

TOWN OF WEST RUTLAND, VERMONT

AUDIT REPORT

JUNE 30, 2014

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Independent Auditor's Report

Board of Selectmen
Town of West Rutland
35 Marble Street
West Rutland, Vermont 05777

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of West Rutland, Vermont as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town of West Rutland, Vermont'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 the modified cash basis of accounting described in Note I; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 of 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 Town'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 Town'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.

Opinion

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of West Rutland, Vermont as of June 30, 2014, the respective changes in financial position thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with the basis of accounting as described in Note I.

Basis of Accounting

We draw attention to Note I of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information in Schedule 1 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.

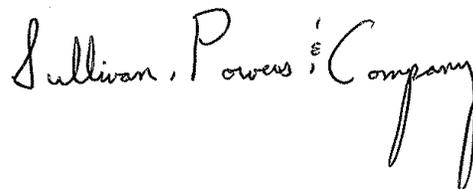
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of West Rutland, Vermont's basic financial statements. The combining fund financial statements and the budgetary comparison for the Water and Wastewater Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by "Government Auditing Standards"

In accordance with "Government Auditing Standards", we have also issued our report dated February 2, 2015 on our consideration of the Town of West Rutland, Vermont's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the Town of West Rutland, Vermont's internal control over financial reporting and compliance.

February 2, 2015
Montpelier, Vermont
VT Lic. #92-000180

A handwritten signature in black ink that reads "Sullivan, Powers & Company". The signature is written in a cursive style with a large, stylized 'S' at the beginning and a long, sweeping tail at the end.

TOWN OF WEST RUTLAND, VERMONT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2014

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash	\$ 1,786,523	\$ 0	\$ 1,786,523
Escrow Deposit	5,782	0	5,782
Internal Balances	(844,033)	844,033	0
Total Assets	<u>948,272</u>	<u>844,033</u>	<u>1,792,305</u>
<u>LIABILITIES</u>			
Due to State of Vermont	<u>127</u>	<u>0</u>	<u>127</u>
Total Liabilities	<u>127</u>	<u>0</u>	<u>127</u>
<u>NET POSITION</u>			
Restricted	48,944	0	48,944
Unrestricted	<u>899,201</u>	<u>844,033</u>	<u>1,743,234</u>
Total Net Position	<u>\$ 948,145</u>	<u>\$ 844,033</u>	<u>\$ 1,792,178</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF WEST RUTLAND, VERMONT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2014

	Program Receipts				Net (Disbursements) Receipts and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants/Loans and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs:							
Governmental Activities:							
General Government	\$ 871,652	\$ 47,474	\$ 13,964	\$ 0	(810,214)	\$ 0	\$ (810,214)
Highways and Streets	354,132	0	82,350	6,121	(265,661)	0	(265,661)
Public Safety	128,460	3,582	0	500,000	375,122	0	375,122
Community Development	196,962	0	196,962	0	0	0	0
Culture and Recreation	84,120	7,816	0	415,960	339,656	0	339,656
Capital Outlay							
Highways and Streets	269,268	0	0	41,240	(228,028)	0	(228,028)
Public Safety	498,671	0	0	0	(498,671)	0	(498,671)
Debt Service	141,469	0	0	0	(141,469)	0	(141,469)
Total Governmental Activities	2,544,734	58,872	293,276	963,321	(1,229,265)	0	(1,229,265)
Business-Type Activities:							
Water	460,949	375,067	0	32,286	0	(53,596)	(53,596)
Wastewater	390,260	365,982	0	0	0	(24,278)	(24,278)
Total Business-Type Activities	851,209	741,049	0	32,286	0	(77,874)	(77,874)
Total	\$ 3,395,943	\$ 799,921	\$ 293,276	\$ 995,607	(1,229,265)	(77,874)	(1,307,139)
General Receipts:							
Property Taxes					1,232,987	123,562	1,356,549
Payment in Lieu of Taxes					1,120	0	1,120
Interest and Penalties on Delinquent Taxes					27,709	0	27,709
Unrestricted Investment Earnings					6,050	4,265	10,315
General State Grants					8,734	0	8,734
Insurance Claim Proceeds					20,842	0	20,842
Other Revenues					10,165	0	10,165
Total General Receipts					1,307,607	127,827	1,435,434
Change in Net Position					78,342	49,953	128,295
Net Position - July 1, 2013					869,803	794,080	1,663,883
Net Position - June 30, 2014					\$ 948,145	\$ 844,033	\$ 1,792,178

The accompanying notes are an integral part of this financial statement.

