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March 5, 2016

Waitsfield School District
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 Waitsfield School District as of and for the year ended June 30, 2015. In addition I will be mailing you 8 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

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For The Year Ended June 30, 2015

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INDEPENDENT AUDITOR'S REPORT

To the School Board
Waitsfield School District, Vermont

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of Waitsfield School District, Vermont, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District'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 and the aggregate remaining fund information of the Waitsfield School District, Vermont, as of June 30, 2015, and the respective changes in financial position, 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 Waitsfield School District, 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 combining and individual nonmajor fund financial statements 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 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 3, 2016, on our consideration of the Waitsfield School District, 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 Waitsfield School District, Vermont's internal control over financial reporting and compliance.

Angolano & Company

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

March 3, 2016

WAITSFIELD SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

Introduction

The discussion and analysis of The Waitsfield School District's ("the District") financial performance provides a narrative introduction and overview of the school District's financial activities for the fiscal year ending June 30, 2015 (FY 15). The District is organized under the guidance of the Board of School Directors to provide public education for Waitsfield students Prekindergarten through Grade 6.

Financial Highlights

- District-wide assets totaled \$612,564 and government-wide liabilities totaled \$80,296.
- Long-term debt (more than one year) totaled \$0 at year end.
- The District's general fund actual revenues were \$2,356,907 while the budgeted revenues were \$2,387,257 a decrease of \$30,350 or 1.3%. Special Education Reimbursement was \$18,356 lower than budget.
- The District's general fund actual expenditures were \$2,333,473 while the budgeted expenditures were \$2,359,304 a savings of \$25,831 or 1.1%.
- Special Revenue Funds totaling \$17,936 are held in the District's accounts for various Federal, State and Private Grants.
- Capital Projects Funds represent amounts from prior years which have been set aside for Maintenance Reserve. The fund balances at June 30, 2011 was \$3,963.
- Agency Funds totaling \$2,105 are held in the District's accounts for various student activities and projects.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Waitsfield School District's basic financial statements. The District'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.

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

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

The Statement of Activities presents information showing how the District 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 district-wide financial statements distinguish functions of the District 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 District include programs and services such as instruction, support services, and building operation and maintenance.

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 District, 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 District 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 district-wide financial statements. However, unlike district-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 district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-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 combined 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 District maintains four (4) 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, Capital Projects and Debt Service. The basic governmental funds financial statements can be found on pages 7-12.

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 13-38.

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 and Combining Balance Sheets and Statements of Revenues, Expenditures and Changes in Fund Balances for the various Special Revenue Funds, and a Report on Compliance and Internal Control.

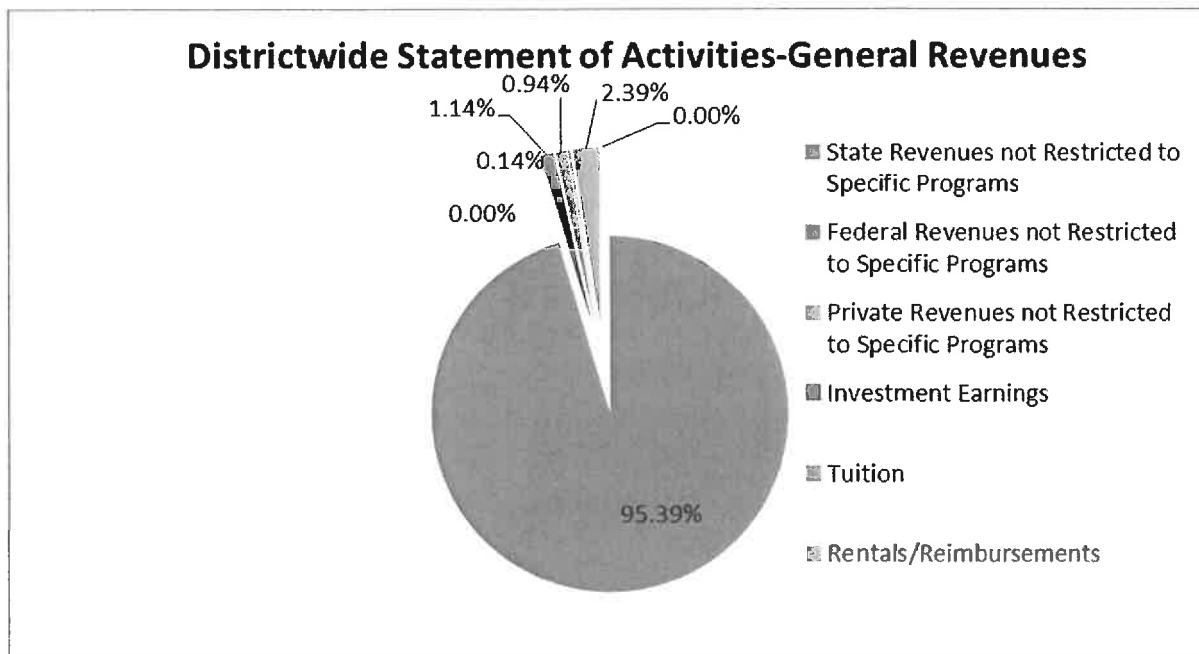
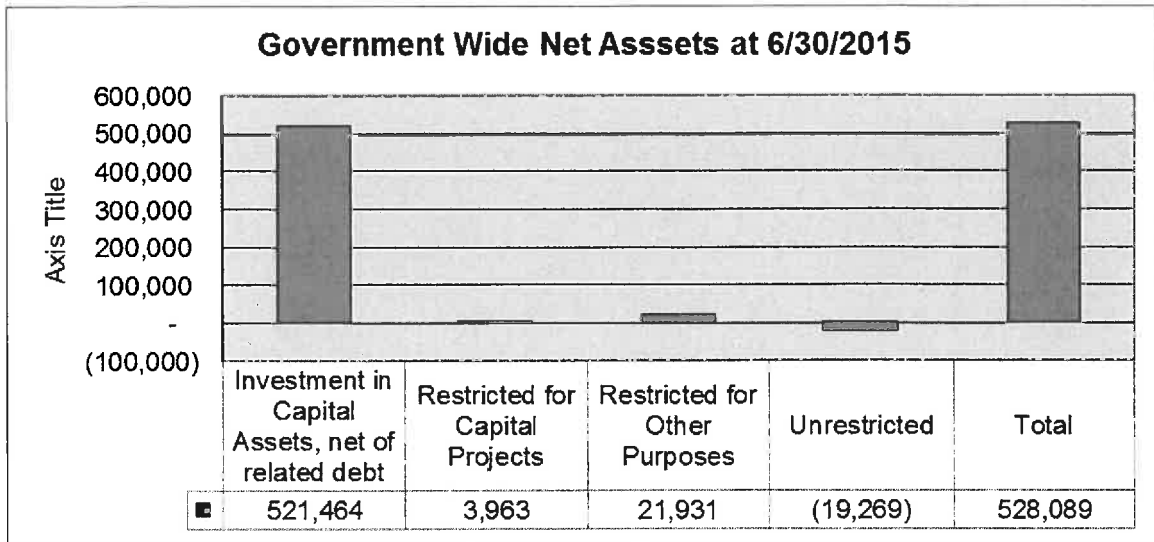
Government-Wide Financial Analysis

Our analysis of the District's major funds begins on Table 1. The fund financial statements provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, the District'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.

