, Vermont's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local*

Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2016, on our consideration of the Washington West Supervisory Union, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of 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 Washington West Supervisory Union, Vermont's internal control over financial reporting and compliance.

Angolano & Company

Angolano & Company
Shelburne, Vermont
Firm Registration Number 92-0000141

March 25, 2016

WASHINGTON WEST SUPERVISORY UNION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

Introduction

The discussion and analysis of The Washington West Supervisory Union's ("the Union") financial performance provides a narrative introduction and overview of the Union's financial activities for the fiscal year ending June 30, 2015 (FY 15). The Union is organized under the guidance of the Board of Directors to provide management services for member districts of Fayston, Moretown, Waitsfield, Warren, Duxbury, Waterbury-Duxbury Union and Harwood Union High School.

Financial Highlights

- Government-wide assets totaled \$830,755 and government-wide liabilities totaled \$588,591.
- The Supervisory Union's general fund actual revenues were \$1,221,602, while the budgeted revenues were \$1,220,422; a difference of \$1,180.
- The Supervisory Union's general fund actual expenditures were \$1,222,180, while the budgeted expenditures were \$1,231,300, a savings of \$9,120.
- Special Revenue Funds totaling \$77,210 are held in the Supervisory Union's accounts for various Federal, State and Private Grants.
- Other Governmental Funds represents the unspent balance on monies set aside for unanticipated and/or future technology and transportation needs. The fund balance at June 30, 2015 was \$5,451.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Washington West Supervisory Union's basic financial statements. The Union's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements – The first two statements are government-wide financial statements that report information about the Union as a whole using accrual accounting methods similar to those used by private sector companies.

The Statement of Net Assets presents information on all of the Union assets and liabilities with the difference between the two reported as net assets. Over time increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Union is improving or deteriorating.

The Statement of Activities presents information showing how the Union net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing or related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Union that are principally supported by taxes and inter-governmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Union include programs and services such as management and instructional support, and other support services such as transportation needs of the supervisory union.

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 Union, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Union can be divided into three categories – governmental funds, proprietary funds and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than 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. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Union maintains three (3) governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Special Revenue and Capital Project funds. The basic governmental funds financial statements can be found on pages 7 through 12.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13-39.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information including Budget to Actual Reports for the General Fund, Special Revenue Fund statements, and a Report on Compliance and Internal Control.

Government-Wide Financial Analysis

Our analysis of the Union’s major funds begins on Table 1. The fund financial statements provide detailed information about the most significant funds – not the Union as a whole. Some funds are required to be established by State law and by bond covenants. However, the Union’s Board of Directors establish many other funds to help them control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain grants, and other money.

Amounts reported for governmental activities in this statement of net assets differ from the summary of financial operations because: capital (non-current) assets used in governmental activities are not financial resources and therefore, are deferred in the funds; non-current liabilities – consisting of bonds payable (early retirees) – are not due and payable in the current period and therefore are not reported in the funds. Inter-fund receivables and payables are reported in the fund statements, but not included in the amounts reported for governmental activities.

Washington West Supervisory Union
Statement of Net Assets and Fund Balance Reconciliation
June 30, 2015

	Governmental Balance Sheet <u>Fund Based</u>	District-Wide <u>Net Position</u>	<u>Difference</u>
ASSETS:			
<u>Current Assets:</u>			
<u>Accounts Receivable:</u>			
Other	4,042	6,709	(2,667)
Other LEA's	1,787	1,787	-
State	658,203	658,203	-
Deposits	2,667	-	-
Prepaid Expenses	18,504	18,504	-
TOTAL CURRENT ASSETS	685,203	685,203	(2,667)
Capital Assets. Net	-	145,552	(145,552)
TOTAL ASSETS	685,203	830,755	(148,219)
DEFERRED OUTFLOWS OF RESOURCES			
Vermont Municipal Pension - Payments after measurement date		19,958	(19,958)
LIABILITIES:			
<u>Current Liabilities:</u>			
<u>Accounts Payable:</u>			
Other	380,148	380,148	-
Other LEA's	75,301	75,301	-
State	1,054	1,054	-
Cash Overdraft	107,776	107,776	-
Accrued Expenses	13,736	13,736	-
Deferred Revenue	4,148	-	4,148
	-	10,576	(10,576)
TOTAL LIABILITIES	582,163	588,591	(6,428)
DEFERRED INFLOWS OF RESOURCES			
Unearned Revenues		4,148	(4,148)
Vermont Municipal Pension - Change in proportional share		39,993	(39,993)
		44,141	(44,141)
NET POSITION:			
Investment in Capital Assets, net of related Debt	-	145,552	(145,552)
Restricted for Capital Projects	93,169	93,169	-
Unrestricted (Deficit)	9,871	(20,740)	30,611
TOTAL NET POSITION	103,040	217,981	(114,941)

Governmental Activities:

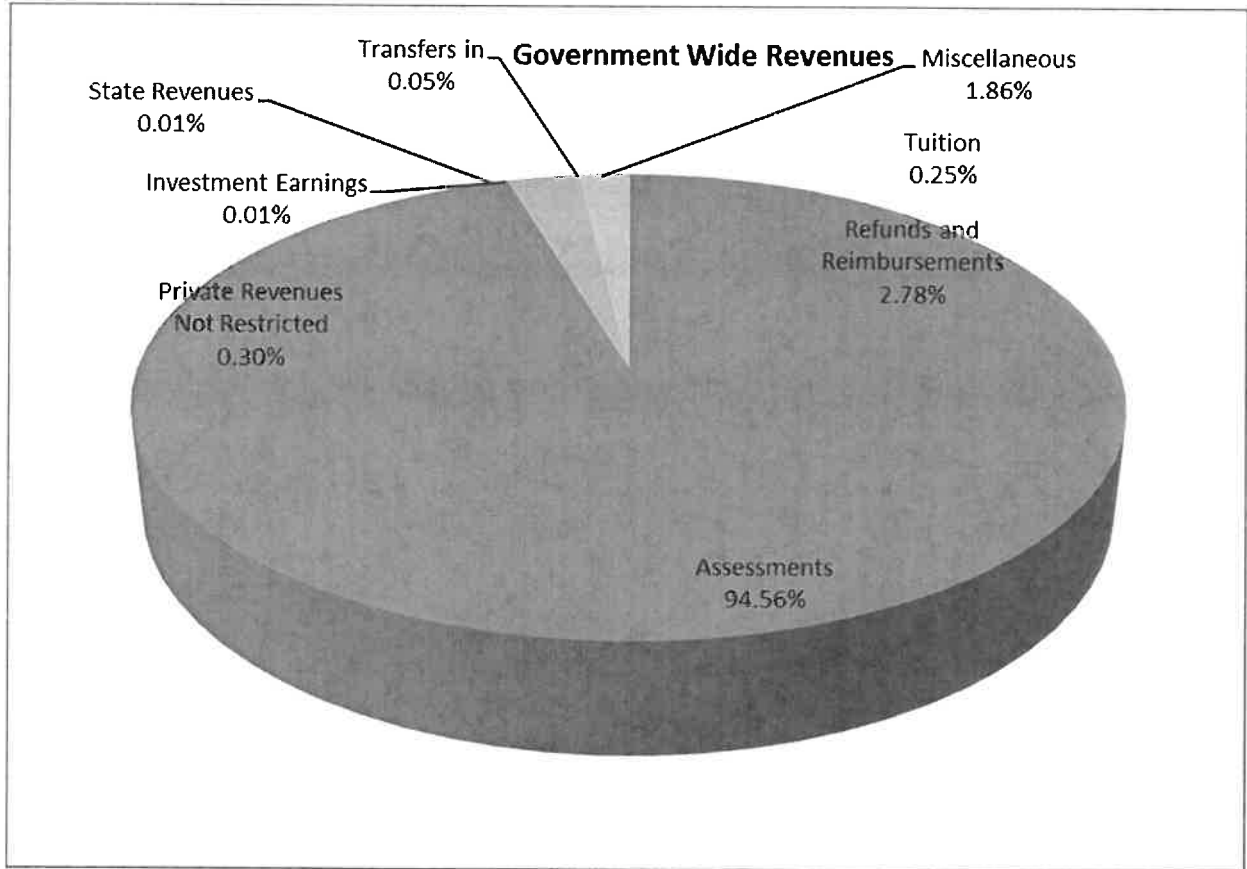
Governmental Activities revenues totaled \$2,613,450 and net expenses totaled \$2,586,072 resulting in an increase of \$27,378.

Business Type Activities:

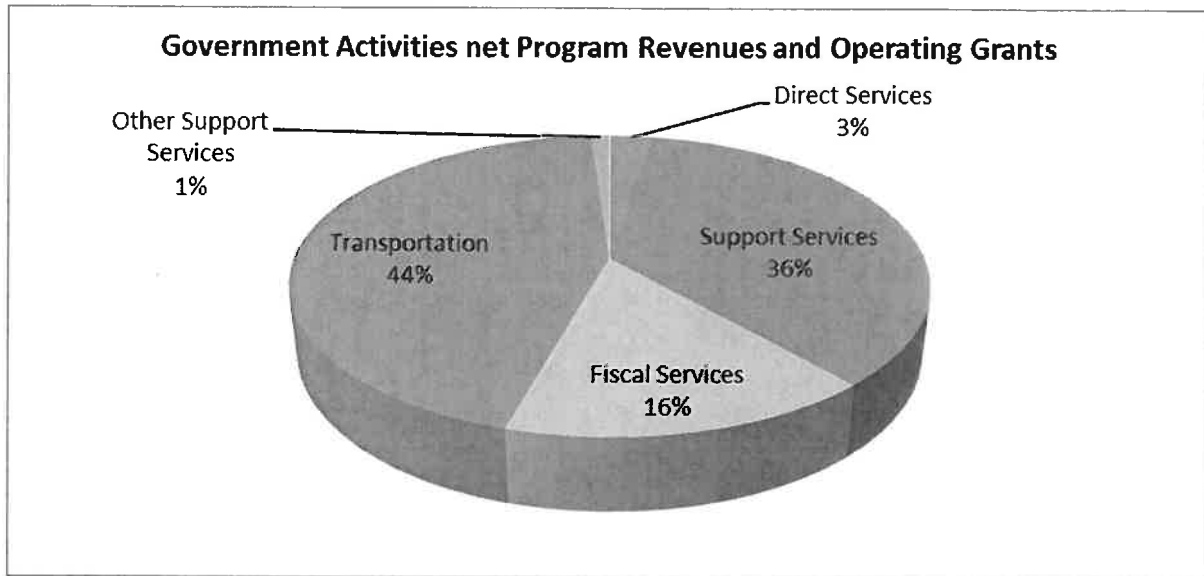
The Union had no Business Type activities.

Fund Financial Analysis

Governmental Revenues summarized are as follows:



Governmental expenses are as follows:



Governmental Fund Types:

Fund balances in the Governmental Fund types decreased from \$106,727 to \$103,040 a decrease of \$3,687. This decrease was reflected in the General Fund by an increase of \$622 a decrease of \$9,069 in the Special Revenue Funds, and an increase of \$4,760 in the Other Governmental Funds.