TOWN OF WEST RUTLAND, VERMONT
 STATEMENT OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES
 GOVERNMENTAL FUNDS
 JUNE 30, 2014

	General Fund	Fire Equipment Fund	Handicap Accessibility Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 1,786,523	\$ 0	\$ 0	\$ 0	\$ 1,786,523
Due From Other Funds	9,678	202,303	53,393	266,333	531,707
Escrow Deposit	<u>5,782</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,782</u>
Total Assets	<u>\$ 1,801,983</u>	<u>\$ 202,303</u>	<u>\$ 53,393</u>	<u>\$ 266,333</u>	<u>\$ 2,324,012</u>
<u>LIABILITIES</u>					
Liabilities:					
Due To Other Funds	\$ 1,375,740	\$ 0	\$ 0	\$ 0	\$ 1,375,740
Due to State of Vermont	<u>127</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>127</u>
Total Liabilities	<u>1,375,867</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,375,867</u>
Fund Balances:					
Restricted	0	0	0	48,944	48,944
Assigned	224,678	202,303	53,393	217,389	697,763
Unassigned	<u>201,438</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>201,438</u>
Total Fund Balances	<u>426,116</u>	<u>202,303</u>	<u>53,393</u>	<u>266,333</u>	<u>948,145</u>
Total Liabilities and Fund Balances	<u>\$ 1,801,983</u>	<u>\$ 202,303</u>	<u>\$ 53,393</u>	<u>\$ 266,333</u>	<u>\$ 2,324,012</u>

The difference between total assets and total liabilities on this statement and the Statement of Net Assets - Modified Cash Basis is the elimination of the interfund balances of \$1,375,740

The accompanying notes are an integral part of this financial statement.

TOWN OF WEST RUTLAND, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	Fire Equipment Fund	Handicap Accessibility Fund	Other Governmental Funds	Total Governmental Funds
Cash Receipts:					
Property Taxes	\$ 1,232,987	\$ 0	\$ 0	\$ 0	\$ 1,232,987
Penalties and Interest on Delinquent Taxes	27,709	0	0	0	27,709
Intergovernmental	135,844	0	1,470	208,522	345,836
Investment Income	3,409	1,231	166	1,245	6,051
Charges for Services	39,158	0	0	0	39,158
Licenses, Fees & Fines	41,640	0	0	3,606	45,246
Donations	1,900	500,000	0	14,490	516,390
Other Receipts	16,357	15,795	0	5,047	37,199
Total Cash Receipts	1,499,004	517,026	1,636	232,910	2,250,576
Cash Disbursements:					
General Government	460,392	0	428,515	10,245	899,152
Highways and Streets	354,132	0	0	0	354,132
Public Safety	128,460	0	0	0	128,460
Community Development	0	0	0	196,962	196,962
Culture & Recreation	84,120	0	0	0	84,120
Capital Outlay:					
Highways and Streets	255,694	0	0	13,574	269,268
Public Safety	0	498,671	0	0	498,671
Debt Service:					
Principal - Bonds and Notes	87,529	0	0	0	87,529
Interest	53,940	0	0	0	53,940
Total Cash Disbursements	1,424,267	498,671	428,515	220,781	2,572,234
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	74,737	18,355	(426,879)	12,129	(321,658)
Other Financing Sources/(Uses):					
Bond Proceeds	0	0	400,000	0	400,000
Transfers In	0	40,450	25,000	74,500	139,950
Transfers Out	(139,950)	0	0	0	(139,950)
Total Other Financing Sources/(Uses)	(139,950)	40,450	425,000	74,500	400,000
Net Change in Fund Balances	(65,213)	58,805	(1,879)	86,629	78,342
Fund Balances - July 1, 2013	491,329	143,498	55,272	179,704	869,803
Fund Balances - June 30, 2014	\$ 426,116	\$ 202,303	\$ 53,393	\$ 266,333	\$ 948,145

The General Fund charges the Water Fund \$12,500 and the Wastewater Fund \$15,000 for administrative expenses. These charges have been eliminated from the Governmental Activities on the Statement of Activities - Modified Cash Basis.

The accompanying notes are an integral part of this financial statement.