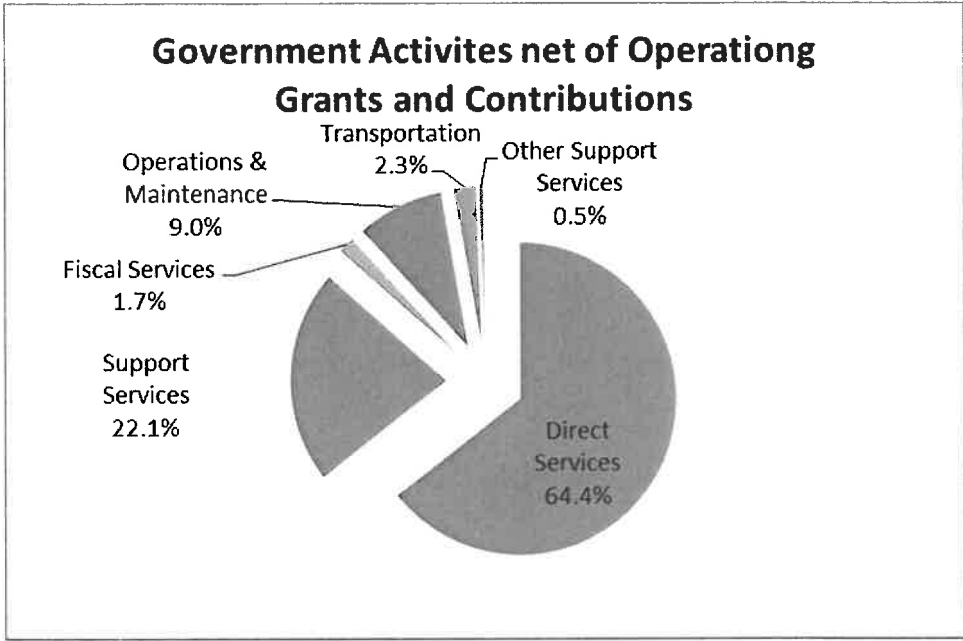
Amounts reported for governmental activities in this statement of net position differ from the summary of financial operations because: capital (non-current) assets used in governmental activities are not financial resources and therefore, are deferred in the funds; non-current liabilities – consisting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

Waitsfield School District
Reconciliation of the Balance Sheet to the Statement of Net Position
June 30, 2015

	Combined Balance Sheet <u>Fund Based</u>	Governmental Activities <u>Districtwide</u>	<u>Difference</u>
ASSETS			
<u>Current Assets:</u>			
Cash	48,483	48,483	-
Accounts Receivable:			
Supervisory Union	32,900	32,900	-
Other	1,075	1,075	-
Prepaid Expenses	-	-	-
Total Current Assets	<u>82,458</u>	<u>82,458</u>	<u>-</u>
<u>Non-current Assets:</u>			
<u>Capital Assets:</u>			
Building & Equipment, net of Accum. Depr.	-	530,106	(530,106)
Total Non-current Assets	<u>-</u>	<u>530,106</u>	<u>(530,106)</u>
TOTAL ASSETS	<u>82,458</u>	<u>612,564</u>	<u>(530,106)</u>
DEFERRED OUTFLOWS OF RESOURCES			
Vermont Municipal Pension - Payments after measurement date		11,378	(11,378)
TOTAL DEFERRED OUTFLOWS OF RESOURCES		<u>11,378</u>	<u>(11,378)</u>
LIABILITIES			
<u>Current Liabilities:</u>			
Accounts Payable - State	30,424	30,424	
Accounts Payable - Supervisory Union	20	20	
Accounts Payable - Other LEA's	5,912	5,912	-
Accounts Payable - Other	23,314	23,314	-
Accrued Expenses	7,829	7,829	-
Net Pension Liability		4,155	(4,155)
Capital Leases Payable	-	8,642	(8,642)
Total Liabilities	<u>67,499</u>	<u>80,296</u>	<u>(12,797)</u>
DEFERRED INFLOWS OF RESOURCES			
Vermont Municipal Pension - Change in proportional share		15,577	(15,577)
TOTAL DEFERRED INFLOWS OF RESOURCES		<u>15,577</u>	<u>(15,577)</u>
<u>Non-current Liabilities:</u>			
FUND EQUITY			
Investment in Capital Assets, net of related Debt	-	521,464	(521,464)
Restricted for Capital Projects	-	-	-
Restricted for Other Purposes	21,931	21,931	-
Committed	3,963	3,963	-
Unrestricted	(10,935)	(19,269)	8,334
TOTAL FUND EQUITIES/NET POSITION	<u>14,959</u>	<u>528,089</u>	<u>(513,130)</u>



<u>Districtwide General Revenues</u>	<u>6/30/2015</u>
State Revenues not Restricted to Specific Programs	\$ 2,236,700
Federal Revenues not Restricted to Specific Programs	\$ 26,717
Private Revenues not Restricted to Specific Programs	\$ 22,076
Investment Earnings	\$ 3,197
Tuition	\$ -
Rentals/Reimbursements	\$ 56,000
Other	\$ 94
Total	\$ 2,344,784



<u>Government-Wide Expenditures</u>	<u>6/30/2015</u>
Direct Services	\$ 1,498,767
Support Services	\$ 514,629
Fiscal Services	\$ 39,811
Operations & Maintenance	\$ 209,543
Transportation	\$ 52,848
Other Support Services	\$ 10,791
Total	<u>\$ 2,326,389</u>

Governmental Activities:

Governmental Activities revenues totaled \$2,344,784 and expenses totaled \$2,326,389 resulting in a change in net position of \$18,395.

Fund Financial Analysis

	Combined Balance Sheet Fund Based 6/13/2015	Combined Balance Sheet Fund Based 6/30/2014	Governmental Balance Sheet Fund Based 6/30/2013	Governmental Balance Sheet Fund Based 6/30/2012
ASSETS				
<u>Current Assets:</u>				
Cash	48,483	9,135	78,032	156,132
Prepaid Expenses	-	7,035	300	6,659
Accounts Receivable:				
State	-	-	11,015	253
Supervisory Union	32,900	24,973	18,021	20,532
Other LEA's	-	3,447	15	411
Other	1,075	3,983	6,305	9,282
Total Current Assets	82,458	48,573	113,688	193,269
LIABILITIES				
<u>Current Liabilities:</u>				
Cash Overdraft	-	20,511	-	-
Accounts Payable - State	30,424	25,398	-	6,902
Accounts Payable - Supervisory Union	20	17	-	91
Accounts Payable - Other LEA's	5,912	753	686	385
Accounts Payable - Other	23,314	12,768	76,757	41,170
Accrued Expenses	7,829	-	838	4,451
Total Current Liabilities	67,499	59,447	78,281	52,999
FUND EQUITY				
Committed	3,963	-	39,425	79,556
Restricted	21,931	3,099	13,087	45,858
Unassigned	(10,935)	(13,973)	(17,105)	14,856
TOTAL FUND EQUITIES	14,959	(10,874)	35,407	140,270
TOTAL LIABILITIES AND FUND EQUITIES	82,458	48,573	113,688	193,269

Governmental Fund Types:

Fund balances in the Governmental Fund types increased from a deficit, (\$10,874), to a positive \$14,959, an increase of \$25,833. This increase was reflected in the General Fund by an increase of \$1,481 an increase of \$17,803 in the Special Revenue Funds, and an increase in the Capital Projects Fund of \$6,549.

Capital Assets

As required under GASB34 the District is reporting its' capital assets as part of the financial statements. The District has researched and documented the historical costs of the various assets owned by the District and applied appropriate charges against the cost

to record depreciation. Capital assets with a cost of \$5,000 or more are capitalized and depreciated.

Table VI summarizes the state of the District's capital assets.

Waitsfield School District			
Capital Assets			
June 30, 2015			
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Value</u>
Governmental Activities:			
Construction in Progress	-	-	-
Land Improvements	\$ 51,633	\$ 51,633	-
Buildings	\$ 187,654	\$ 187,654	-
Building Improvements	\$ 896,308	\$ 395,511	500,797
Infrastructure	\$ 11,251	\$ 1,350	9,901
Furniture and Equipment	104,150	84,742	19,408
Total	\$ 1,250,996	\$ 720,890	\$ 530,106

Long-Term Debt

The district has no long term debt at June 30, 2015.

Current Issues

- Waitsfield Elementary School has developed a Capital Improvement Plan to identify long term and short-term capital needs.
- Waitsfield is experiencing a significant decline in student enrollment.
- 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, not the Waitsfield School District, 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 May 2016.
- The Legislature is evaluating the current education funding formula and school governance. How any future legislation may affect the Waitsfield School District is unknown at this time; however it appears some change is on the horizon.
- Waitsfield's general fund deficit will be eliminated in FY2016.

Contact for Further Information

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the District's finances and to reflect the District'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.