Proprietary Fund Type:

The Union does not maintain any proprietary fund types.

Fiduciary Fund Types:

The Union does not maintain any fiduciary fund types.

Capital Assets

As required under GASB34 the Union for the first time is reporting its' capital assets as part of the financial statements. The Union has researched and documented the historical costs of the various assets owned by the Union and applied appropriate charges against the cost to record depreciation. Capital assets with a cost of \$5,000 or more are capitalized and depreciated.

Washington West Supervisory Union		TABLE VI	
Capital Assets			
June 30, 2015			
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Value</u>
Governmental Activities:			
Buildings and Improvements	\$ -	\$ -	\$ -
Vehicles	-	-	-
Furniture and Equipment	298,845	153,293	145,552
Total	\$ 298,845	\$ 153,293	\$ 145,552
Business Type Activities:			
Furniture and Equipment	\$ -	\$ -	\$ -
Total	\$ 298,845	\$ 153,293	\$ 145,552

Long-Term Debt

The Supervisory Union does not have any long-term debt.

Current Issues

- Act 153/156 requires transportation, special education, compensatory and remedial services to be provided by the Supervisory Union Special education teachers will be employed by the Supervisory Union in FY2017.
- WWSU has a merger study committee and the question of an Act 46 WWSU accelerated merger, including all WWSU school districts, is anticipated to be placed before the voters in June 2016.

Contact for Further Information

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the Union's finances and to reflect the Union's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Michelle J. Baker, Business Manager, Washington West Supervisory Union, 340 Mad River Park– Suite 7, Waitsfield, Vermont 05673 or at (802) 496-2272 ext. 117.

Washington West Supervisory Union
 District-Wide Statement of Net Position
 June 30, 2015

EXHIBIT I

	<u>Governmental Activities</u>
ASSETS	
Accounts Receivable - State	\$ 658,203
Accounts Receivable - Other LEAs	1,787
Accounts Receivable - Other	6,709
Prepaid Expenses	18,504
Capital Assets, net	<u>145,552</u>
TOTAL ASSETS	<u>830,755</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Vermont Municipal Pension - Payments after measurement date	<u>19,958</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>19,958</u>
 LIABILITIES	
Accounts Payable - State	1,054
Accounts Payable - Other LEAs	75,301
Accounts Payable - Other	380,148
Cash Overdraft	107,776
Accrued Expenses	13,736
Net Pension Liability	<u>10,576</u>
TOTAL LIABILITIES	<u>588,591</u>
 DEFERRED INFLOWS OF RESOURCES	
Unearned Revenues	4,148
Vermont Municipal Pension - Change in proportional share	<u>39,993</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>44,141</u>
 NET POSITION	
Net Investment in Capital Assets	145,552
Restricted For Other Purposes	93,169
Unrestricted (Deficit)	<u>(20,740)</u>
TOTAL NET POSITION	<u>217,981</u>

The accompanying notes are an integral part of these financial statements

Washington West Supervisory Union
 District-Wide Statement of Activities
 For The Year Ended June 30, 2015

EXHIBIT II

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Primary Governmental Activities
Governmental Activities:					
Direct Services	\$ 395,223		\$ 363,774		\$ (31,449)
Support Services:					
Student Services	193,220		162,023		(31,197)
Instructional Staff Services	163,285		39,113		(124,172)
General Administrative Services	640,856		19,450		(621,406)
Area Administrative Services	192,559		48,815		(143,744)
Fiscal Services	482,185		46,208		(435,977)
Transportation	1,173,814				(1,173,814)
Other Support Services	942,594	-	918,281	-	(24,313)
Total Governmental Activities	4,183,736	\$ -	1,597,664	\$ -	(2,586,072)
General Revenues:					
Assessments					2,471,298
Tuition					6,550
State Revenues not Restricted to Specific Programs					146
Private Revenues not Restricted to Specific Programs					12,646
Investment Earnings					219
Refunds and Reimbursements					72,725
Transfers In					1,200
Miscellaneous					48,666
Total General Revenues					2,613,450
Change in Net Position					27,378
Net Position - Beginning of Year					222,017
Prior Period Adjustment					(31,414)
Net Position - Ending of Year					\$ 217,981

The accompanying notes are an integral part of these financial statements

Washington West Supervisory Union
 Combined Balance Sheet
 All Fund Types - Fund Base
 June 30, 2015

EXHIBIT III

	Governmental Fund Types			Totals
	General Fund	Special Revenue Fund	Other Governmental Fund	
ASSETS:				
Current Assets:				
Due From Other Funds	\$ 120,463	\$ 228,398	\$ 5,451	\$ 354,312
Accounts Receivable - State		658,203		658,203
Accounts Receivable - Other LEAs	1,787			1,787
Accounts Receivable - Other	2,079	1,963		4,042
Deposits	2,667			2,667
Prepaid Expenses	18,504	-	-	18,504
Total Current Assets	145,500	888,564	5,451	1,039,515
TOTAL ASSETS	\$ 145,500	\$ 888,564	\$ 5,451	\$ 1,039,515
LIABILITIES AND FUND EQUITY:				
Liabilities:				
Cash Overdraft	\$ 107,776			\$ 107,776
Due To Other Funds		\$ 354,313		354,313
Accounts Payable - State		1,054		1,054
Accounts Payable - Other LEAs	1,746	73,555		75,301
Accounts Payable - Other	1,863	378,284		380,147
Accrued Expenses	13,736			13,736
Deferred Revenue	-	4,148	-	4,148
Total Liabilities	125,121	811,354	\$ -	936,475
Fund Equity:				
Fund Balances:				
Unassigned	11,500	(1,629)		9,871
Assigned	8,879			8,879
Committed			5,451	5,451
Restricted	-	78,839	-	78,839
Total Fund Equity	20,379	77,210	5,451	103,040
TOTAL LIABILITIES AND FUND EQUITY	\$ 145,500	\$ 888,564	\$ 5,451	\$ 1,039,515

The accompanying notes are an integral part of these financial statements

Washington West Supervisory Union
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
June 30, 2015

Fund Balances – total governmental funds	\$103,040
Amounts reported for governmental activities in the Statement of Net Positions are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:	
Governmental capital assets	298,845
Less accumulated depreciation	(153,293)
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:	
Deferred Outflows – VMERS	19,958
Accrued liabilities have not been reflected in the governmental Fund financial statements:	
Net Pension Liability	(10,576)
Deferred Inflows – VMERS	<u>(39,993)</u>
Net Position of Governmental Activities	<u>\$217,981</u>

The accompanying notes are an integral part of these financial statements

Washington West Supervisory Union
 Combined Statement of Revenues, Expenditures
 and Changes in Fund Balances
 All Governmental Fund Types - Fund Base
 For The Year Ended June 30, 2015

EXHIBIT IV

	General Fund	Special Revenue Fund	Other Governmental Fund	Totals
REVENUES:				
Assessments	\$ 1,210,423	\$ 31,197	\$ 1,229,678	\$ 2,471,298
Tuition		6,550		6,550
Investment Income	219			219
Fees		38,671		38,671
Refunds and Reimbursements	965	71,760		72,725
Other Revenue	9,995			9,995
Local/Private		287,294		287,294
State		51,399		51,399
Federal	-	1,224,481	-	1,224,481
	<u>1,221,602</u>	<u>1,711,352</u>	<u>1,229,678</u>	<u>4,162,632</u>
TOTAL REVENUES				
EXPENDITURES:				
Direct Services		351,740		351,740
Support Services:				
Students		193,220		193,220
Instructional Staff	92,650	50,370	51,104	194,124
General Administration	549,736	91,120		640,856
Area Administration	144,547	48,815		193,362
Fiscal Services	435,247	46,938		482,185
Transportation		30	1,173,814	1,173,844
Other Outlays	-	938,188	-	938,188
	<u>1,222,180</u>	<u>1,720,421</u>	<u>1,224,918</u>	<u>4,167,519</u>
TOTAL EXPENDITURES				
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(578)	(9,069)	4,760	(4,887)
OTHER FINANCING SOURCES (USES):				
Transfers In	1,200	250,531		251,731
Transfers Out	-	(250,531)	-	(250,531)
	<u>1,200</u>	<u>(250,531)</u>	<u>-</u>	<u>(250,531)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	622	(9,069)	4,760	(3,687)
FUND BALANCES, JULY 1, 2014	<u>19,757</u>	<u>86,279</u>	<u>691</u>	<u>106,727</u>
FUND BALANCES, JUNE 30, 2015	<u>\$ 20,379</u>	<u>\$ 77,210</u>	<u>\$ 5,451</u>	<u>\$ 103,040</u>

The accompanying notes are an integral part of these financial statements

Washington West Supervisory Union
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
 Governmental Funds to the Statement of Activities
 For The Year Ended June 30, 2015

Net Changes in fund Balances – total governmental funds	\$ (3,687)
Amount reported for governmental activities in the Statement of Activities are different because:	
<p style="margin-left: 40px;">Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives:</p>	
Expenditures for capital assets	72,020
Less current year depreciation	(41,758)
<p style="margin-left: 40px;">Expense reported in the Statement of Activities does not require the use of current financial resources and is therefore not reported as expenditures in governmental funds:</p>	
Deferred Outflows – VMERS Change	19,958
Net Pension Liability Change	(10,576)
Deferred Inflows – VMERS Change	<u>(39,993)</u>
Change in Net Position of Governmental Funds	<u>\$ (4,036)</u>

The accompanying notes are an integral part of these financial statements

Washington West Supervisory Union
Notes to Financial Statements
For The Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Washington West Supervisory Union ("Supervisory Union") is organized as a public educational district under the applicable laws and regulations of the State of Vermont. It is governed by a Board of School Directors appointed by the boards of member districts to provide oversight and grant administration to its member school districts. Except where noted, the accounting policies conform to generally accepted accounting principles, as applicable to governmental units.

The Supervisory Union financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Supervisory Union are discussed below. Supervisory Union also complies with the requirements of the Vermont Department of Education's Handbook for Financial Accounting of Vermont School Systems (The Handbook).

Reporting Entity:

The reporting entity for the Supervisory Union is based upon criteria set forth by the Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity. The financial reporting entity consists of (1) organizations for which the standalone government is financially accountable and (2) the standalone government that is controlled by a separately elected governing body that is legally separate and is fiscally independent. All of the accounts of the Supervisory Union comprise the standalone government.

The school board is appointed by member districts and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, Supervisory Union is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14. There are no component units included within the reporting entity.

Basic Financial Statements - District-wide:

The Supervisory Union's basic financial statements include both District-wide (reporting Supervisory Union as a whole) and fund financial statements (reporting Supervisory Unions major funds). Both the District-wide and fund financial statements categorized primary activities as either governmental or business type.

The District-wide Statement of Net Position reports all of the non-fiduciary activities of Supervisory Union. Both the governmental and business-type activities are presented on a

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The District-wide Statement of Activity demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include fees paid by recipients or goods or services provided by a function, and grants that are restricted to a particular function. General State Support and other revenues not identified with a function are presented as general revenues.

This District-wide focus is more on the sustainability of the Supervisory Union as an entity and the change in the Supervisory Union's net position resulting from the current year's activities.