TOWN OF WEST RUTLAND, VERMONT
 STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 PROPRIETARY FUNDS
 JUNE 30, 2014

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Due from Other Funds	\$ <u>132,661</u>	\$ <u>711,372</u>	\$ <u>844,033</u>
Total Assets	\$ <u>132,661</u>	\$ <u>711,372</u>	\$ <u>844,033</u>
<u>LIABILITIES</u>			
	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
<u>NET POSITION</u>			
Unrestricted	<u>132,661</u>	<u>711,372</u>	<u>844,033</u>
Total Net Position	<u>132,661</u>	<u>711,372</u>	<u>844,033</u>
Total Liabilities and Net Position	\$ <u>132,661</u>	\$ <u>711,372</u>	\$ <u>844,033</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF WEST RUTLAND, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Water Fund	Wastewater Fund	Total
OPERATING RECEIPTS:			
Charges for Services	\$ 370,704	\$ 361,307	\$ 732,011
Interest on Delinquent Fees	4,238	3,095	7,333
Connection Fees	0	1,170	1,170
Miscellaneous	125	410	535
	<u>375,067</u>	<u>365,982</u>	<u>741,049</u>
OPERATING DISBURSEMENTS:			
Salaries and Benefits	71,080	112,731	183,811
Administrative Charge	12,500	15,000	27,500
Permits	3,847	515	4,362
Maintenance	25,488	27,629	53,117
Chemicals and Testing	2,090	10,276	12,366
Sludge Management	0	24,154	24,154
Utilities	44,777	37,603	82,380
Contracted Services	1,900	1,790	3,690
Insurance	2,993	5,354	8,347
Pump Stations	0	19,510	19,510
Other	2,586	8,673	11,259
	<u>167,261</u>	<u>263,235</u>	<u>430,496</u>
Operating Income	<u>207,806</u>	<u>102,747</u>	<u>310,553</u>
NONOPERATING RECEIPTS/(DISBURSEMENTS):			
Interest Income	750	3,515	4,265
Bond Surcharge	0	123,562	123,562
Loan Proceeds	32,286	0	32,286
Capital Outlay - Loan Proceeds	(34,640)	0	(34,640)
Capital Outlay	(72,433)	0	(72,433)
Bond and Note Principal Payments	(61,413)	(127,025)	(188,438)
Bond and Note Interest Payments	(125,202)	0	(125,202)
	<u>(260,652)</u>	<u>52</u>	<u>(260,600)</u>
Change in Modified Cash Basis Net Position	(52,846)	102,799	49,953
Net Position - July 1, 2013	<u>185,507</u>	<u>608,573</u>	<u>794,080</u>
Net Position - June 30, 2014	<u>\$ 132,661</u>	<u>\$ 711,372</u>	<u>\$ 844,033</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF WEST RUTLAND, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

The Town of West Rutland, Vermont operates under a Selectboard/Town Manager form of government and provides the following services: public safety, highways and streets, sewage treatment, water services, community development, recreation, public improvements, planning and zoning, and general administrative services.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note I.D., these financial statements are presented on the modified cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant accounting policies employed in the preparation of these financial statements.

A. The Financial Reporting Entity

This report includes all of the funds of the Town of West Rutland, Vermont. The reporting entity consists of the primary government; organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. Based on these criteria, there are no entities that should be combined with the financial statements of the Town.

B. Basis of Presentation

The accounts of the Town are organized and operated on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, receipts, and disbursements. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled.

The basic financial statements of the Town include both government-wide statements and fund financial statements. The focus of the government-wide statements is on reporting the operating results and financial position of the Town. The focus of the fund financial statements is on reporting on the operating results and financial position of the most significant funds of the Town.

TOWN OF WEST RUTLAND, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government, the Town. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of activities between funds. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities and for each segment of the Town's business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function or program. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts that are not classified as program receipts, including all taxes, are presented as general receipts.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds.

The Town reports on the following major governmental funds:

General Fund – This is the Town's main operating fund. It accounts for all financial resources of the Town except those accounted for in another fund.

Fire Equipment Fund – This fund accounts for the assets set aside to purchase new equipment for the Fire Department.

Handicap Accessibility Fund – This fund accounts for the assets set aside to upgrade the Town Hall's Handicap Accessibility.

The Town reports on the following major proprietary funds:

Water Fund – This fund accounts for the operations of the Water Department of the Town.

Wastewater Fund – This fund accounts for the operations of the Wastewater Department of the Town.

Proprietary fund operating receipts, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating receipts, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

TOWN OF WEST RUTLAND, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

C. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide and proprietary fund financial statements are reported using the economic resources measurement focus within the limitations of the modified cash basis of accounting. Equity (i.e., net modified cash basis net position) is segregated into restricted and unrestricted net position. Operating statements present increases (i.e., receipts) and decreases (i.e., disbursements) in modified cash basis net position.