Waitsfield School District
 District-Wide Statement of Net Position
 June 30, 2015

EXHIBIT I

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 48,483
Accounts Receivable - Supervisory Union	32,900
Accounts Receivable - Other	1,075
Capital Assets, net	530,106
TOTAL ASSETS	612,564
 DEFERRED OUTFLOWS OF RESOURCES	
Vermont Municipal Pension - Payments after measurement date	11,378
TOTAL DEFERRED OUTFLOWS OF RESOURCES	11,378
 LIABILITIES	
Accounts Payable - State	30,424
Accounts Payable - Supervisory Union	20
Accounts Payable - Other LEAs	5,912
Accounts Payable - Other	23,314
Accrued Expenses	7,829
Net Pension Liability	4,155
Capital Leases Payable	8,642
TOTAL LIABILITIES	80,296
 DEFERRED INFLOWS OF RESOURCES	
Vermont Municipal Pension - Change in proportional share	15,557
TOTAL DEFERRED INFLOWS OF RESOURCES	15,557
 NET POSITION	
Net Investment in Capital Assets	521,464
Restricted For Capital Projects	3,963
Restricted For Other Purposes	21,931
Unrestricted (Deficit)	(19,269)
TOTAL NET POSITION	528,089

The accompanying notes are an integral part of these financial statements

Waitsfield School District
 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	\$ 1,714,133		\$ 215,366		\$ (1,498,767)
Support Services:					
Student Services	246,255		4,894		(241,361)
Instructional Staff Services	47,919				(47,919)
General Administrative Services	65,907				(65,907)
Area Administrative Services	159,442				(159,442)
Fiscal Services	39,811				(39,811)
Building Operations and Maintenance	209,543				(209,543)
Transportation	75,442		22,594		(52,848)
Other Support Services	12,200	-	1,409	-	(10,791)
Total Governmental Activities	<u>2,570,652</u>	<u>\$ -</u>	<u>244,263</u>	<u>\$ -</u>	<u>(2,326,389)</u>
General Revenues:					
Tuition					2,236,700
State Revenues not Restricted to Specific Programs					26,717
Federal Revenues not Restricted to Specific Programs					22,076
Private Revenues not Restricted to Specific Programs					3,197
Investment Earnings					56,000
Refunds and Reimbursements					94
Miscellaneous					
Total General Revenues					<u>2,344,784</u>
Change in Net Position					18,395
Net Position - Beginning of Year					520,466
Prior Period Adjustment					<u>(10,772)</u>
Net Position - Ending of Year					<u>\$ 528,089</u>

The accompanying notes are an integral part of these financial statements

Waitsfield School District
 Combined Balance Sheet
 All Fund Types - Fund Base
 June 30, 2015

EXHIBIT III

	Governmental Fund Types			Fiduciary Fund Type	Totals
	General Fund	Special Revenue Fund	Capital Projects Fund	Agency Fund	
ASSETS:					
Current Assets:					
Cash	\$ 25,522		\$ 22,961	\$ 2,105	\$ 50,588
Due From Other Funds	7,752	\$ 15,241			22,993
Accounts Receivable - Supervisory Union	27,189	5,711			32,900
Accounts Receivable - Other	96	979	-	-	1,075
Total Current Assets	60,559	21,931	22,961	2,105	107,556
TOTAL ASSETS	\$ 60,559	\$ 21,931	\$ 22,961	\$ 2,105	\$ 107,556
LIABILITIES AND FUND EQUITIES:					
Liabilities:					
Due To Other Funds		\$ 3,995	\$ 18,998		\$ 22,993
Accounts Payable - State	\$ 30,424				30,424
Accounts Payable - Supervisory Union	20				20
Accounts Payable - Other LEAs	5,912				5,912
Accounts Payable - Other	23,314				23,314
Accrued Expenses	7,829				7,829
Amount Held for Agency Funds	-	-	-	\$ 2,105	2,105
Total Liabilities	67,499	3,995	18,998	2,105	92,597
Fund Equity:					
Fund Balances:					
Unassigned	(6,940)	(3,995)			(10,935)
Restricted		21,931			21,931
Committed	-	-	3,963	-	3,963
Total Fund Equities	(6,940)	17,936	3,963	-	14,959
TOTAL LIABILITIES AND FUND EQUITIES	\$ 60,559	\$ 21,931	\$ 22,961	\$ 2,105	\$ 107,556

The accompanying notes are an integral part of these financial statements

Waitsfield School District
 Reconciliation of the Balance Sheet to the Statement of Net Position
 Governmental Funds
 June 30, 2015

Fund Balances – total governmental funds	\$ 14,959
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:</p>	
Governmental capital assets	1,250,996
Less accumulated depreciation	(720,890)
<p>Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:</p>	
Deferred Outflows – VMERS	11,378
<p>Bonds payable and contractual obligations have not been included in the governmental fund financial statements.</p>	
Capital Lease Obligations	(8,642)
<p>Accrued liabilities have not been reflected in the governmental fund financial statements:</p>	
Net Pension Liability	(4,155)
Deferred Inflows – VMERS	<u>(15,557)</u>
Net Position of Governmental Activities	<u>\$528,089</u>

The accompanying notes are an integral part of these financial statements

Waitsfield School District
 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	Capital Projects Fund	Totals
REVENUES:				
Interest on Investments	\$ 3,190		\$ 7	\$ 3,197
Refunds and Reimbursements	56,000			56,000
Miscellaneous	94			94
Private/Local/Other	965	\$ 34,280		35,245
State	2,257,421	3,282		2,260,703
Federal	<u>39,237</u>	<u>-</u>	<u>-</u>	<u>39,237</u>
TOTAL REVENUES	<u>2,356,907</u>	<u>37,562</u>	<u>7</u>	<u>2,394,476</u>
EXPENDITURES:				
Direct Services	1,499,158	13,456		1,512,614
Support Services:				
Students	241,361	4,894		246,255
Instructional Staff	47,919			47,919
General Administration	65,907			65,907
Area Administration	161,880			161,880
Fiscal Services	39,811			39,811
Operation & Maintenance of Building	191,204		15,411	206,615
Transportation	75,442			75,442
Food Services	<u>10,791</u>	<u>1,409</u>	<u>-</u>	<u>12,200</u>
TOTAL EXPENDITURES	<u>2,333,473</u>	<u>19,759</u>	<u>15,411</u>	<u>2,368,643</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	23,434	17,803	(15,404)	25,833
OTHER FINANCING SOURCES (USES):				
Transfers In			21,953	21,953
Transfers Out	<u>(21,953)</u>	<u>-</u>	<u>-</u>	<u>(21,953)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,481	17,803	6,549	25,833
FUND BALANCE, JULY 1, 2014	<u>(8,421)</u>	<u>133</u>	<u>(2,586)</u>	<u>(10,874)</u>
FUND BALANCE, JUNE 30, 2015	<u>\$ (6,940)</u>	<u>\$ 17,936</u>	<u>\$ 3,963</u>	<u>\$ 14,959</u>

The accompanying notes are an integral part of these financial statements

Waitsfield School District
 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	\$25,833
<p>Amount reported for governmental activities in the Statement of Activities are different because:</p>	
<p style="padding-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	8,991
Less current year depreciation	(26,934)
<p style="padding-left: 40px;">Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.</p>	
Repayment of capital lease obligation	8,067
<p style="padding-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	11,378
Net Pension Liability Change	(4,155)
Deferred Inflows – VMERS Change	<u>(15,557)</u>
Change in Net Position of Governmental Funds	<u>\$ 7,623</u>

The accompanying notes are an integral part of these financial statements

Waitsfield School District
Notes to Financial Statements
For The Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Waitsfield School District ("School District") 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 elected by registered voters of the District to provide public education to the residents of the Town. Except where noted, the accounting policies conform to generally accepted accounting principles, as applicable to governmental units.

The School District 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 School District are discussed below. School District 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 School District 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 School District comprise the standalone government.

The school board is elected by the public 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, School District 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. The School District is a component of the Town of Waitsfield.

Basic Financial Statements - District-wide:

The School District's basic financial statements include both District-wide (reporting School District as a whole) and fund financial statements (reporting School Districts 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 School District. Both the governmental and business-type activities are presented on a consolidated

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 segments 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 School District as an entity and the change in the School District's net position resulting from the current year's activities.

Basic Financial Statements – Fund Financial Statements:

The financial transactions of the School District 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 School District reports major governmental funds as follows:

Governmental Fund Types:

- General Fund – The general fund is the School District'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 School District'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 School District accounts for resources restricted to, or committed for, specific purposes by the School District 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.

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Capital Project Fund – The capital projects funds are required when the acquisition or construction of capital assets is financed with general obligation debt. Capital project funds are permitted to be used for accounting and reporting whenever the School District has financial resources that are restricted, committed, or assigned to expenditures for capital outlays for general capital assets, including purchasing or constructing any type of general capital asset.

Fiduciary Funds, (Not included in District-wide Statements):

Fiduciary Funds are used to report resources held for individuals, private organizations or other governments. The School District reports the following fiduciary funds:

- Agency funds are custodial in nature and do not involve measurements of results of operations.

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 School

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

District 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 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, and no allowance for doubtful accounts is considered necessary.