Basic Financial Statements – Fund Financial Statements:

The financial transactions of the Supervisory Union are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB No. 34 sets forth minimum criteria for the determination of major funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The Supervisory Union reports major governmental funds as follows:

Governmental Fund Types:

- General Fund – The general fund is the Supervisory Union's primary operating fund and is always classified as a major fund which accounts for typical general government revenues and a wide variety of activities that benefit the Supervisory Union's as a whole. It accounts for all financial resources except those required to be accounted for in another fund.
- Special Revenue Funds – The special revenue funds focus on revenues that are restricted or committed to expenditures for specific purposes (other than major capital projects or expendable trusts). The Supervisory Union accounts for resources restricted to, or committed for, specific purposes by the Supervisory Union or a grantor in a special revenue fund. Most federal, some State financial assistance and voter committed funds are accounted for in a Special Revenue Fund and sometimes unused balances must be returned to the grantor or the voters at the close of specified project periods.

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Other Governmental Funds – The Supervisory Union accounts for resources not considered part of any other fund that is that is restricted or committed for specific purposes by the Supervisory Union or a grantor in an other governmental fund. Some of the financial assistance accounted for in this fund that is unused must be returned to the grantor or the voters at the close of a specific project period.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Both District-wide and business-type activity statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred regardless of when related cash flows take place. Grant revenues are recognized when eligibility requirements are satisfied. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when both measurable and available. “Available” means collectible within the current period or within 60 days after year end. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recorded when a liability is incurred except for early retirement, and compensated absences, which are recognized to the extent they have matured. When both restricted and unrestricted resources are available for use, restricted resources are used first.

Other Accounting Policies:

Cash and Cash Equivalents:

For purposes of the statement of cash flows for proprietary and similar fund-types, the Supervisory Union considers highly liquid investments to be cash equivalents if they have a maturity of twelve months or less when purchased.

Interfund Receivables and Payables:

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Activities between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. All other outstanding balances between funds are also reported as “due to/from

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

other funds". As a general rule, the effect of interfund activity has been eliminated from the government wide financial statements.

Transfers:

Advances between funds that are not expected to be repaid are accounted for as transfers.

Deposits and Investments:

Resources from each fund are pooled for deposit and investment purposes. A separate accounting is maintained for each fund. Deposits and Investments are stated at fair value and are managed in accordance with any legal constraints.

Accounts Receivable:

All receivables are reported net of estimated uncollectible amounts. The accounts receivable balances at year end are from governmental entities, no allowance for doubtful accounts is considered necessary.

Prepaid Items:

Certain payments to vendors reflect costs applicable to future periods. In the fund based financial statements, the cost of prepaid items is recorded as expenditures when the payments are made. In the District-wide financial statements and the proprietary funds, these items are recorded as prepaid items.

Deferred Inflows of Resources:

The Supervisory Union recognizes differences between the receipt of funds and the recognition of revenues through the use of unearned revenue accounts. These unearned revenue accounts represent funds that will be recognized as revenues in some future period when the conditions have been met.

Capital Assets:

Capital assets, which include land, construction in progress, buildings, improvements, furniture, equipment, infrastructure, and vehicles, are reported in the applicable governmental activities column in the governmental wide financial statements. Capital assets are defined by the Supervisory Union as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year (categories of assets are depreciated over the following lives; land improvements 10-40 years, buildings 25-50 years, building improvements 10-50 years, infrastructure 10-50 years, furniture & equipment 3-20 years, and vehicles 3-15years). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets, except for land and construction in progress are depreciated using the straight line method over the estimated useful lives with a full year of depreciation taken in the year acquired and none taken in the year of disposal. Land and construction in progress are not depreciated.

Long-term Obligations:

In the District-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of Net Position. The face amount of obligations issued is reported as other financing sources.

Pensions:

VSTR. For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the Vermont Teachers Retirement System (VTRS), information about VTRS's fiduciary net position and additions to/deductions from VSTR's fiduciary net position have been determined on the same basis as they are reported by VSTR. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

VMERS. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System (VMERS) and additions to/deductions from VMERS's fiduciary net position have been determined on the same basis as they are reported by VMERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Budgetary Data:

The Supervisory Union is required by state law to adopt a budget for the General Fund. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles ("GAAP"). The operating budget is prepared by the Superintendent and the Business Manager of the Supervisory Union and approved by the Washington West Supervisory Union Board at a properly warned meeting.

Encumbrances:

Encumbrance accounting, under which purchase orders, contracts and other commitments for

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration and project control in the General Fund, Special Revenue Funds, and Capital Projects Fund. Encumbrances are not liabilities and should be recorded as a reservation of fund balance at year end. For budgetary purposes, appropriations lapse at fiscal year-end. The Supervisory Union has elected to treat its encumbrances as liabilities for budgetary control purposes.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

Net Resources and Fund Balance:

District-wide Financial Statements:

When the Supervisory Union incurs an expense for which it may use either restricted or unrestricted net position, it generally uses restricted net position first. Net position on the Statement of net position includes the following:

Net Investment in Capital Assets, net of Related Debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted For Other Purposes – It consists of assets that are restricted by the Supervisory Union’s creditors, by the state enabling legislation, by grantors and by other contributors.

Restricted For Capital Projects – The component of net position that reports the amount of revenue from bond proceeds, grants, and special assessments in excess of expenditures. These funds are restricted for the construction or acquisition of capital assets.

Unrestricted – All other net positions that do not meet the definition of “Restricted For Other Purposes” or “Net Investment in Capital Assets, net of Related Debt”.

Fund Based Financial Statements:

In the fund financial statements, governmental funds report fund balances as unassigned, assigned, restricted, committed, spendable, or non-spendable fund balance.

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unassigned Fund Balance – That portion of the general fund, fund balance that contains all spendable amounts not contained in the other classifications. It is used in other funds only to report a deficit.

Assigned Fund Balance – Includes amounts intended to be used by the government for specific purposes, as determined by the Board, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

Restricted Fund Balance – Includes amounts constrained to specific purposes stipulated by constitution, external resource providers (grantors and contributors), or through enabling legislation.

Committed Fund Balance – Includes amounts constrained for the specific purposes determined by a formal action of the government's highest level of decision-making authority, generally the voters.

Spendable Fund Balance – The portion of the permanent fund balance that is available to be spent on the designated purpose of the fund.

Non-spendable Fund Balance – The portion of the permanent fund balance that has to be maintained, and cannot be spent, or an asset such as inventory or prepaid that are not expected to be converted to cash.

Function and Object Codes:

Function and object codes refer to the account code structure prescribed by the Vermont Department of Education. The Vermont Department of Education requires Supervisory Union to use these codes in order to insure accuracy in building and maintaining a statewide database for policy development and funding plans.

Memorandum Only Columns:

The total columns are captioned "memorandum only" because they do not represent consolidated financial information and are presented only to make financial analysis easier. Data in these columns do not present financial position, results of operations, or cash flows in accordance with GAAP. Interfund eliminations have not been made in the aggregation of this data.

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 2 – CASH, CASH EQUIVALENTS, AND REPURCHASE AGREEMENTS

Cash and cash equivalent deposits with financial institutions at June 30th amounted to \$0. As major revenues are received during the year bank deposits may temporarily exceed insured limits.

Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of any investments. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The Supervisory Union's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk:

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Supervisory Union would 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.

FDIC insures all accounts held by the same financial institution up to a combined total of \$250,000. There are some special provisions which increase this limit.

Concentration of Credit Risk:

The policy of the Supervisory Union contains no limitations on the amount that can be on deposit in any one financial institution.

The cash deposits held at financial institutions and cash on hand can be categorized according to four levels of risk.

These four levels of risk are as follows:

- Category 1 Repurchase Agreements - Deposits which are invested in government securities held by the Supervisory Union or by its agent in the Supervisory Union's name.
- Category 2 Collateralized Accounts - Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the Bank's name.
- Category 3 Letter of Credit - Private commercial insurance protection or letter of credit issued by the financial institution to cover funds in excess of FDIC limits.

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

**NOTE 2 – CASH, CASH EQUIVALENTS, AND REPURCHASE AGREEMENTS
(CONTINUED)**

Category 4 Deposits which are not collateralized or insured. (includes cash on hand)

Balances held in each area are as follows:

	Carrying Amount	Bank Balance
- Insured (FDIC) and/or (SIPC)	\$ 0	\$126,218
- Category 1	0	0
- Category 2	0	0
- Category 3	0	0
- Category 4	<u>0</u>	<u>0</u>
Total deposits	<u>\$ 0</u>	<u>\$126,218</u>

The difference between the book balance and bank balance is due to reconciling items such as deposits in transit and outstanding checks. Due to higher cash flows at certain times during the year, the amount of uninsured and not collateralized cash could have been much higher than at year end.

NOTE 3 - INTERFUND RECEIVABLES

In compliance with GASB 1300.109 Supervisory Union does not maintain separate bank accounts for each fund, unless it is required by law, or grant agreement. The composition of amounts due to and from other funds as of June 30, 2015 is as follows:

Fund Financial Statements:		
Receivable Fund	Payable Fund	Amount
Special Revenue Funds:		
Safety Grant - Waitsfield	General Fund	\$ 8,500
IDEA-B Preschool	General Fund	5,260
Tobacco	General Fund	4,396
Life Skills Fund	General Fund	1,436
Schoolwide Program	General Fund	130,769
VEHI Path Points	General Fund	896
Health Education	General Fund	497
EPSDT	General Fund	53,837
BEST	General Fund	8,688

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 3 - INTERFUND RECEIVABLES (CONTINUED)

Fund Financial Statements:		Amount
Receiveable Fund	Payable Fund	
Special Revenue Funds (continued):		
Professional Development	General Fund	\$ 216
VTCLA Fund	General Fund	8,685
Nellie Mae	General Fund	2,409
Title II-D	General Fund	176
Proficiency Learning	General Fund	212
DOL Vocational Grant	General Fund	298
Criminal Record	General Fund	1,881
Wat-Dux SES Services	General Fund	4
Sunshine	General Fund	180
Food Service	General Fund	<u>58</u>
	Total Special Revenue Fund	<u>\$228,398</u>
	Special Revenue Fund:	
General Fund	Title I	\$191,236
General Fund	Reinhart	176
General Fund	IDEA-B	124,381
General Fund	Medicaid IEP	5,349
General Fund	Teacher Negotiations	109
General Fund	Title II-A	<u>33,062</u>
	Total Special Revenue Fund	<u>\$354,313</u>
Other Governmental Funds:		
Technology Reserve	General Fund	\$ 13
Transportation	General Fund	678
Technology Coordinator	General Fund	<u>4,760</u>
	Total Other Governmental Funds	<u>\$ 5,451</u>

NOTE 4 – CAPITAL ASSETS

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

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 4 – CAPITAL ASSETS (CONTINUED)

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets being depreciated:				
Furniture and Equipment	<u>\$226,825</u>	<u>\$ 72,020</u>	<u>\$ 0</u>	<u>\$298,845</u>
Total other capital assets at historical costs	<u>226,825</u>	<u>72,020</u>	<u>0</u>	<u>298,845</u>
Less accumulated depreciation:				
Furniture and Equipment	<u>111,535</u>	<u>41,758</u>	<u>0</u>	<u>153,293</u>
Total accum. Depr.	<u>112,535</u>	<u>41,758</u>	<u>0</u>	<u>153,293</u>
Governmental activities Capital Assets, Net	<u>\$115,290</u>	<u>\$ 30,262</u>	<u>\$ 0</u>	<u>\$145,552</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Direct Services	\$37,352
Support Services:	
Students	0
Instructional Staff	4,406
General Administration	0
Area Administration	0
Fiscal Services	0
Operation and Maintenance of Plant	0
Transportation	0
Other Support Services	<u>0</u>
Total governmental activities depreciation expense	<u>\$41,758</u>

NOTE 5 - UNEARNED REVENUE (DEFERRED INFLOWS)

The unearned revenues reported at year end are summarized as following:

Federal funds	\$ 176
State funds	3,972
Other funds	<u>0</u>
Total unearned revenues	<u>\$4,148</u>

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 6 - SICK LEAVE

It is the Supervisory Union's policy to permit employees to earn varying amounts of sick pay benefits. Such sick leave benefits do not vest under the Supervisory Union's policy, accordingly benefits must be used during employment. Since the employees' accumulating rights to receive compensation for future absences are contingent upon the absences being caused by future illnesses and such amounts cannot be reasonably estimated, a liability for unused sick leave is not recorded in the financial statements.