Governmental fund financial statements are reported using the current financial resources measurement focus within the limitations of the modified cash basis of accounting. Their reported fund balances (modified cash basis net position) are considered a measure of available spendable resources and are segregated into nonspendable; restricted; committed; assigned and unassigned amounts. Operating statements of these funds present increases (i.e., receipts and other financing sources) and decreases (i.e., disbursements and other financing uses) in modified cash basis net position.

D. Basis of Accounting

Basis of accounting refers to when revenue and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Town's policy is to prepare its financial statements primarily on the basis of cash receipts and disbursements; consequently, certain revenue and related assets are recognized when received rather than when earned, and certain expenditures and related liabilities are recognized when paid rather than when the obligation is incurred. The exception to this is that the Town records escrow deposits as assets and payroll withholdings as liabilities.

General capital asset acquisitions are reported as expenditures. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, it is the Town's policy to first consider restricted amounts to have been spent, followed by committed, assigned, and finally unassigned amounts.

E. Assets, Liabilities and Equity

1. Cash

Cash balances of most Town funds are deposited with and invested by the Town Treasurer. The Town considers all short-term investments of ninety (90) days or less to be cash equivalents.

Excess cash of individual funds are shown as due from other funds and excess cash withdrawals are shown as due to other funds. Interest income is allocated based on the due to/from other fund balances.

TOWN OF WEST RUTLAND, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

2. Fund Equity

Fund Equity is classified based upon any restrictions that have been placed on those balances or any tentative plans management may have made for those balances. Restrictions of net position in government-wide and proprietary fund types financial statements represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a grant, contract, or other binding agreement. Fund balances of governmental funds are classified as nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors, or donors; or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters at Town Meeting); assigned (reflecting the Selectboard's intended use of the resources); and unassigned.

3. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "Advances To/From Other Funds". All other outstanding balances between funds are reported as "Due To/From Other Funds". Cash balances deposited and invested by the Treasurer in a combined cash account are reported as "Due To/From Other Funds". The purpose for the interfund balances is to allow the Town to pool its cash deposits and obtain a higher interest rate. Any residual balance outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Budgets are approved at the annual Town Meeting in March. Any budget changes require voter approval. There were no budget changes during the year.

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2014, expenditures in the General Fund exceeded appropriations by \$122,527. This was funded by excess revenues and available fund balance.

TOWN OF WEST RUTLAND, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014

III. DETAILED NOTES ON ALL FUNDS

A. Cash

Cash is comprised of the following:

Cash with Financial Institutions	\$1,786,395
Cash on Hand	<u>128</u>
Total Cash	<u>\$1,786,523</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have any policy to limit the exposure to custodial credit risk. The following table shows the custodial credit risk of the Town's deposits.

	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC Insured	\$ 250,000	\$ 250,000
Uninsured, Collateralized by U.S. Government Securities and Mortgaged Backed Securities Held in the Bank's Account at the Federal Reserve Bank of Boston	<u>1,536,395</u>	<u>1,562,025</u>
Total Cash Deposits	<u>\$1,786,395</u>	<u>\$1,812,025</u>

The difference between the book and the bank balance is due to reconciling items such as deposits in transit and outstanding checks.

TOWN OF WEST RUTLAND, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

B. Interfund Balances and Activity

The composition of interfund balances at June 30, 2014 is as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 0	\$ 1,375,740
General Fund (for Recreation)	9,678	0
Fire Equipment Fund	202,303	0
Handicap Accessibility Fund	53,393	0
Restoration Fund	7,295	0
Industrial Development Revolving Loan Fund	19,792	0
Reappraisal Fund	70,081	0
Streetscape Fund	7,356	0
WWII Memorial Fund	14,501	0
Highway Equipment Fund	108,006	0
Bridge Fund	39,302	0
Water Fund	132,661	0
Wastewater Fund	711,372	0
Totals	<u>\$ 1,375,740</u>	<u>\$ 1,375,740</u>

Interfund transfers during the year ended June 30, 2014 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Recreation Fund	\$ 10,000 *	Annual Funding
General Fund	Fire Equipment Fund	40,450	Annual Funding
General Fund	Handicap Accessibility Fund	25,000	Annual Funding
General Fund	Highway Equipment Fund	70,000	Annual Funding
General Fund	Bridge Fund	<u>4,500</u>	Annual Funding
	Total Transfers	<u>\$149,950</u>	

* The transfer between the General Fund and Recreation Fund is netted within the General Fund as this fund net position is consolidated within the General Fund to comply with GASB Statement No. 54.