Deferred Inflows of Resources:

The School District 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 School District 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

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 School District is required by state law to adopt a budget for the General Fund. The budget is prepared on the modified accrual basis of accounting which is consistent with generally accepted accounting principles ("GAAP"). Annual appropriations lapse at the end of each fiscal year with the exception of restricted programs indicated as a fund balance restricted or committed. The following procedures are used to establish a budget:

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The School Board with assistance from the Supervisory Union and the School District's Administration drafts a budget. The operating budget includes proposed expenditures by line item and the means of financing them.

The budget is adopted by the School Board for presentation to the voters as a warning or article in the annual report.

The voters vote on the total expense amount and not the individual line items at the School District's annual meeting or subsequent special meetings.

Encumbrances:

Encumbrance accounting, under which purchase orders, contracts and other commitments for 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 School District 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 School District 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 consist of assets that are restricted by the School District's creditors, by the state enabling legislation, by grantors and by other contributors.

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 School District to

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

NOTE 2 – CASH, CASH EQUIVALENTS, AND REPURCHASE AGREEMENTS

Cash and cash equivalent deposits with financial institutions at June 30th amounted to \$50,588. 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 School District'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 School District 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 School District 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.

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

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

These four levels of risk are as follows:

- Category 1 Repurchase Agreements - Deposits which are invested in government securities held by the School District or by its agent in the School District'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.
- 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)	\$50,588	\$133,519
- Category 1	0	0
- Category 2	0	0
- Category 3	0	0
- Category 4	<u>0</u>	<u>0</u>
Total deposits	<u>\$50,588</u>	<u>\$133,519</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 School District 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:

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 3 - INTERFUND RECEIVABLES (CONTINUED)

Fund Financial Statements:	Payable Fund	Amount
Receivable Fund	Capital Project Fund:	
General Fund	Maintenance Reserve	<u>\$18,998</u>
	Special Revenue Fund:	
General Fund	Class of 2016	<u>\$ 3,995</u>
Special Revenue Fund:		
Medicaid IEP	General Fund	\$10,094
Bridge Street Art Fair	General Fund	385
FEED	General Fund	72
Stars Program	General Fund	1,550
Class of 2014	General Fund	63
Class of 2015	General Fund	3,027
Food Service	General Fund	<u>50</u>
Total Special Revenue Fund		<u>\$15,241</u>

NOTE 4 – CAPITAL ASSETS

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

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental activities:				
Capital assets being depreciated:				
Land Improvements	\$ 51,633	\$ 0	\$ 0	\$ 51,633
Buildings	187,654	0	0	187,654
Building Improvements	896,308	0	0	896,308
Infrastructure	11,251	0	0	11,251
Furniture and Equipment	<u>95,159</u>	<u>8,991</u>	<u>0</u>	<u>104,150</u>
Total other capital assets at historical costs	<u>1,242,005</u>	<u>8,991</u>	<u>0</u>	<u>1,250,996</u>
Less accumulated depreciation:				
Land Improvements	51,633	0	0	51,633
Buildings	187,654	0	0	187,654

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 4 – CAPITAL ASSETS (CONTINUED)

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Building Improvements	\$ 376,933	\$ 18,578	\$ 0	\$ 395,511
Infrastructure	900	450	0	1,350
Furniture and Equipment	<u>76,836</u>	<u>7,906</u>	<u>0</u>	<u>84,742</u>
Total accum. Depr.	<u>693,956</u>	<u>26,934</u>	<u>0</u>	<u>720,890</u>
Governmental activities				
Capital Assets, Net	<u>\$ 548,049</u>	<u>\$(17,943)</u>	<u>\$ 0</u>	<u>\$ 530,106</u>

Depreciation expense was charged to functions as follows:

Governmental activities:

Direct Services	\$24,006
Support Services:	
Students	0
Instructional Staff	0
General Administration	0
Area Administration	0
Fiscal Services	0
Operation and Maintenance of Plant	2,928
Transportation	0
Other Support Services	<u>0</u>
Total governmental activities depreciation expense	<u>\$26,934</u>

NOTE 5 – SHORT-TERM DEBT

Short-term debt activity consisted of the following for the year ended June 30, 2015:

	Balance July 1, 2014	Borrowings	Retirements	Balance June 30, 2015
Tax Anticipation Note, Issued July 1, 2014, Interest at 1.24%, due June 30, 2015	<u>\$ 0</u>	<u>\$410,000</u>	<u>\$410,000</u>	<u>\$ 0</u>

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 6 - SICK LEAVE

It is the School District's policy to permit employees to earn varying amounts of sick pay benefits. Such sick leave benefits do not vest under the School District'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 shall earn 20 sick days per year, and may accumulate a maximum of 90 days per year per the Master Teacher Agreement. Non-teaching staff shall earn varying amounts of sick days per year per individual contracts, as there is no Master Support Staff Agreement.

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 School District 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. The School District offers:

Per the Master Teacher Agreement, from time to time the Board may, at its discretion, elect to offer a retirement incentive to teachers. There was no incentive offered in fiscal year 2014-2015; therefore, there is no liability going forward into fiscal year 2015-2016 and beyond.

NOTE 8 - LONG-TERM OBLIGATIONS

The School District issues general obligation bonds and notes to finance the acquisition and construction of major capital facilities, renovations, and equipment purchases. General obligation bonds are direct obligations and pledge the full faith and credit of the issuing entity. These bonds are generally issued as 5 to 20-year serial bonds with equal amounts of principal maturing each year.

The following is a summary of general obligation bonds & notes:

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 8 - LONG-TERM OBLIGATIONS (CONTINUED)

	Balance July 1, 2014	Borrowings	Retirements	Balance June 30, 2015
Environmental Protection Agency, Water Construction Note Payable, interest at 1.0% & admin. fee at 2.0%, principal and interest totaling \$2,067.29 paid annually on Dec. 1 st until 2031; originally approved to borrow \$30,756 on September 7, 2012, for a water project. Total borrowed to date was forgiven by the State of VT in September, 2014	\$ <u>0</u>	\$24,885	\$24,885	\$ <u>0</u>
TOTAL NOTES	\$ <u>0</u>	\$24,885	\$24,885	\$ <u>0</u>
Total Bonds and Notes	\$ <u>0</u>	\$24,885	\$24,885	\$ <u>0</u>

NOTES:

The following is a summary of other long term obligation:

	Balance July 1, 2014	Increases	Retirements	Balance June 30, 2015
OTHER LONG-TERM OBLIGATIONS:				
Obligations Under Capital Lease	\$16,709	\$ <u>0</u>	\$8,067	\$8,642

NOTE 9 - CAPITAL LEASES

On July 9, 2013, the Waitsfield School District entered into a non-cancellable lease agreement with GE Capital Services for the lease of personal computers, servers, and networking equipment. 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 \$25,926, to be paid in yearly installments of \$8,642 over three (3) 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:

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 9 - CAPITAL LEASES (CONTINUED)

During the year ended June 30, 2016	\$8,642
Less amount representing interest	<u>0</u>
Present value of minimum lease payments	<u>\$8,642</u>

Interest rate on the capitalized lease is approximately 6.91 percent.

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:

Special Revenue Fund:	
Medicaid IEP	\$15,805
Bridge Street Art Fair	885
FEED	72
Stars Program	1,550
Class of 2014	63
Class of 2015	3,506
Food Service	<u>50</u>
Total	<u>\$21,931</u>

Capital Projects Fund:	
Maintenance Reserve	\$ <u>3,963</u>

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 Capital Projects:	
Maintenance Reserve	\$ <u>3,963</u>

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

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

Net Resources Restricted For Other Purposes:

Medicaid IEP	\$15,805
Bridge Street Art Fair	885
FEED	72
Stars Program	1,550
Class of 2014	63
Class of 2015	3,506
Food Service	<u>50</u>
Total	<u>\$21,931</u>

NOTE 12 – TRANSFERS IN THE FUND BASED FINANCIAL STATEMENTS

The School District 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.

Funds of \$21,953 were transferred from the General Fund to the Capital Project Fund – Maintenance Reserve as per article passed by voters.

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 school districts. 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.

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 13 – PENSIONS (CONTINUED)

VERMONT TEACHERS' RETIREMENT SYSTEM (CONTINUED)

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 a Group B member are now a Group C member.