Teaching staff earn 20 sick days per year, and may accumulate a maximum of 90 days. Non-teaching staff earn 12 sick days per year, and may accumulate a maximum of 90 days. Central office staff earn 20 sick days per year, and may accumulate a maximum of 90 days.

NOTE 7 – OPEB AND TERMINATION BENEFITS

The Governmental Accounting Standards Board (GASB) issued Statement #45 requiring the entire liability for Other Post Employment Benefits (post-employment health care benefits) to be accrued. The Supervisory Union does not offer any OPEB plans and has no liability under GASB #45.

Voluntary termination benefits are governed by GASB Statement #47 and are recognized to the extent they become payable in the current year.

NOTE 8 - LONG-TERM OBLIGATIONS

	Balance July 1, 2014	Increases	Retirements	Balance June 30, 2015
OTHER LONG-TERM OBLIGATIONS:				
Obligations Under Capital Lease	\$ 0	\$128,287	\$27,253	\$101,034

NOTE 9 - CAPITAL LEASES

On May 15, 2014, the Washington West Supervisory Union entered into a noncancellable lease agreement with Municipal Leasing Consultants for the lease of accounting software. This lease agreement qualifies as a capital lease, for accounting purposes and thus, has been recorded at the present value of the future minimum lease payments at the inception of the lease in the

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 9 - CAPITAL LEASES (CONTINUED)

general long-term debt account group. The total amount due is \$109,554, to be paid in yearly installments of \$21,970 in year one, then \$21,896 over four (4) years with a buyout at the end of \$0.

The future minimum lease obligations and the net present value of these minimum lease payments are as follows:

During the year ended June 30, 2016	\$21,896
2017	21,896
2018	21,896
2019	<u>21,896</u>
Total minimum lease payments	87,854
Less amount representing interest	<u>9,925</u>
Present value of minimum lease payments	<u>\$77,929</u>

Interest rate on the capitalized lease is approximately 4.99 percent.

On February 12, 2015, the Washington West Supervisory Union entered into a noncancellable lease agreement with Municipal Leasing Consultants for the lease of computer servers. This lease agreement qualifies as a capital lease, for accounting purposes and thus, has been recorded at the present value of the future minimum lease payments at the inception of the lease in the general long-term debt account group. The total amount due is \$33,283, to be paid in yearly installments of \$8,321 over four (4) years with a buyout at the end of \$1.

The future minimum lease obligations and the net present value of these minimum lease payments are as follows:

During the year ended June 30, 2016	\$ 8,321
2017	8,321
2018	<u>8,321</u>
Total minimum lease payments	24,963
Less amount representing interest	<u>1,858</u>
Present value of minimum lease payments	<u>\$23,105</u>

Interest rate on the capitalized lease is approximately 3.97 percent.

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 10 – RESTRICTED, COMMITTED AND ASSIGNED FUND BALANCES (Fund Financial Statements)

Restricted, committed and assigned fund balances represent amounts that must be used for specific purposes within that fund and cannot be spent otherwise without prior approval of funding source. A more detailed explanation is provided in Note 1. Reservations at year end are for the following:

General Fund:

Assigned for 2015-2016 Budget	<u>\$ 8,879</u>
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Special Revenue Fund:

IDEA-B Preschool	\$ 3
IDEA-B	229
Food Program	78
Life Skills Fund	1,436
VTCLA Foundation	8,685
BEST	1
Criminal Records	1,798
DOL Vocational	298
VEHI Pathpoints	896
District Operations & Maintenance	413
Sunshine Fund	180
Wat-Dux SES Services	4
Reinhart Schools	919
Safety Grant	8,500
Nellie Mae Foundation	537
Professional Development	216
Health Ed – M Urban	482
EPSDT	<u>54,164</u>
Total	<u>\$78,839</u>

Other Governmental Fund:

Technology Reserve	\$ 13
Technology Coordinator	4,760
Transportation	<u>678</u>
Total	<u>\$ 5,451</u>

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 11 – NET RESOURCES RESTRICTED (District-wide Financial Statements)

Restricted net resource balances represent amounts that must be used for specific purposes and cannot be spent otherwise without prior approval of the funding source. Restrictions at year end are for the following:

Net Resources Restricted For Other Purposes:

Assigned for 2015-2016 Budget	\$ 8,879
IDEA-B Preschool	3
IDEA-B	229
Food Program	78
Life Skills Fund	1,436
VTCLA Foundation	8,685
BEST	1
Criminal Records	1,798
DOL Vocational	298
VEHI Pathpoints	896
District Operations & Maintenance	413
Sunshine Fund	180
Wat-Dux SES Services	4
Reinhart Schools	919
Safety Grant	8,500
Nellie Mae Foundation	537
Professional Development	216
Health Ed – M Urban	482
EPSDT	54,164
Technology Reserve	13
Technology Coordinator	4,760
Transportation	<u>678</u>
Total	<u>\$93,169</u>

NOTE 12 – TRANSFERS IN THE FUND BASED FINANCIAL STATEMENTS

The Supervisory Union transfers funds to cover expenditures made in one fund for which the revenues are in another fund, or at the request of the voters. The following transfers were made during the year.

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

**NOTE 12 – TRANSFERS IN THE FUND BASED FINANCIAL STATEMENTS
(CONTINUED)**

Funds were transferred from Special Revenue Funds:

Title I	\$241,426
Title II-A	13,050

To Special Revenue Funds - School Wide for sub-granting \$194,434 and function 1,100 \$54,042, based on the approved Consolidated Federal Grant application.

NOTE 13 – PENSIONS

VERMONT TEACHERS' RETIREMENT SYSTEM

Plan Description. VSTR is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the Vermont State Teachers Retirement System (VSTR) that provides benefits for teaching-certified employees of participating supervisory unions. Title 16 of the Vermont State Statutes grants the authority to establish and amend the benefit terms to the VSTR Board of Trustee. VSTR issues a publicly available financial report that can be obtained at www.vermonttreasurer.gov/retirement/vstr-financial-reports.

Benefits provided. VSTR provides retirement, disability, and death benefits. Retirement benefits vary based on group classification (Group A or Group C), years of service, and age at retirement. Details of benefits are explained in Vermont Statutes Annotated Title 16 Section 1937. Five years of service is required for disability eligibility. Details of disability benefits are explained in Vermont Statutes Annotated Title 16 section 1938. Details of death benefits are explained in Vermont Statutes Annotated Title 16 section 1940.

Public school teachers employed within the State of Vermont prior to July 1, 1981 and elected to remain in Group A are eligible for group A benefits. Public school teachers employed within the State of Vermont on or after July 1, 1990 are automatically a Group C member. All employees hired before July 1, 1990 who were Group B members are now Group C members.

Contributions. Per Vermont Statutes Annotated Title 16 Section 1944, contribution requirements of the active employees and the participating school districts are established and may be amended by the VSTR Board. Title 16 also requires the State to contribute 100 percent of supervisory unions' contractually required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 13 – PENSIONS (CONTINUED)

VERMONT TEACHERS’ RETIREMENT SYSTEM (CONTINUED)

unfunded accrued liability. Employees are required to contribute 5.5% for Group A, 6% for Group C with less than 5 years of employment and 5% for Group C with more than 5 years of employment of their annual pay. The supervisory unions’ contractually required contribution rate for the year ended June 30, 2015 was 12.75 percent of annual supervisory union payroll of which 0 percent of payroll was required from the supervisory unions and 12.75 percent of payroll was required from the State. State contributions to the pension plan were \$47,312 for the year ended June 30, 2015.

Pension Liability, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At June 30, 2014, the State reported a liability of \$628,151 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the date. The State’s proportion of the net pension liability was based on a projection of the State’s long-term share of contributions to the pension plan relative to the total projected contributions of the state and all participating supervisory unions, actuarially determined. At June 30, 2014, the State’s proportion was 100 percent.

As a result of its requirement to contribute to VSTR, the State recognized expense of \$56,083 for the year ended June 30, 2014. At June 30, 2014, the State reported deferred outflows of resources and deferred inflows of resources from the following sources as a result of its requirement to contribute to VSTR.

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	\$0	\$ 0
Changes in assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	0	(57,811)
Change in proportional share	0	(3,100)
State contributions subsequent to the measurement date	<u>0</u>	<u>0</u>
Total	<u>\$0</u>	<u>\$(60,911)</u>

\$(45,712) reported as deferred outflows/inflows of resources related to pensions resulting from State contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources as a result of the State’s requirement to contribute to VSTR will be recognized in expenses as follows:

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 13 – PENSIONS (CONTINUED)

VERMONT TEACHERS’ RETIREMENT SYSTEM (CONTINUED)

Year ended June 30:	
2016	\$(15,582)
2017	(15,582)
2018	(14,548)
2019	0
2020	0
Thereafter	0

Actuarial assumptions. The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	3-3.25 percent
Salary increases	4.25 – 8.4 percent, average, including inflation
Investment rate of return	13.83 percent, net of pension plan investment expense, Including inflation

Mortality rates were based on the 12995 Buck Mortality Tables for Males or Females, as appropriate.

The actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2010. Expectations of life after disability were based on RP 2000 Disabled Life Tables.

The long-term expected rate of return on System investments was determined using best estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) developed for each major asset class using an econometric model that forecasts a variety of economic environments and then calculates asset class returns based on functional relationships between the economic variables and the asset classes. These best estimate ranges were combined to produce forecast of the short, intermediate, and longer term horizons by weighting the expected future nominal rates of return by the target asset allocation percentage. The various time horizons in the forecast are intended to capture more recent economic and capital market conditions as well as other plausible environments that could develop in the future over economic cycles. To reflect this in the rate-of-return assumption, a Select and Ultimate assumption setting approach, which is cited in Section 3.6.4 of Actuarial Standard of Practice No. 27 as an alternative to a single assumed rate of return, is employed.