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 school districts' 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 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 school districts' contractually required contribution rate for the year ended June 30, 2015, was 12.75 percent of annual school district payroll of which 0 percent of payroll was required from the school districts and 12.75 percent of payroll was required from the State. State contributions to the pension plan were \$132,700 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 \$1,722,187 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 school districts, 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 \$194,571 for the year ended June 30, 2015. At June 30, 2015, 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.

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 13 – PENSIONS (CONTINUED)

VERMONT TEACHERS’ RETIREMENT SYSTEM (CONTINUED)

	<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	(168,299)
Change in proportional share	84,888	0
State contributions subsequent change in proportional share		
To the measurement date	<u>0</u>	<u>0</u>
Total	<u>\$84,888</u>	<u>\$(168,299)</u>

\$(61,767) 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:

Year ended June 30:	
2016	\$(11,157)
2017	(11,157)
2018	(39,453)
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. Expectation of life after disability was based on RP 2000 Disabled Life Tables.

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 13 – PENSIONS (CONTINUED)

VERMONT TEACHERS’ RETIREMENT SYSTEM (CONTINUED)

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.

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 school districts 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.

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 13 – PENSIONS (CONTINUED)

VERMONT TEACHERS’ RETIREMENT SYSTEM (CONTINUED)

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	\$2,261,767	\$1,722,187	\$1,269,244

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 School District are established and may be amended by the Retirement Board. Employees and the School District’s contributions vary based on group classification (Group A, B, C, or D)

Waitsfield School District
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)

	Group A	Group B	Group C	Group D
Employees' Contributions (% of gross wages)	2.5%	4.75%	9.75%	11.25%
The School District'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.

The School District 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 finance any unfunded accrued liability. Contributions to the pension plan from the School District were \$9,600 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 School District reported a liability of \$5,045 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 School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating School Districts, actuarially determined. At June 30, 2014, the School District's proportion was 0.0553 percent, which was an increase of 0.061 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the School District recognized pension expense of \$8,052. At June 30, 2015, the School District 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	(15,557)
Changes in proportion and differences between		
School District contributions and		
Proportionate share of contributions	1,778	0

Waitsfield School District
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)

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
School District contributions subsequent To the measurement date	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$1,778</u>	<u>\$(15,557)</u>

\$(9,045) reported as deferred outflows of resources related to pensions resulting from School District 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:

Year ended June 30:	
2016	\$(3,015)
2017	(3,015)
2018	(3,015)
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. Expectation of life after disability was 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

Waitsfield School District
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)

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.

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 the School District 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 School District's proportionate share of the net pension liability to changes in the discount rate. The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 8.23 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated

Waitsfield School District
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)

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>
School District's proportionate share of The net pension liability	\$42,502	\$5,045	\$(26,380)

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 School District 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. School District 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 School District.

In addition, Waitsfield School District 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

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 14 - RISK MANAGEMENT (CONTINUED)

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 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 October 10, 2013, Waitsfield School District entered into a lease agreement with LEAF Capital Funding, LLC for the lease of a copier. The total amount due is \$7,956, to be paid in

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 15 - OPERATING LEASES (CONTINUED)

annual installments of \$2,652 over three (3) years. The following is a schedule of future minimum lease payments under this lease.

During the year ended June 30, 2016	<u>\$2,652</u>
-------------------------------------	----------------

Total lease payments made this year were \$2,652

NOTE 16 - SUBSEQUENT EVENTS

On July 1, 2015, the School District took out a \$500,000 Revenue/Tax Anticipation Note with Peoples United Bank at 1.19% interest. Any outstanding principal and interest are due at maturity on June 30, 2016.

NOTE 17 - COMMITMENTS

On June 25, 2015, the Waitsfield School District entered into a contract with Gillespie Fuels & Propane, Inc. for prepaying for \$14,820 worth of fuel for the school year July 1, 2015 through June 30, 2016. Any unused account balance at June 30, 2016, will be refunded to the School District.

The School District 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 School District 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 School District, 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 School District is responsible for the withholding and paying over of certain payroll taxes and related items. At June 30, 2015, School District 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 School District, that there are no significant contingent liabilities relating to compliance with the rules and regulations governing these or other taxes.

Waitsfield School District
Notes to Financial Statements (continued)
For The Year Ended June 30, 2015

NOTE 18 - RELATED PARTY

As defined by GASB No. 14, paragraph 71, the School District is a participant in and has an ongoing financial responsibility to the Washington West Supervisory Union. The School District's board is responsible for appointing one member to the board of the Washington West Supervisory Union. The Washington West Supervisory Union assesses the School District annually for a share of the net projected expenses in excess of revenues, plus a share of other budgetary provisions. The Washington West Supervisory Union also provides the busing for the District, the cost of which is billed by the busing company directly to the School District based on agreement with the Washington West Supervisory Union. Separate financial statements on the Washington West Supervisory Union are available from the Washington West Supervisory Union.

The School District is part of the Harwood Union School District. The Union District is not a component of the Waitsfield School District. Separate financial statements on the Union School District are available from the Washington West Supervisory Union.

NOTE 19 - CONTINGENCY

Annually, before November 1st, the Secretary of the Vermont Agency of Education notifies each school of its net cost per elementary and/or secondary pupil for the previous school year. If the School District received tuition students from other Vermont School Districts it must determine whether it overcharged the sending District. If it did, it must provide the overcharged District with a credit against current tuition or refund the overcharged amount.

The School District received State construction aid in the past for various projects. In the event that the school building was to be sold, this construction aid might have to be repaid out of the proceeds. The amount of State construction aid received since July 1970 is not available but can be calculated by the State of Vermont in the event that a repayment is sought.

Waitsfield School District
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For The Year Ended June 30, 2015

Schedule 1

	Object	Original & Final Budget	Actual	Variance
REVENUES:				
Interest on Investments		\$ 9,000	\$ 3,190	\$ (5,810)
Town Reimbursement		56,000	56,000	-
Miscellaneous		-	94	94
Private/Local:				
E-Rate Reimbursement		-	965	965
State:				
Education Spending Grant		2,012,101	2,012,081	(20)
Transportation Aid		22,634	22,594	(40)
Mainstream Block Grant		46,684	46,684	-
SPED Expenditure Reimbursement		177,663	159,307	(18,356)
Essential Early Education		16,267	16,755	488
Federal:				
School Wide Program		17,908	12,520	(5,388)
IDEA-B		27,000	26,717	(283)
IDEA-B Preschool		2,000	-	(2,000)
		<u>2,387,257</u>	<u>2,356,907</u>	<u>(30,350)</u>
TOTAL REVENUES				
EXPENDITURES:				
Regular Education 1100:				
Salaries	110	499,524	497,720	1,804
Mentoring Salaries	110	-	750	(750)
Field Trip Salaries	113	2,655	1,200	1,455
Aide Salaries	115	25,858	-	25,858
Temporary Salaries	120	13,000	12,802	198
Personal Day Reimbursement	125	990	1,021	(31)
Teacher Additional Compensation	151	-	1,063	(1,063)
MGI Per Diem	170	-	6,731	(6,731)
Health Insurance	210	143,513	138,964	4,549
Section 125	211	500	312	188
Social Security	220	41,574	37,657	3,917
Life Insurance	230	2,534	2,531	3
Retirement	240	1,390	239	1,151
Workers Compensation	250	4,494	3,787	707
Unemployment Insurance	260	205	328	(123)
Tuition Reimbursement	270	17,307	19,064	(1,757)
Dental Insurance	280	8,667	8,296	371
Purchased Services	330	4,000	2,323	1,677

The accompanying notes are an integral part of these financial statements

Waitsfield School District
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For The Year Ended June 30, 2015