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 13 – PENSIONS (CONTINUED)

VERMONT TEACHERS’ RETIREMENT SYSTEM (CONTINUED)

The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Fixed Income	33.0%	2.94%
Equity	31.5	6.70
Alternative	15.5	6.26
Multi-Strategy	20.0	5.98

Discount rate. The discount rate used to measure the total pension liability was 8.15 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, contributions from supervisory unions will be made at contractually required rates (actuarially determined, and that contributions from the State will be made at current statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the State’s proportionate share of the net pension liability to changes in the discount rate. The following presents the State’s proportionate share of the net pension liability calculated using the discount rate of 8.15 percent, as well as what the State’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage -point lower (7.15 percentage) or 1-percentage -point higher (9.15 percentage) than the current rate:

	1% Decrease <u>(7.15%)</u>	Discount Rate <u>(8.15%)</u>	1% Increase <u>(9.15%)</u>
State’s proportionate share of The net pension liability	\$776,920	\$591,573	\$435,987

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 13 – PENSIONS (CONTINUED)

VERMONT TEACHERS’ RETIREMENT SYSTEM (CONTINUED)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued VSTR financial report.

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (Cost sharing pension plan)

Employees of the District are provided with pensions through the Vermont Municipal Employees’ Retirement System (VMERS) – a cost-sharing multiple-employer defined benefit pension plan administered by a board of five trustees, known as the Retirement Board. Vermont Statutes Annotated title 24 Section 5062 grants the responsibility for the proper operation and effective provision of the Retirement System to the Retirement Board. VMERS issues a publicly available financial report that can be obtained at [www.vermonttreasurer.gov/retirement/muni - financial-reports](http://www.vermonttreasurer.gov/retirement/muni-financial-reports).

Benefits provided. VMERS provides retirement, disability and death benefits. Details of benefits can be obtained at [www.vermonttreasurer.gov/retirement/muni -group-plans](http://www.vermonttreasurer.gov/retirement/muni-group-plans) and [www.vermonttreasurer.gov/retirement/muni -group-comparisons](http://www.vermonttreasurer.gov/retirement/muni-group-comparisons).

Contributions. Per Title 24 Chapter 125 of the Vermont Statutes, contribution requirements of the active employees and the participating Supervisory Union are established and may be amended by the Retirement Board. Employees and the Supervisory Union contributions vary based on group classification (Group A, B, C, or D)

	Group A	Group B	Group C	Group D
Employees' Contributions (% of gross wages)	2.5%	4.75%	9.75%	11.25%
The Supervisory Union's contributions (% of gross wages)	4.0%	5.375%	7.0%	9.75%

Further information on contributions can be obtained at [www.vermonttreasurer.gov/retirement/muni -group-comparisons](http://www.vermonttreasurer.gov/retirement/muni-group-comparisons).

The Supervisory Union contractually required contribution rate for the year ended June 30, 2015, was the percentage of annual payroll from the above table, which is actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 13 – PENSIONS (CONTINUED)

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (Cost sharing pension plan) (CONTINUED)

finance any unfunded accrued liability. Contributions to the pension plan from the Supervisory Union were \$19,958 for the year ended June 30, 2015.

Pension Liability, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions.

At June 30, 2015, the Supervisory Union reported a liability of \$49,745 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Supervisory Union's proportion of the net pension liability was based on a projection of the Supervisory Union's long-term share of contributions to the pension plan relative to the projected contributions of all participating Supervisory Unions, actuarially determined. At June 30, 2014, the Supervisory Union's proportion was 0.1421 percent, which was an increase of 0.0055 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Supervisory Union recognized pension expense of \$19,953. At June 30, 2015, the Supervisory Union reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	\$ 0	\$ 0
Changes in assumptions	0	0
Net difference between projected and actual		
Earnings on pension plan investments	0	(39,993)
Changes in proportion and differences between		
Supervisory Union contributions and		
Proportionate share of contributions	1,596	0
Supervisory Union contributions subsequent		
To the measurement date	<u>0</u>	<u>0</u>
Total	<u>\$1,596</u>	<u>\$(39,993)</u>

\$(27,642) reported as deferred outflows of resources related to pensions resulting from Supervisory Union contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expenses as follows:

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 13 – PENSIONS (CONTINUED)

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (Cost sharing pension plan) (CONTINUED)

Year ended June 30:	
2016	\$(9,214)
2017	(9,214)
2018	(9,214)
2019	0
2020	0
Thereafter	0

Actuarial assumptions. The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	3-3.25 percent
Salary increases	5 percent, average, including inflation
Investment rate of return	6.25 percent, net of pension plan investment expense, Including inflation

Mortality rates were based on the 12995 Buck Mortality Tables for Males or Females, as appropriate.

The actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2010. Expectations of life after disability were based on RP 2000 Disabled Life Tables.

The long-term expected rate of return on System investments was determined using best estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) developed for each major asset class using an econometric model that forecasts a variety of economic environments and then calculates asset class returns based on functional relationships between the economic variables and the asset classes. These best estimate ranges were combined to produce forecast of the short, intermediate, and longer term horizons by weighting the expected future nominal rates of return by the target asset allocation percentage. The various time horizons in the forecast are intended to capture more recent economic and capital market conditions as well as other plausible environments that could develop in the future over economic cycles. To reflect this in the rate-of-return assumption, a Select and Ultimate assumption setting approach, which is cited in Section 3.6.4 of Actuarial Standard of Practice No. 27 as an alternative to a single assumed rate of return, is employed.

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 13 – PENSIONS (CONTINUED)

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (Cost sharing pension plan) (CONTINUED)

The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Fixed Income	33.0%	2.94%
Equity	31.5	6.70
Alternative	15.5	6.26
Multi-Strategy	20.0	5.98

Discount rate. The discount rate used to measure the total pension liability was 8.23 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from Supervisory Unions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Supervisory Union's proportionate share of the net pension liability to changes in the discount rate. The following presents the Supervisory Union's proportionate share of the net pension liability calculated using the discount rate of 8.23 percent, as well as what the Supervisory Union's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.23 percentage) or 1-percentage-point higher (9.23 percentage) than the current rate:

	1% Decrease <u>(7.23%)</u>	Discount Rate <u>(8.23%)</u>	1% Increase <u>(9.23%)</u>
Supervisory Union's proportionate share of The net pension liability	\$109,263	\$12,970	\$(67,817)

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 13 – PENSIONS (CONTINUED)

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (Cost sharing pension plan) (CONTINUED)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued VMERS financial report.

NOTE 14 - RISK MANAGEMENT

The Supervisory Union is exposed to various risks of loss related to limited torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, students and guests; as well as natural disasters. Supervisory Union uses risk sharing pools and carries commercial insurance to cover these risks. There have been no significant reductions in coverage from the prior year. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Supervisory Union.

In addition, Washington West Supervisory Union as a member of Vermont School Boards Association (Association), participates in that entity's public entity risk pools. The Association has set up two insurance trusts; Vermont School Board Insurance Trust, Inc. (VSBIT) for Workers Compensation, Multi-Line Intermunicipal School Program, and Unemployment Compensation Program, and the Vermont Education Health Initiative (VEHI) for Medical Benefits. VSBIT and VEHI are nonprofit corporations formed to provide insurance and risk management programs for Vermont school districts and are owned by the participating districts. The Trusts are not licensed insurance carriers and members are not protected by the Vermont Insurance Guaranty Association.

To provide insurance coverage, VEHI has established a self-funded fully insured program in conjunction with Blue Cross and Blue Shield (BCBS). A portion of member contributions is used to purchase reinsurance and to fund a reserve required by the reinsurance. Contributions in excess of claims requirements, reserve fund requirements, reinsurance and administrative costs are returned to participants. The pooling agreement does not permit the pool to make additional assessments to its members.

To provide unemployment coverage, VSBIT has established a separate trust of funds from member contributions to pay administrative costs, unemployment claims, and to provide excess reinsurance protection. Contributions are based on payroll expense and the previous two year unemployment compensation experience. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and VSBIT is unable to

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 14 - RISK MANAGEMENT (CONTINUED)

meet its required obligations, the Program will be terminated with each members assessed their proportionate share of the deficit.

To provide worker's compensation coverage, VSBIT has established a separate trust of funds from member contributions to pay administrative costs and workers compensation coverage. Contributions are based upon formulas applied to payroll expense. At the end of the coverage period, the members will be assessed or refunded any difference between estimated contributions and actual expenses.

Multi-Line Intermunicipal School Program provides coverage for Property; Inland Marine and Boiler & Machinery; Crime; Commercial General Liability; Automobile/Garagekeepers; and Educators legal Liability. Annual contributions are based upon appropriate rates applicable to each Member; such rates are set based on recommendations of a qualified actuary, plus a proportionate share of all operational and administrative cost including excess reinsurance premiums incurred by the trust. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and VSBIT is unable to meet its required obligations, the Program will be terminated with each members assessed their proportionate share of the deficit.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of asset and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 15 - OPERATING LEASES

On April 19, 2013, Washington West Supervisory Union entered into a lease agreement with US Bank for the lease of a copier. The total amount due is \$11,812, to be paid in monthly installments of \$328 over three (3) years. The following is a schedule of future minimum lease payments under this lease.

During the year ended June 30, 2016	\$3,281
Thereafter	<u>0</u>
Total	<u>\$3,218</u>

Total lease payments made this year were \$3,937.

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 15 - OPERATING LEASES (CONTINUED)

On May 31, 2015, Washington West Supervisory Union entered into a lease agreement with M 5 Leasing Company, LLC for the lease of office space. The total amount due is \$107,064, to be paid in monthly installments of \$2,974 over three (3) years. The following is a schedule of future minimum lease payments under this lease.

During the year ended June 30, 2016	\$ 35,688
2017	35,688
2018	<u>35,688</u>
Total	<u>\$107,064</u>

Total lease payments made this year on prior lease were \$36,958.

NOTE 16 - COMMITMENTS

On May 13, 2015, the Supervisory Union entered into an agreement with First Student, Inc. for contracted bus transportation services through June 30, 2018. The contract has a fee schedule for the various trips and contingencies. The minimum annual cost to the Supervisory Union:

For the year ending June 30, 2016	\$1,041,485
2017	1,072,730
2018	1,104,911

The Supervisory Union participates in various state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Supervisory Union has not complied with the rules and regulations governing the grants, refunds of any money recovered may be required and the collectibility of any related receivable at June 30, 2015 may be impaired. It is the opinion of the Supervisory Union, that there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

The Supervisory Union is responsible for the withholding and paying over of certain payroll taxes and related items. At June 30, 2015, Supervisory Union showed a liability for any taxes due and unpaid. These taxes are subject to audit by the State and federal government. It is the opinion of the Supervisory Union, that there are no significant contingent liabilities relating to compliance with the rules and regulations governing these or other taxes.

Washington West Supervisory Union
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 17 - RELATED PARTY

Washington West Supervisory Union provides services to the following school and school districts:

Waitsfield School District	Fayston School District
Duxbury School District	Waterbury School District
Moretown School District	Waterbury-Duxbury School District
Warren School District	Harwood Union High School

Each District has an ongoing financial responsibility to the Supervisory Union as defined in GASB No. 14 paragraph 71. Supervisory Union also provides the busing for the School Districts, the cost of which is billed by the busing company directly to the School District based on agreement with the Supervisory Union. Supervisory Union collects the food program reimbursement from the State and passes it through the School Districts.

Washington West Supervisory Union
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
General Fund
For The Year Ended June 30, 2015

Schedule 1

	Object	Original & Final Budget	Actual	Variance
REVENUES:				
Assessments:				
Central Office		\$ 692,959	\$ 692,973	\$ 14
Fiscal Services		294,808	294,799	(9)
Business Office		131,135	131,135	-
System Administrator		91,520	91,516	(4)
Investment Income		-	219	219
E-Rate Reimbursement		-	965	965
Other Revenue		<u>10,000</u>	<u>9,995</u>	<u>(5)</u>
TOTAL REVENUES		<u>1,220,422</u>	<u>1,221,602</u>	<u>1,180</u>
EXPENDITURES:				
System Administrator 2230:				
Salaries	110	71,718	71,718	-
Personal Day Salaries	125	-	245	(245)
Health Insurance	210	14,184	7,193	6,991
Social Security	220	5,487	5,367	120
Life Insurance	230	348	263	85
Retirement	240	2,868	3,688	(820)
Workers Compensation	250	616	476	140
Unemployment Compensation	260	246	49	197
Professional Development	270	-	2,808	(2,808)
Dental Benefits	280	871	843	28
Subtotal		<u>96,338</u>	<u>92,650</u>	<u>3,688</u>
Central Office 2321:				
Superintendent Salaries	110	123,165	123,165	-
Stipends	110	3,000	4,000	(1,000)
Administrative Assistant Salaries	111	52,537	52,537	-
Curriculum Support Salaries	112	93,360	93,360	-
Administrative Support Salaries	113	46,823	39,030	7,793
Temporary Salaries	120	-	219	(219)
Personal Day Salaries	125	900	790	110
Health Insurance	210	39,595	41,012	(1,417)
Section 125	211	350	925	(575)
Social Security	220	24,165	23,116	1,049
Life Insurance	230	1,677	2,456	(779)
Retirement	240	3,975	3,813	162

The accompanying notes are an integral part of these financial statements

Washington West Supervisory Union
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
General Fund
For The Year Ended June 30, 2015

Schedule 1

	Object	Original & Final Budget	Actual	Variance
Workers Compensation	250	\$ 2,717	\$ 2,359	\$ 358
Unemployment Compensation	260	986	647	339
Professional Development	270	6,846	4,968	1,878
Dental Benefits	280	3,511	3,358	153
Professional Services	320	25,966	21,386	4,580
Contracted Services	330	6,150	6,890	(740)
Legal Fees	360	3,000	370	2,630
Custodial Services	420	3,900	4,720	(820)
Equipment Repair	430	100	315	(215)
Copier Maintenance	431	4,200	4,614	(414)
Computer/Server Maintenance	432	6,840	7,037	(197)
Server/Computer Backup	433	2,100	2,067	33
Printer Servicing	434	150	-	150
Office Lease	441	34,351	36,958	(2,607)
Storage Rental	442	880	880	-
Property Insurance	521	1,700	1,998	(298)
Telephone	530	4,250	5,580	(1,330)
Postage	531	4,250	6,061	(1,811)
Advertising	540	2,800	5,299	(2,499)
Travel	580	5,260	5,139	121
Supplies	610	16,000	14,414	1,586
Software	612	487	911	(424)
Google Vault	613	4,100	4,410	(310)
Microsoft Upgrade	614	500	-	500
Equipment	730	14,453	9,315	5,138
Server Lease	731	-	8,321	(8,321)
Dues and Fees	810	4,800	4,692	108
Miscellaneous	890	1,000	1,480	(480)
Bank Analysis Fee	891	-	1,124	(1,124)
Subtotal		<u>550,844</u>	<u>549,736</u>	<u>1,108</u>
Special Education Administration 2420:				
Administrative Salaries	110	92,740	94,198	(1,458)
Administrative Support Salaries	112	24,219	18,750	5,469
Personal Day Salaries	125	350	210	140
Health Insurance	210	17,739	17,989	(250)
Insurance Compensation	212	350	701	(351)
Social Security	220	8,947	7,817	1,130
Life Insurance	230	691	442	249
Retirement	240	969	480	489

The accompanying notes are an integral part of these financial statements

Washington West Supervisory Union
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
General Fund
For The Year Ended June 30, 2015

Schedule 1

	Object	Original & Final Budget	Actual	Variance
Workers Compensation	250	\$ 1,006	\$ 777	\$ 229
Unemployment Compensation	260	493	69	424
Professional Development	270	1,000	-	1,000
Dental Benefits	280	810	794	16
Advertising	540	15	-	15
Travel	580	1,000	1,747	(747)
Supplies	610	500	573	(73)
Subtotal		<u>150,829</u>	<u>144,547</u>	<u>6,282</u>
Business Manager's Office 2521:				
Business Manager Salaries	110	93,733	93,733	-
Personal Day Salaries	125	280	280	-
Health Insurance	210	16,885	16,885	-
Social Security	220	7,171	6,872	299
Life Insurance	230	518	368	150
Retirement	240	3,749	3,760	(11)
Workers Compensation	250	806	622	184
Unemployment Compensation	260	246	64	182
Professional Development	270	1,923	736	1,187
Dental Benefits	280	1,285	1,243	42
Audit Services	370	6,300	6,300	-
Dues and Fees	810	500	344	156
Subtotal		<u>133,396</u>	<u>131,207</u>	<u>2,189</u>
Fiscal Services 2525:				
Salaries	110	186,674	188,442	(1,768)
Personal Day Salaries	125	850	260	590
Health Insurance	210	46,358	54,808	(8,450)
Social Security	220	14,281	13,068	1,213
Life Insurance	230	1,121	664	457
Retirement	240	8,400	8,140	260
Workers Compensation	250	1,605	1,239	366
Unemployment Compensation	260	986	126	860
Professional Development	270	1,000	-	1,000
Dental Benefits	280	2,518	3,353	(835)
Repairs and Maintenance	430	35,000	33,593	1,407
Travel	580	1,100	302	798
Dues and Fees	810	-	20	(20)
Other Expenses	900	-	25	(25)
Subtotal		<u>299,893</u>	<u>304,040</u>	<u>(4,147)</u>

The accompanying notes are an integral part of these financial statements

Washington West Supervisory Union
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
General Fund
For The Year Ended June 30, 2015

Schedule 1

	Object	Original & Final Budget	Actual	Variance
TOTAL EXPENDITURES		<u>\$ 1,231,300</u>	<u>\$ 1,222,180</u>	<u>\$ 9,120</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		(10,878)	(578)	10,300
OTHER FINANCING SOURCES (USES):				
Transfers In		<u>-</u>	<u>1,200</u>	<u>1,200</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		(10,878)	622	11,500
FUND BALANCES, JULY 1, 2014		<u>-</u>	<u>19,757</u>	<u>19,757</u>
FUND BALANCES, JUNE 30, 2015		<u>\$ (10,878)</u>	<u>\$ 20,379</u>	<u>\$ 31,257</u>

The accompanying notes are an integral part of these financial statements

Washington West Supervisory Union
 Combined Balance Sheet
 Special Revenue Fund Components
 June 30, 2015

Schedule 2

	Federal Funds	Non-Federal Funds	Totals
ASSETS:			
Current Assets:			
Due From Other Funds	\$ 136,760	\$ 91,638	\$ 228,398
Accounts Receivable - State	619,794	38,409	658,203
Accounts Receivable - Other	-	1,963	1,963
Total Current Assets	<u>756,554</u>	<u>132,010</u>	<u>888,564</u>
TOTAL ASSETS	<u>\$ 756,554</u>	<u>\$ 132,010</u>	<u>\$ 888,564</u>
LIABILITIES & FUND BALANCES:			
Liabilities:			
Due To Other Funds	\$ 348,679	\$ 5,634	\$ 354,313
Accounts Payable - State	1,054		1,054
Accounts Payable - Other LEAs	38,987	34,568	73,555
Accounts Payable - Other	366,866	11,418	378,284
Deferred Revenue	176	3,972	4,148
Total Liabilities	<u>755,762</u>	<u>55,592</u>	<u>811,354</u>
Fund Balances:			
Unassigned		(1,629)	(1,629)
Restricted	792	78,047	78,839
Total Fund Balances	<u>792</u>	<u>76,418</u>	<u>77,210</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 756,554</u>	<u>\$ 132,010</u>	<u>\$ 888,564</u>

The accompanying notes are an integral part of these financial statements

Washington West Supervisory Union
 Combined Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Special Revenue Fund Components
 For The Year Ended June 30, 2015

Schedule 3

	Federal Funds	Non-Federal Funds	Totals
REVENUES:			
Assessments		\$ 31,197	\$ 31,197
Tuition		6,550	6,550
Fees		38,671	38,671
Refunds and Reimbursements		71,760	71,760
Local/Private		287,294	287,294
State	\$ 19,277	32,122	51,399
Federal	<u>1,224,481</u>	<u>-</u>	<u>1,224,481</u>
TOTAL REVENUES	<u>1,243,758</u>	<u>467,594</u>	<u>1,711,352</u>
EXPENDITURES:			
Direct Services	284,692	67,048	351,740
Support Services:			
Students	162,023	31,197	193,220
Instructional Staff	31,050	19,320	50,370
General Administration		91,120	91,120
Area Administration	48,815		48,815
Fiscal Services		46,938	46,938
Transportation	30		30
Other Outlays	<u>717,977</u>	<u>220,211</u>	<u>938,188</u>
TOTAL EXPENDITURES	<u>1,244,587</u>	<u>475,834</u>	<u>1,720,421</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(829)	(8,240)	(9,069)
OTHER FINANCING SOURCES (USES):			
Transfers In	248,476	2,055	250,531
Transfers Out	<u>(248,476)</u>	<u>(2,055)</u>	<u>(250,531)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(829)	(8,240)	(9,069)
FUND BALANCES, JULY 1, 2014	<u>1,621</u>	<u>84,658</u>	<u>86,279</u>
FUND BALANCES, JUNE 30, 2015	<u>\$ 792</u>	<u>\$ 76,418</u>	<u>\$ 77,210</u>

The accompanying notes are an integral part of these financial statements

Washington West Supervisory Union
Combining Balance Sheet
Special Revenue Fund Components - Federal Funds
June 30, 2015