Schedule 1

	Object	Original & Final Budget	Actual	Variance
Copier Lease	410	\$ 4,000	\$ 4,085	\$ (85)
Supplies	610	15,000	17,714	(2,714)
Books and Periodicals	640	10,000	5,458	4,542
Audio Visual Materials	650	-	804	(804)
Equipment	730	3,000	1,479	1,521
Field Trips	810	2,000	(76)	2,076
Subtotal		<u>800,211</u>	<u>764,252</u>	<u>35,959</u>
Early Education 1100:				
Salaries	110	37,108	37,108	-
Aide Salaries	115	10,990	19,929	(8,939)
Personal Day Reimbursement	125	92	-	92
Health Insurance	210	21,359	24,136	(2,777)
Social Security	220	3,680	2,957	723
Life Insurance	230	227	184	43
Retirement	240	591	1,030	(439)
Workers Compensation	250	419	312	107
Unemployment Insurance	260	42	40	2
Tuition Reimbursement	270	1,615	1,126	489
Dental Insurance	280	1,524	1,254	270
Purchased Services	330	10,295	9,333	962
Supplies	610	1,000	2,650	(1,650)
Testing Materials	611	310	-	310
Books and Periodicals	640	300	-	300
Equipment	730	450	-	450
Subtotal		<u>90,002</u>	<u>100,059</u>	<u>(10,057)</u>
Art 1102:				
Salaries	110	19,054	15,023	4,031
Per Diem Salaries	110	-	194	(194)
Long-Term Substitute Salaries	121	-	4,691	(4,691)
Personal Day Reimbursement	125	44	84	(40)
Insurance Compensation	212	280	280	-
Social Security	220	1,458	1,548	(90)
Life Insurance	230	160	(3)	163
Workers Compensation	250	166	124	42
Unemployment Insurance	260	21	12	9
Supplies	610	1,200	492	708
Equipment	730	80	-	80
Subtotal		<u>22,463</u>	<u>22,445</u>	<u>18</u>

The accompanying notes are an integral part of these financial statements

Waitsfield School District
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For The Year Ended June 30, 2015

Schedule 1

	Object	Original & Final Budget	Actual	Variance
Foreign Language 1106:				
Salaries	110	\$ 19,822	\$ 19,822	\$ -
Personal Day Reimbursement	125	44	43	1
Insurance Compensation	212	280	-	280
Social Security	220	1,516	1,520	(4)
Life Insurance	230	163	47	116
Workers Compensation	250	172	129	43
Unemployment Insurance	260	21	12	9
Supplies	610	<u>250</u>	<u>184</u>	<u>66</u>
Subtotal		<u>22,268</u>	<u>21,757</u>	<u>511</u>
Physical Education 1108:				
Salaries	110	26,698	19,207	7,491
Personal Day Reimbursement	125	-	105	(105)
Additional Compensation Per Diem	151	-	332	(332)
Insurance Compensation	212	350	350	-
Social Security	220	2,042	1,529	513
Life Insurance	230	189	(15)	204
Workers Compensation	250	232	173	59
Unemployment Insurance	260	21	13	8
Dental Insurance	280	587	-	587
Supplies	610	<u>800</u>	<u>1,125</u>	<u>(325)</u>
Subtotal		<u>30,919</u>	<u>22,819</u>	<u>8,100</u>
Music 1112:				
Salaries	110	53,396	53,396	-
Personal Day Reimbursement	125	-	104	(104)
Health Insurance	210	13,698	18,359	(4,661)
Social Security	220	4,085	3,867	218
Life Insurance	230	288	233	55
Workers Compensation	250	465	347	118
Unemployment Insurance	260	21	33	(12)
Dental Insurance	280	1,175	1,132	43
Supplies	610	600	443	157
Books and Periodicals	640	<u>300</u>	<u>380</u>	<u>(80)</u>
Subtotal		<u>74,028</u>	<u>78,294</u>	<u>(4,266)</u>
Computer Technology 1123:				
Salaries	110	21,896	21,896	-
Health Insurance	210	6,849	6,549	300
Social Security	220	1,675	1,595	80

The accompanying notes are an integral part of these financial statements

Waitsfield School District
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For The Year Ended June 30, 2015

Schedule 1

	Object	Original & Final Budget	Actual	Variance
Life Insurance	230	\$ 171	\$ 102	\$ 69
Workers Compensation	250	190	142	48
Unemployment Insurance	260	21	14	7
Dental Insurance	280	398	377	21
Tech Contracted Services	330	22,874	22,603	271
Contracted Services	331	500	2,230	(1,730)
Equipment Repair	430	2,000	15	1,985
Supplies	610	1,500	943	557
Computer Software	650	2,500	1,101	1,399
Equipment	730	<u>21,500</u>	<u>22,711</u>	<u>(1,211)</u>
Subtotal		<u>82,074</u>	<u>80,278</u>	<u>1,796</u>
Special Education 1200:				
Salaries	110	106,408	93,090	13,318
Tutor Salaries	112	3,500	5,180	(1,680)
Aide Salaries	115	77,305	48,468	28,837
Temporary Salaries	120	3,500	3,168	332
Personal Day Reimbursement	125	112	149	(37)
Health Insurance	210	41,567	28,888	12,679
Social Security	220	14,053	11,200	2,853
Life Insurance	230	574	394	180
Municipal Retirement	240	4,154	2,699	1,455
Workers Compensation	250	1,599	1,148	451
Unemployment Insurance	260	147	84	63
Tuition Reimbursement	270	3,365	3,328	37
Dental Insurance	280	1,582	1,835	(253)
WCMH Services	335	75,814	72,252	3,562
Testing Materials	605	500	567	(67)
Supplies	610	2,000	1,981	19
Books and Periodicals	640	250	86	164
Equipment	730	<u>300</u>	<u>555</u>	<u>(255)</u>
Subtotal		<u>336,730</u>	<u>275,072</u>	<u>61,658</u>
Essential Early Education 1200:				
Salaries	110	13,829	10,425	3,404
Aide Salaries	115	5,495	28,570	(23,075)
Health Insurance	210	6,389	12,112	(5,723)
Social Security	220	1,478	2,846	(1,368)
Life Insurance	230	141	43	98
Retirement	240	295	1,549	(1,254)

The accompanying notes are an integral part of these financial statements

Waitsfield School District
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For The Year Ended June 30, 2015

Schedule 1

	Object	Original & Final Budget	Actual	Variance
Workers Compensation	250	\$ 168	\$ 92	\$ 76
Unemployment Insurance	260	35	22	13
Professional Development	270	-	604	(604)
Dental Insurance	280	553	794	(241)
Para Project	335	-	13,797	(13,797)
Transportation	519	-	671	(671)
Supplies	610	<u>150</u>	<u>1,127</u>	<u>(977)</u>
Subtotal		<u>28,533</u>	<u>72,652</u>	<u>(44,119)</u>
Compensatory Education 1250:				
Salaries	110	19,583	-	19,583
Aide Salaries	115	-	30,458	(30,458)
Health Insurance	210	3,204	4,714	(1,510)
Social Security	220	1,499	2,303	(804)
Municipal Retirement	240	1,052	1,603	(551)
Workers Compensation	250	170	127	43
Unemployment Insurance	260	48	16	32
Dental Insurance	280	<u>332</u>	<u>253</u>	<u>79</u>
Subtotal		<u>25,888</u>	<u>39,474</u>	<u>(13,586)</u>
Title I SCW 1270:				
Salaries	110	14,371	8,732	5,639
Personal Day Reimbursement	125	32	-	32
Health Insurance	210	2,021	2,595	(574)
Social Security	220	1,099	634	465
Life Insurance	230	143	33	110
Workers Compensation	250	125	316	(191)
Unemployment Insurance	260	21	28	(7)
Dental Insurance	280	<u>128</u>	<u>158</u>	<u>(30)</u>
Subtotal		<u>17,940</u>	<u>12,496</u>	<u>5,444</u>
Title I SCW 1280:				
Salaries	110	10,406	7,990	2,416
Personal Day Reimbursement	125	23	-	23
Health Insurance	210	1,463	868	595
Social Security	220	796	601	195
Life Insurance	230	129	39	90
Workers Compensation	250	91	-	91
Unemployment Insurance	260	21	7	14

The accompanying notes are an integral part of these financial statements

Waitsfield School District
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For The Year Ended June 30, 2015

Schedule 1

	Object	Original & Final Budget	Actual	Variance
Dental Insurance	280	\$ 93	\$ 55	\$ 38
Subtotal		<u>13,022</u>	<u>9,560</u>	<u>3,462</u>
Guidance Services 2120:				
Salaries	110	29,732	29,732	-
Health Insurance	210	11,017	10,535	482
Social Security	220	2,274	1,266	1,008
Life Insurance	230	200	163	37
Workers Compensation	250	259	193	66
Unemployment Insurance	260	21	18	3
Dental Insurance	280	705	675	30
Supplies	610	155	432	(277)
Books and Periodicals	640	50	-	50
Equipment	730	200	-	200
Dues	810	125	-	125
Subtotal		<u>44,738</u>	<u>43,014</u>	<u>1,724</u>
Health Services 2130:				
Salaries	110	50,092	42,862	7,230
Substitute Salaries	120	-	2,213	(2,213)
Personal Day Reimbursement	125	-	74	(74)
Health Insurance	210	-	13,098	(13,098)
Insurance Compensation	212	700	-	700
Social Security	220	3,832	3,294	538
Life Insurance	230	366	135	231
Workers Compensation	250	436	325	111
Unemployment Insurance	260	42	29	13
Dental Insurance	280	-	754	(754)
Equipment Repair	430	-	132	(132)
Supplies	610	-	850	(850)
Software	650	-	334	(334)
Subtotal		<u>55,468</u>	<u>64,100</u>	<u>(8,632)</u>
Health Education 2135:				
Salaries	110	-	5,602	(5,602)
Social Security	220	-	428	(428)
Unemployment Insurance	260	-	3	(3)
Subtotal		<u>-</u>	<u>6,033</u>	<u>(6,033)</u>