Schedule 4

	Title I	Title II-A	Title II-D	School Wide	IDEA-B	IDEA-B Preschool	H1N1 Vaccination Campaign	Health Ed. M. Urban	Food Program	Totals
ASSETS:										
Current Assets:										
Due From Other Funds			\$ 176	\$ 130,769		\$ 5,260	\$ -	\$ 497	\$ 58	\$ 136,760
Accounts Receivable - State	\$ 191,236	\$ 33,062	-	-	\$ 377,009	564	-	-	17,923	619,794
Total Current Assets	<u>191,236</u>	<u>33,062</u>	<u>176</u>	<u>130,769</u>	<u>377,009</u>	<u>5,824</u>	<u>-</u>	<u>497</u>	<u>17,981</u>	<u>756,554</u>
TOTAL ASSETS	\$ 191,236	\$ 33,062	\$ 176	\$ 130,769	\$ 377,009	\$ 5,824	\$ -	\$ 497	\$ 17,981	\$ 756,554
LIABILITIES & FUND BALANCES:										
Liabilities:										
Due To Other Funds	\$ 191,236	\$ 33,062			\$ 124,381					\$ 348,679
Accounts Payable - State						\$ 1,054				1,054
Accounts Payable - Other LEAs					16,317	4,767			\$ 17,903	38,987
Accounts Payable - Other				\$ 130,769	236,082			\$ 15		366,866
Deferred Revenue	-	-	\$ 176	-	-	-	-	-	-	176
Total Liabilities	<u>191,236</u>	<u>33,062</u>	<u>176</u>	<u>130,769</u>	<u>376,780</u>	<u>5,821</u>	<u>\$ -</u>	<u>15</u>	<u>17,903</u>	<u>755,762</u>
Fund Balances:										
Unassigned										-
Restricted	-	-	-	-	229	3	-	482	78	792
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>229</u>	<u>3</u>	<u>-</u>	<u>482</u>	<u>78</u>	<u>792</u>
TOTAL LIABILITIES & FUND BALANCES	\$ 191,236	\$ 33,062	\$ 176	\$ 130,769	\$ 377,009	\$ 5,824	\$ -	\$ 497	\$ 17,981	\$ 756,554

The accompanying notes are an integral part of these financial statements

Washington West Supervisory Union
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Special Revenue Fund Components - Federal Funds
For The Year Ended June 30, 2015

Schedule 5

	Title I	Title II-A	School Wide	IDEA-B	IDEA-B Preschool	H1N1 Vaccination Campaign	Health Ed. M. Urban	Food Program	Totals
REVENUES:									
State								\$ 19,277	\$ 19,277
Federal	\$ 266,236	\$ 113,124	-	\$ 563,103	\$ 5,064	-	\$ 8,678	268,276	1,224,481
TOTAL REVENUES	<u>266,236</u>	<u>113,124</u>	<u>\$ -</u>	<u>563,103</u>	<u>5,064</u>	<u>\$ -</u>	<u>8,678</u>	<u>287,553</u>	<u>1,243,758</u>
EXPENDITURES:									
Direct Services		87,091	60,042	137,559					284,692
Support Services:									
Students				152,614		1,243	8,166		162,023
Instructional Staff	2,000	12,983		16,067					31,050
Area Administration				48,815					48,815
Transportation				30					30
Other Outlays	22,810	-	194,434	208,018	5,064	-	-	287,651	717,977
TOTAL EXPENDITURES	<u>24,810</u>	<u>100,074</u>	<u>254,476</u>	<u>563,103</u>	<u>5,064</u>	<u>1,243</u>	<u>8,166</u>	<u>287,651</u>	<u>1,244,587</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	241,426	13,050	(254,476)	-	-	(1,243)	512	(98)	(829)
OTHER FINANCING SOURCES (USES):									
Transfers In			254,476						254,476
Transfers Out	(241,426)	(13,050)	-	-	-	-	-	-	(254,476)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-	-	-	(1,243)	512	(98)	(829)
FUND BALANCES, JULY 1, 2014	-	-	-	229	3	1,243	(30)	176	1,621
FUND BALANCES, JUNE 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 229</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 482</u>	<u>\$ 78</u>	<u>\$ 792</u>

The accompanying notes are an integral part of these financial statements

Washington West Supervisory Union
 Combining Balance Sheet
 Special Revenue Fund Components - Non-Federal Funds
 June 30, 2015

Schedule 6
 (page 1 of 3)

	VTCLA Foundation	Safety Grant	Tobacco Grant	Life Skills Fund	Act 230/ BEST	Nellie Mae	Subtotal
ASSETS:							
Current Assets:							
Due From Other Funds	\$ 8,685	\$ 8,500	\$ 4,396	\$ 1,436	\$ 8,688	\$ 2,409	\$ 34,114
Accounts Receivable - State					1		1
Accounts Receivable - Other	-	-	-	-	-	-	-
Total Current Assets	<u>8,685</u>	<u>8,500</u>	<u>4,396</u>	<u>1,436</u>	<u>8,689</u>	<u>2,409</u>	<u>34,115</u>
TOTAL ASSETS	<u>\$ 8,685</u>	<u>\$ 8,500</u>	<u>\$ 4,396</u>	<u>\$ 1,436</u>	<u>\$ 8,689</u>	<u>\$ 2,409</u>	<u>\$ 34,115</u>
LIABILITIES & FUND BALANCES:							
Liabilities:							
Due To Other Funds							\$ -
Accounts Payable - Other LEAs							-
Accounts Payable - Other			\$ 4,516		\$ 4,751	\$ 1,872	11,139
Deferred Revenue	-	-	-	-	3,937	-	3,937
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>4,516</u>	<u>\$ -</u>	<u>8,688</u>	<u>1,872</u>	<u>15,076</u>
Fund Balances:							
Unassigned			(120)				(120)
Restricted	8,685	8,500	-	1,436	1	537	19,159
Total Fund Balances	<u>8,685</u>	<u>8,500</u>	<u>(120)</u>	<u>1,436</u>	<u>1</u>	<u>537</u>	<u>19,039</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 8,685</u>	<u>\$ 8,500</u>	<u>\$ 4,396</u>	<u>\$ 1,436</u>	<u>\$ 8,689</u>	<u>\$ 2,409</u>	<u>\$ 34,115</u>

The accompanying notes are an integral part of these financial statements

Washington West Supervisory Union
 Combining Balance Sheet
 Special Revenue Fund Components - Non-Federal Funds
 June 30, 2015

Schedule 6
 (page 2 of 3)

	Proficiency Learning	Criminal Records	DOL Vocational	VEHI Pathpoints	District Operations & Maintenance	Professional Development Fund	Subtotals
ASSETS:							
Current Assets:							
Due From Other Funds	\$ 212	\$ 1,881	\$ 298	\$ 896		\$ 216	\$ 3,503
Accounts Receivable - State							-
Accounts Receivable - Other	-	17	-	-	\$ 413	-	430
Total Current Assets	<u>212</u>	<u>1,898</u>	<u>298</u>	<u>896</u>	<u>413</u>	<u>216</u>	<u>3,933</u>
TOTAL ASSETS	<u>\$ 212</u>	<u>\$ 1,898</u>	<u>\$ 298</u>	<u>\$ 896</u>	<u>\$ 413</u>	<u>\$ 216</u>	<u>\$ 3,933</u>
LIABILITIES & FUND BALANCES:							
Liabilities:							
Due To Other Funds							\$ -
Accounts Payable - Other LEAs							-
Accounts Payable - Other	\$ 177	\$ 99					276
Deferred Revenue	35	-	-	-	-	-	35
Total Liabilities	<u>212</u>	<u>99</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>311</u>
Fund Balances:							
Unassigned							-
Restricted	-	1,799	298	896	413	216	3,622
Total Fund Balances	<u>-</u>	<u>1,799</u>	<u>298</u>	<u>896</u>	<u>413</u>	<u>216</u>	<u>3,622</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 212</u>	<u>\$ 1,898</u>	<u>\$ 298</u>	<u>\$ 896</u>	<u>\$ 413</u>	<u>\$ 216</u>	<u>\$ 3,933</u>

The accompanying notes are an integral part of these financial statements

Washington West Supervisory Union
Combining Balance Sheet
Special Revenue Fund Components - Non-Federal Funds
June 30, 2015

Schedule 6
(page 3 of 3)

	Wat-Dux SES Services	Sunshine	Reinhart to Schools	Teacher Negotiations	Medicaid IEP	Medicaid MAC	Subtotal	Totals
ASSETS:								
Current Assets:								
Due From Other Funds	\$ 4	\$ 180				\$ 53,837	\$ 54,021	\$ 91,638
Accounts Receivable - State					\$ 38,408		38,408	38,409
Accounts Receivable - Other	-	-	\$ 1,095	\$ 109	-	329	1,533	1,963
Total Current Assets	<u>4</u>	<u>180</u>	<u>1,095</u>	<u>109</u>	<u>38,408</u>	<u>54,166</u>	<u>93,962</u>	<u>132,010</u>
TOTAL ASSETS	<u>\$ 4</u>	<u>\$ 180</u>	<u>\$ 1,095</u>	<u>\$ 109</u>	<u>\$ 38,408</u>	<u>\$ 54,166</u>	<u>\$ 93,962</u>	<u>\$ 132,010</u>
LIABILITIES & FUND BALANCES:								
Liabilities:								
Due To Other Funds			\$ 176	\$ 109	\$ 5,349		\$ 5,634	\$ 5,634
Accounts Payable - Other LEAs					34,568		34,568	34,568
Accounts Payable - Other						\$ 3	3	11,418
Deferred Revenue	-	-	-	-	-	-	-	3,972
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>176</u>	<u>109</u>	<u>39,917</u>	<u>3</u>	<u>40,205</u>	<u>55,592</u>
Fund Balances:								
Unassigned					(1,509)		(1,509)	(1,629)
Restricted	4	180	919	-	-	54,163	55,266	78,047
Total Fund Balances	<u>4</u>	<u>180</u>	<u>919</u>	<u>-</u>	<u>(1,509)</u>	<u>54,163</u>	<u>53,757</u>	<u>76,418</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 4</u>	<u>\$ 180</u>	<u>\$ 1,095</u>	<u>\$ 109</u>	<u>\$ 38,408</u>	<u>\$ 54,166</u>	<u>\$ 93,962</u>	<u>\$ 132,010</u>

The accompanying notes are an integral part of these financial statements

Washington West Supervisory Union
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Special Revenue Fund Components - Non-Federal Funds
For The Year Ended June 30, 2015

Schedule 7
(page 1 of 3)

	VTCLA Foundation	Local Standards Board	Safety Grant	Tobacco Grant	Life Skills Fund	District Wireless Refresh	Maternal & Child Health	Act 230/ BEST	Subtotal
REVENUES:									
Assessments						\$ 31,197			\$ 31,197
Tuition									-
Fees	\$ 13,003								13,003
Refunds and Reimbursements									-
Local/Private		\$ 1,500	\$ 8,500	\$ 11,568					21,568
State	-	-	-	-	-	-	\$ 349	\$ 6,563	6,912
TOTAL REVENUES	13,003	1,500	8,500	11,568	\$ -	31,197	349	6,563	72,680
EXPENDITURES:									
Direct Services									-
Support Services:									
Students						31,197			31,197
Instructional Staff	11,257	1,500						6,563	19,320
General Administration							203		203
Fiscal Services									-
Other Outlays	-	-	-	11,568	-	-	-	-	11,568
TOTAL EXPENDITURES	11,257	1,500	-	11,568	-	31,197	203	6,563	62,288
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,746	-	8,500	-	-	-	146	-	10,392
OTHER FINANCING SOURCES (USES):									
Transfers In									-
Transfers Out	-	-	-	-	-	-	-	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,746	-	8,500	-	-	-	146	-	10,392
FUND BALANCES, JULY 1, 2014	6,939	-	-	(120)	1,436	-	(146)	1	8,110
FUND BALANCES, JUNE 30, 2015	\$ 8,685	\$ -	\$ 8,500	\$ (120)	\$ 1,436	\$ -	\$ -	\$ 1	\$ 18,502

The accompanying notes are an integral part of these financial statements

Washington West Supervisory Union
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Special Revenue Fund Components - Non-Federal Funds
For The Year Ended June 30, 2015

Schedule 7
(page 2 of 3)

	Nellie Mae	Wellness	Proficiency Learning	High School Transformation	Criminal Records	DOL Vocational	VEHI Pathpoints	District Operations & Maintenance	Subtotals
REVENUES:									
Assessments									\$ -
Tuition									-
Fees								\$ 123	123
Refunds and Reimbursements								71,760	71,760
Local/Private	\$ 5,000				\$ 2,097		\$ 4,800		11,897
State	-	\$ 345	\$ 22,365	\$ 2,500	-	-	-	-	25,210
TOTAL REVENUES	5,000	345	22,365	2,500	2,097	\$ -	4,800	71,883	108,990
EXPENDITURES:									
Direct Services	4,463	345	22,365	2,500	2,342				32,015
Support Services:									
Students									-
Instructional Staff									-
General Administration								71,670	71,670
Fiscal Services							5,530		5,530
Other Outlays	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	4,463	345	22,365	2,500	2,342	-	5,530	71,670	109,215
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	537	-	-	-	(245)	-	(730)	213	(225)
OTHER FINANCING SOURCES (USES):									
Transfers In									-
Transfers Out	-	-	-	-	-	-	-	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	537	-	-	-	(245)	-	(730)	213	(225)
FUND BALANCES, JULY 1, 2014	-	-	-	-	2,044	298	1,626	200	4,168
FUND BALANCES, JUNE 30, 2015	\$ 537	\$ -	\$ -	\$ -	\$ 1,799	\$ 298	\$ 896	\$ 413	\$ 3,943

The accompanying notes are an integral part of these financial statements

Washington West Supervisory Union
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Special Revenue Fund Components - Non-Federal Funds
For The Year Ended June 30, 2015

Schedule 7
(page 3 of 3)

	Professional Development Fund	Wat-Dux SES Services	Sunshine	Reinhart to Schools	Medicaid IEP	Medicaid MAC	Subtotal	Totals
REVENUES:								
Assessments							\$ -	\$ 31,197
Tuition	\$ 6,550						6,550	6,550
Fees	25,545						25,545	38,671
Refunds and Reimbursements							-	71,760
Local/Private				\$ 8,474	\$ 223,300	\$ 22,055	253,829	287,294
State	-	-	-	-	-	-	-	32,122
	32,095	\$ -	\$ -	8,474	223,300	22,055	285,924	467,594
TOTAL REVENUES								
EXPENDITURES:								
Direct Services	29,109	5,924					35,033	67,048
Support Services:								
Students							-	31,197
Instructional Staff							-	19,320
General Administration						19,247	19,247	91,120
Fiscal Services					41,408		41,408	46,938
Other Outlays	-	-	-	7,673	200,970	-	208,643	220,211
	29,109	5,924	-	7,673	242,378	19,247	304,331	475,834
TOTAL EXPENDITURES								
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,986	(5,924)	-	801	(19,078)	2,808	(18,407)	(8,240)
OTHER FINANCING SOURCES (USES):								
Transfers In		2,055					2,055	2,055
Transfers Out	(2,055)	-	-	-	-	-	(2,055)	(2,055)
	931	(3,869)	-	801	(19,078)	2,808	(18,407)	(8,240)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES								
FUND BALANCES, JULY 1, 2014	(715)	3,873	180	118	17,569	51,355	72,380	84,658
FUND BALANCES, JUNE 30, 2015	\$ 216	\$ 4	\$ 180	\$ 919	\$ (1,509)	\$ 54,163	\$ 53,973	\$ 76,418

The accompanying notes are an integral part of these financial statements

Washington West Supervisory Union
 Combined Balance Sheet
 Other Governmental Fund Components
 June 30, 2015

Schedule 8

	Computer/ Technology Reserve	Transportation	Technology Coordinator	Totals
ASSETS:				
Current Assets:				
Due From Other Funds	\$ 13	\$ 678	\$ 4,760	\$ 5,451
Total Current Assets	<u>13</u>	<u>678</u>	<u>4,760</u>	<u>5,451</u>
TOTAL ASSETS	<u>\$ 13</u>	<u>\$ 678</u>	<u>\$ 4,760</u>	<u>\$ 5,451</u>
LIABILITIES & FUND BALANCES:				
Liabilities:				
None	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Committed	<u>13</u>	<u>678</u>	<u>4,760</u>	<u>5,451</u>
Total Fund Balances	<u>13</u>	<u>678</u>	<u>4,760</u>	<u>5,451</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 13</u>	<u>\$ 678</u>	<u>\$ 4,760</u>	<u>\$ 5,451</u>

The accompanying notes are an integral part of these financial statements

Washington West Supervisory Union
 Combined Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Other Governmental Fund Components
 For The Year Ended June 30, 2015

Schedule 9

	Computer/ Technology Reserve	Transportation	Technology Coordinator	Totals
REVENUES:				
Assessments	<u> -</u>	<u>\$ 1,173,814</u>	<u>\$ 55,864</u>	<u>\$ 1,229,678</u>
TOTAL REVENUES	<u>\$ -</u>	<u>1,173,814</u>	<u>55,864</u>	<u>1,229,678</u>
EXPENDITURES:				
Support Services:				
Instructional Staff			51,104	51,104
Transportation	<u> -</u>	<u>1,173,814</u>	<u> -</u>	<u>1,173,814</u>
TOTAL EXPENDITURES	<u> -</u>	<u>1,173,814</u>	<u>51,104</u>	<u>1,224,918</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	4,760	4,760
FUND BALANCES, JULY 1, 2014	<u> 13</u>	<u> 678</u>	<u> -</u>	<u> 691</u>
FUND BALANCES, JUNE 30, 2015	<u>\$ 13</u>	<u>\$ 678</u>	<u>\$ 4,760</u>	<u>\$ 5,451</u>

The accompanying notes are an integral part of these financial statements



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**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**

To the School Board
Washington West Supervisory Union, 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, each major fund, and the aggregate remaining fund information of Washington West Supervisory Union, Vermont, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Washington West Supervisory Union, Vermont's basic financial statements and have issued our report thereon dated March 25, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Washington West Supervisory Union, Vermont'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 Washington West Supervisory Union, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of Washington West Supervisory Union, Vermont'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 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. Given these limitations during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Washington West Supervisory Union, Vermont'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 of other matters that are required to be reported under *Government Auditing Standards*.

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 communication is not suitable for any other purpose.

Angolano & Company

Angolano & Company
Shelburne, Vermont
Firm Registration Number 92-0000141

March 25, 2016



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

To the School Board
Washington West Supervisory Union, Vermont

Report on Compliance for Each Major Federal Program

We have audited Washington West Supervisory Union, Vermont's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Washington West Supervisory Union, Vermont's major federal programs for the year ended June 30, 2015. Washington West Supervisory Union, Vermont's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Washington West Supervisory Union, Vermont complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Washington West Supervisory Union, Vermont, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Washington West Supervisory Union, Vermont's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Washington West Supervisory Union, Vermont's internal control over compliance.

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

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

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

Angolano & Company

Angolano & Company
Shelburne, Vermont
Firm Registration Number 92-0000141

March 25, 2016

Washington West Supervisory Union
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2015

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

- | | |
|--|---------------------|
| 1. Type of auditors’ report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| • Material weakness(es) identified? | Yes ___ No <u>X</u> |
| • Significant deficiency(ies) identified not considered to be material weakness(es)? | Yes ___ No <u>X</u> |
| 3. Noncompliance material to financial statements noted? | Yes ___ No <u>X</u> |

Federal Awards

- | | |
|--|---------------------|
| Internal control over major programs: | |
| • Material weakness(es) identified? | Yes ___ No <u>X</u> |
| • Significant deficiency(ies) identified not considered to be material weakness(es)? | Yes ___ No <u>X</u> |
| Type of auditors’ report issued | Unmodified |
| Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133? | Yes ___ No <u>X</u> |

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program of Cluster</u>
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Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee	Yes ___ No <u>X</u>

Washington West Supervisory Union
Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2015

SECTION II – FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH OMB CIRCULAR A-133 SECTION __.510a

None

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2014-1: The corrective action plan regarding Cash Management has been implemented and appears to be functioning appropriately.

Washington West Supervisory Union
Schedule of Expenditures of Federal Awards
For The Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Agency Pass Through Number	Federal Expenditures
U.S. Department of Agriculture:			
Passed Through the State of Vermont			
School Lunch Program	10.555	4450S0421 501	\$ 212,138
School Breakfast Program	10.553	4452S04215 01	<u>56,138</u>
Subtotal			<u>268,276</u>
U.S. Department of Education:			
Passed Through the State of Vermont			
IDEA-B Cluster:			
IDEA-B Flow Through	84.027	4226S0421 501	563,103
IDEA-B Preschool	84.173	4228S04215 01	<u>5,064</u>
Total IDEA-B Cluster			<u>568,167</u>
Title I	84.010	4250S04215 01	266,236
Title II-A	84.367 A	4651S0421 501	<u>113,124</u>
Subtotal			<u>947,527</u>
Center for Disease Control and Prevention:			
Passed Through the State of Vermont			
Health Education	93.079	4249S04215 01	<u>8,678</u>
Totals			<u>\$1,224,481</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Washington West Supervisory Union
Footnotes to the Schedule of Expenditures of Federal Awards
For The Year Ended June 30, 2015

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Washington West Supervisory Union and is presented on the modified accrual basis, which recognizes revenue when it becomes measurable and available as net current assets and expenditures when the related liability is incurred. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – SUBRECIPIENTS

The Washington West Supervisory Union provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided</u>
School Lunch Program	10.555	\$212,138
School Breakfast Program	10.553	56,138
Title I	84.010	22,810
IDEA-B	84.027	208,018
IDEA-B Preschool	84.173	5,064



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August 21, 2015

To the School Board
Washington West Supervisory Union

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Washington West Supervisory Union** for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, Government Auditing Standards and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 19, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Washington West Supervisory Union are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during June 30, 2015. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the lives of property, plant, and equipment is based on expected usefulness. We evaluated the key factors and assumptions used to develop

the lives of property, plant, and equipment in determining that it is reasonable in relation to the financial statements taken as a whole.

Management estimates the final receivable or payable with the State of Vermont Department of Education for special education expense reimbursement.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of Fund Balances and Net Resources in Notes 10 and 11 to the financial statements as to how any surplus is to be used in future fiscal years.

The disclosure of Other Post-Employment Benefits (OPEB) and Termination Benefits in Note 7 to the financial statements as to how it is being offered and any contingent and real liabilities that exist.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of School Board and management of Washington West Supervisory Union and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Angolano & Company

Angolano & Company,
Shelburne, Vermont
Firm Registration Number 92-0000141