The accompanying notes are an integral part of these financial statements

Waitsfield School District
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For The Year Ended June 30, 2015

Schedule 1

	Object	Original & Final Budget	Actual	Variance
Psychological Services 2140:				
Purchased Services	320	\$ 12,000	\$ 13,227	\$ (1,227)
Subtotal		<u>12,000</u>	<u>13,227</u>	<u>(1,227)</u>
EEE Psychological Services 2140:				
Purchased Services	320	3,600	-	3,600
Subtotal		<u>3,600</u>	<u>-</u>	<u>3,600</u>
Special Education Speech 2150:				
Salaries	110	60,157	60,157	-
Personal Day Reimbursement	125	-	7	(7)
Health Insurance	210	12,328	11,788	540
Social Security	220	4,602	4,477	125
Life Insurance	230	313	247	66
Workers Compensation	250	523	471	52
Unemployment Insurance	260	21	38	(17)
Professional Development	270	-	682	(682)
Dental Insurance	280	717	679	38
Purchased Services	320	-	3,455	(3,455)
Summer Services	332	1,425	1,093	332
Supplies	610	750	989	(239)
Subtotal		<u>80,836</u>	<u>84,083</u>	<u>(3,247)</u>
EEE Speech Services 2150:				
Salaries	110	6,684	6,684	-
Health Insurance	210	1,370	3,606	(2,236)
Social Security	220	511	495	16
Life Insurance	230	115	27	88
Workers Compensation	250	58	-	58
Unemployment Insurance	260	17	4	13
Dental Insurance	280	17	75	(58)
Subtotal		<u>8,772</u>	<u>10,891</u>	<u>(2,119)</u>
Occupational Therapy 2160:				
Purchased Services	320	9,000	10,290	(1,290)
Subtotal		<u>9,000</u>	<u>10,290</u>	<u>(1,290)</u>
EEE Occupational Therapy 2160:				
Purchased Services	320	3,400	3,150	250
Subtotal		<u>3,400</u>	<u>3,150</u>	<u>250</u>

The accompanying notes are an integral part of these financial statements

Waitsfield School District
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For The Year Ended June 30, 2015

Schedule 1

	Object	Original & Final Budget	Actual	Variance
Physical Therapy 2190:				
Purchased Services	320	\$ 6,000	\$ 4,928	\$ 1,072
Subtotal		<u>6,000</u>	<u>4,928</u>	<u>1,072</u>
EEE Physical Therapy 2190:				
Purchased Services	320	-	1,645	(1,645)
Subtotal		<u>-</u>	<u>1,645</u>	<u>(1,645)</u>
Improvement of Instruction 2210:				
Social Security	220	2,000	-	2,000
Action Planning	290	6,000	5,494	506
PBIS Initiative	295	-	2,132	(2,132)
Subtotal		<u>8,000</u>	<u>7,626</u>	<u>374</u>
Media Center 2220:				
Salaries	110	21,896	21,896	-
Aide Salaries	115	2,732	2,761	(29)
Personal Day Reimbursement	125	-	111	(111)
Health Insurance	210	8,108	7,660	448
Social Security	220	1,884	1,657	227
Life Insurance	230	171	102	69
Retirement	240	147	141	6
Workers Compensation	250	214	160	54
Unemployment Insurance	260	28	15	13
Dental Insurance	280	579	484	95
Purchased Services	331	250	163	87
Supplies	610	750	712	38
Books and Periodicals	640	4,500	3,596	904
Software	650	-	835	(835)
Equipment	730	800	-	800
Subtotal		<u>42,059</u>	<u>40,293</u>	<u>1,766</u>
Board of Education 2310:				
Stipends	118	1,500	1,200	300
Social Security	220	115	92	23
Unemployment Insurance	260	-	1	(1)
Legal Services	360	4,000	298	3,702
Insurance	523	2,800	2,893	(93)
Advertising	540	850	613	237
Miscellaneous	550	-	1,184	(1,184)

The accompanying notes are an integral part of these financial statements

Waitsfield School District
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For The Year Ended June 30, 2015

Schedule 1

	Object	Original & Final Budget	Actual	Variance
Dues	810	\$ 1,400	\$ 1,410	\$ (10)
Subtotal		<u>10,665</u>	<u>7,691</u>	<u>2,974</u>
Treasurer Services 2313:				
Salaries	110	1,200	1,200	-
Social Security	220	92	92	-
Subtotal		<u>1,292</u>	<u>1,292</u>	<u>-</u>
WWSU Assessment 2321:				
Assessment	331	56,924	56,924	-
Subtotal		<u>56,924</u>	<u>56,924</u>	<u>-</u>
Administration 2400:				
Salaries	110	90,713	90,713	-
Support Staff	111	31,997	31,997	-
Temporary Salaries	120	750	138	612
Health Insurance	210	19,629	19,629	-
Insurance Compensation	212	1,000	1,000	-
Social Security	220	9,388	9,284	104
Life Insurance	230	724	442	282
Municipal Retirement	240	1,720	1,720	-
Workers Compensation	250	1,067	802	265
Unemployment Insurance	260	42	57	(15)
Tuition Reimbursement	270	1,000	1,600	(600)
Dental Insurance	280	1,224	1,243	(19)
Postage	531	1,000	1,116	(116)
Supplies	610	1,500	1,769	(269)
Equipment	730	500	-	500
Dues	810	550	370	180
Subtotal		<u>162,804</u>	<u>161,880</u>	<u>924</u>
Arbitrage Borrowing 2520:				
Current Interest	830	4,500	5,070	(570)
Subtotal		<u>4,500</u>	<u>5,070</u>	<u>(570)</u>
Fiscal Services 2521:				
Business Manager Assessment	331	9,515	9,515	-
Accounting Assessment	331	21,392	21,392	-
Audit	370	3,700	3,700	-
Bank Analysis Fees	890	-	134	(134)
Subtotal		<u>34,607</u>	<u>34,741</u>	<u>(134)</u>

The accompanying notes are an integral part of these financial statements

Waitsfield School District
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For The Year Ended June 30, 2015

Schedule 1

	Object	Original & Final Budget	Actual	Variance
Building Maintenance & Operation 2600:				
Salaries	110	\$ 50,683	\$ 51,302	\$ (619)
Assistant Salaries	111	23,795	24,341	(546)
Temporary Salaries	120	750	-	750
Overtime Salaries	130	-	493	(493)
Health Insurance	210	21,106	21,106	-
Social Security	220	5,698	5,800	(102)
Life Insurance	230	-	239	(239)
Municipal Retirement	240	3,538	2,784	754
Workers Compensation	250	648	494	154
Unemployment Insurance	260	63	35	28
Dental Insurance	280	1,606	1,682	(76)
Water	411	11,436	11,280	156
Trash Removal	421	2,500	2,557	(57)
Grounds Maintenance	424	4,400	7,806	(3,406)
Equipment Repair	430	14,000	12,321	1,679
Property Insurance	521	6,000	5,526	474
Telephone	530	3,650	3,750	(100)
Supplies	610	7,665	5,833	1,832
Equipment	730	500	1,195	(695)
Subtotal		<u>201,038</u>	<u>191,204</u>	<u>9,834</u>
SPED Transportation 2711:				
Contracted Transportation	519	-	2,013	(2,013)
Subtotal		<u>-</u>	<u>2,013</u>	<u>(2,013)</u>
Transportation 2710:				
Contracted Transportation	519	56,523	68,685	(12,162)
Subtotal		<u>56,523</u>	<u>68,685</u>	<u>(12,162)</u>
Co-Curricular Transportation 2720:				
Field Trips	519	2,500	4,744	(2,244)
Subtotal		<u>2,500</u>	<u>4,744</u>	<u>(2,244)</u>
Food Services 3100:				
Other	900	10,500	10,791	(291)
Subtotal		<u>10,500</u>	<u>10,791</u>	<u>(291)</u>
TOTAL EXPENDITURES		<u>2,359,304</u>	<u>2,333,473</u>	<u>25,831</u>

The accompanying notes are an integral part of these financial statements

Waitsfield School District
 Statement of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 General Fund
 For The Year Ended June 30, 2015

Schedule 1

Object	Original & Final Budget	Actual	Variance
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 27,953	\$ 23,434	\$ (4,519)
OTHER FINANCING SOURCES (USES): Transfer To Capital Project Fund	<u>(21,953)</u>	<u>(21,953)</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	6,000	1,481	(4,519)
FUND BALANCE, JULY 1, 2014	<u>(6,000)</u>	<u>(8,421)</u>	<u>(2,421)</u>
FUND BALANCE, JUNE 30, 2015	<u>\$ -</u>	<u>\$ (6,940)</u>	<u>\$ (6,940)</u>

The accompanying notes are an integral part of these financial statements

Waitsfield School District
Combining Balance Sheet
Special Revenue Fund Components
June 30, 2015

Schedule 2

	Medicaid	Bridge Street Art Fair	F.E.E.D.	STARS Program	Food Service	Class of 2014	Class of 2015	Class of 2016	Totals
ASSETS:									
Current Assets:									
Due From Other Funds	\$ 10,094	\$ 385	\$ 72	\$ 1,550	\$ 50	\$ 63	\$ 3,027		\$ 15,241
Accounts Receivable - Supervisory Union	5,711								5,711
Accounts Receivable - Other	<u>-</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>479</u>	<u>-</u>	<u>979</u>
Total Current Assets	<u>15,805</u>	<u>885</u>	<u>72</u>	<u>1,550</u>	<u>50</u>	<u>63</u>	<u>3,506</u>	<u>\$ -</u>	<u>21,931</u>
TOTAL ASSETS	<u>\$ 15,805</u>	<u>\$ 885</u>	<u>\$ 72</u>	<u>\$ 1,550</u>	<u>\$ 50</u>	<u>\$ 63</u>	<u>\$ 3,506</u>	<u>\$ -</u>	<u>\$ 21,931</u>
LIABILITIES AND FUND BALANCES:									
Liabilities:									
Due To Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 3,995</u>	<u>\$ 3,995</u>
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>3,995</u>	<u>3,995</u>
Fund Balances:									
Unassigned								(3,995)	(3,995)
Restricted	<u>15,805</u>	<u>885</u>	<u>72</u>	<u>1,550</u>	<u>50</u>	<u>63</u>	<u>3,506</u>	<u>-</u>	<u>21,931</u>
Total Fund Balances	<u>15,805</u>	<u>885</u>	<u>72</u>	<u>1,550</u>	<u>50</u>	<u>63</u>	<u>3,506</u>	<u>(3,995)</u>	<u>17,936</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 15,805</u>	<u>\$ 885</u>	<u>\$ 72</u>	<u>\$ 1,550</u>	<u>\$ 50</u>	<u>\$ 63</u>	<u>\$ 3,506</u>	<u>\$ -</u>	<u>\$ 21,931</u>

The accompanying notes are an integral part of these financial statements

Waitsfield School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Special Revenue Fund Components
For The Year Ended June 30, 2015

Schedule 3
(page 1 of 2)

	Medicaid	Bridge Street Art Fair	F.E.E.D.	STARS Program	Food Service Equipment	Subtotals
REVENUES:						
Private/Local/Other State	\$ 21,792	\$ 500		\$ 1,550		\$ 23,842
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 1,409</u>	<u>1,409</u>
TOTAL REVENUES	<u>21,792</u>	<u>500</u>	<u>\$ -</u>	<u>1,550</u>	<u>1,409</u>	<u>25,251</u>
EXPENDITURES:						
Direct Services		538	48			586
Support Services:						
Students	4,894					4,894
Food Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,409</u>	<u>1,409</u>
TOTAL EXPENDITURES	<u>4,894</u>	<u>538</u>	<u>48</u>	<u>-</u>	<u>1,409</u>	<u>6,889</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	16,898	(38)	(48)	1,550	-	18,362
FUND BALANCES, JULY 1, 2014	<u>(1,093)</u>	<u>923</u>	<u>120</u>	<u>-</u>	<u>-</u>	<u>(50)</u>
FUND BALANCES, JUNE 30, 2015	<u>\$ 15,805</u>	<u>\$ 885</u>	<u>\$ 72</u>	<u>\$ 1,550</u>	<u>\$ -</u>	<u>\$ 18,312</u>

The accompanying notes are an integral part of these financial statements

Waitsfield School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Special Revenue Fund Components
For The Year Ended June 30, 2015

Schedule 3
(page 2 of 2)

	Food Service	Class of 2014	Class of 2015	Class of 2016	State Placed Students	Subtotals	Totals
REVENUES:							
Private/Local/Other State	-	-	\$ 9,948	\$ 490		\$ 10,438	\$ 34,280
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 1,873</u>	<u>1,873</u>	<u>3,282</u>
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>9,948</u>	<u>490</u>	<u>1,873</u>	<u>12,311</u>	<u>37,562</u>
EXPENDITURES:							
Direct Services		1,100	7,285	4,485		12,870	13,456
Support Services:							
Students						-	4,894
Food Services	-	-	-	-	-	-	1,409
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,409</u>
TOTAL EXPENDITURES	<u>-</u>	<u>1,100</u>	<u>7,285</u>	<u>4,485</u>	<u>-</u>	<u>12,870</u>	<u>19,759</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(1,100)	2,663	(3,995)	1,873	(559)	17,803
FUND BALANCES, JULY 1, 2014	50	1,163	843	-	(1,873)	183	133
	<u>50</u>	<u>1,163</u>	<u>843</u>	<u>-</u>	<u>(1,873)</u>	<u>183</u>	<u>133</u>
FUND BALANCES, JUNE 30, 2015	<u>\$ 50</u>	<u>\$ 63</u>	<u>\$ 3,506</u>	<u>\$ (3,995)</u>	<u>\$ -</u>	<u>\$ (376)</u>	<u>\$ 17,936</u>

The accompanying notes are an integral part of these financial statements

Waitsfield School District
 Combining Statement of Changes in Assets and Liabilities
 Fiduciary Fund Types - Agency Fund
 For The Year Ended June 30, 2015

Schedule 4

	Balance July 1, 2014	Receipts	Disbursements	Transfers	Balance June 30, 2015
Assets:					
Cash - Petty Cash	\$ 809	\$ 1,150	\$ 1,168	\$ -	\$ 791
Cash - 6th Grade Trip	<u>421</u>	<u>3,670</u>	<u>2,777</u>	<u>-</u>	<u>1,314</u>
Total Assets	<u>\$ 1,230</u>	<u>\$ 4,820</u>	<u>\$ 3,945</u>	<u>\$ -</u>	<u>\$ 2,105</u>
Liabilities:					
Amount Held for Agency Funds	<u>\$ 1,230</u>	<u>\$ 4,820</u>	<u>\$ 3,945</u>	<u>\$ -</u>	<u>\$ 2,105</u>
Total Liabilities	<u>\$ 1,230</u>	<u>\$ 4,820</u>	<u>\$ 3,945</u>	<u>\$ -</u>	<u>\$ 2,105</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
Waitsfield School District, 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 and the aggregate remaining fund information of Waitsfield School District, Vermont, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Waitsfield School District, Vermont's basic financial statements and have issued our report thereon dated March 3, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Waitsfield School District, 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 Waitsfield School District, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of Waitsfield School District, 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 Waitsfield School District, 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 3, 2016



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To the School Board
Waitsfield School District, Vermont

In planning and performing our audit of the financial statements of Waitsfield School District, Vermont as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered Waitsfield School District, Vermont's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Waitsfield School District, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of Waitsfield School District, 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.

In addition, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below.

Other Matters and Suggestions:

Revenues :

- While testing revenues it was noted that some revenues from the State of Vermont for substitute teacher reimbursement are not being recorded as revenues, rather they are being netted against the applicable salary expense account. Revenues should not be netted against expenses, as this is not allowed in governmental accounting standards. We suggest in the future that all revenues be recorded as revenues, regardless of the amount or the purpose of the income.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various personnel within Waitsfield School District, Vermont, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of the School Board, management, others within the entity, and state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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August 21, 2015

To the School Board
Waitsfield School District

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Waitsfield School District** 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 Waitsfield School District 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 Waitsfield School District 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