C. Net Position/Fund Balances

GASB Statement No. 34, as amended by GASB Statement No. 54, requires fund balances reported on the governmental fund balance sheet to be classified using a hierarchy based primarily on the extent to which a government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

TOWN OF WEST RUTLAND, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Governmental fund balances are to be classified as: nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Selectboard's intended use of the resources); and unassigned.

Special revenue funds are created only to report a revenue source (or sources) that is restricted or committed to a specified purpose, and that the revenue source should constitute a substantial portion of the resources reported in that fund. Special revenue funds cannot be used to accumulate funds that are not restricted or committed. These amounts will have to be reflected in the General Fund.

Amounts constrained to stabilization will be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. However, stabilization is regarded as a specified purpose only if the circumstances or conditions that signal the need for stabilization (a) are identified in sufficient detail and (b) are not expected to occur routinely. Governments are required to disclose in the notes key information about their stabilization arrangements, including the authority by which they were established, provisions for additions to the stabilization amount, and circumstances under which those amounts may be spent. The Town does not have any stabilization arrangements.

Some governments create stabilization-like arrangements by establishing formal minimum fund balance policies. The Town does not have any minimum fund balance policies.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, it is the Town's policy to first consider restricted amounts to have been spent, followed by committed, assigned, and finally unassigned amounts.

The purpose and specific revenues are described in the following section.

Net Position/Fund Balances are restricted as follows:

Governmental Activities and Governmental Funds:

Restricted for Industrial Development Revolving Loans by Grant Agreement	\$19,792
Restricted for Streetscape Improvements by Donations	7,356
Restricted for Restoration of Records by State Statute – Recording Fees	7,295
Restricted for WWII Memorial by Donations	<u>14,501</u>
Total Restricted Net Position/Fund Balances	<u>\$48,944</u>

TOWN OF WEST RUTLAND, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Fund Balances in the following funds are assigned as follows:

Governmental Funds:

Major Funds:

General Fund

General Fund – Assigned for Paving and Resurfacing	\$ 65,000
General Fund – Assigned for Recreation Access	50,000
General Fund – Assigned for Sherman Road Reconstruction	100,000
General Fund – Assigned for Recreation	<u>9,678</u>
Total General Fund	224,678

Other Funds

Fire Equipment Fund – Assigned for Fire Equipment Expenditures	202,303
Handicap Accessibility Fund – Assigned for Town Hall Handicap Accessibility Upgrades	<u>53,393</u>
Total Major Funds	<u>480,374</u>

Non-Major Governmental Funds:

Special Revenue Funds

Reappraisal Fund – Assigned for Reappraisal Expenditures (Source of Revenue is Grant Revenue from the State)	<u>70,081</u>
Total Special Revenue Funds	<u>70,081</u>

Capital Projects Funds

Highway Equipment Fund – Assigned for Highway Equipment Purchases	108,006
Bridge Fund – Assigned for Bridge Improvement Expenditures	<u>39,302</u>
Total Capital Projects Funds	<u>147,308</u>

Total Non-Major Governmental Funds 217,389

Total Assigned Fund Balances \$697,763

TOWN OF WEST RUTLAND, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Net Position is designated as follows:

Business-Type Activities:

Major Funds:

Water Fund:

Designated for Water Equipment Expenditures	\$ 9,664
Designated for Water Operating Expenditures	<u>122,997</u>
Total Water Fund	<u>132,661</u>

Wastewater Fund:

Designated for Wastewater Debt Service Expenditures	197,517
Designated for Wastewater Equipment Expenditures	149,701
Designated for Wastewater Operating Expenditures	<u>364,154</u>
Total Wastewater Fund	<u>711,372</u>
Total Designated Net Position	<u>\$844,033</u>

IV. OTHER INFORMATION

A. RETIREMENT PLANS

All applicable employees of the Town of West Rutland are covered under the State of Vermont Municipal Employees' Retirement Plan. The Town has (3) employees which are part of Plan B which requires a contribution by employees of 4.625% of gross wages while the Town contributes 5.125% to the plan. The other covered employees are members of Plan DC, a defined contribution plan. Employees covered by this plan are required to contribute 5% of gross wages while the Town contributes 5.125% to the plan.

The Town of West Rutland pays all costs accrued each year for the plan. The premise of Plan B is to provide a retirement plan covering municipal employees at a uniform state-wide contribution rate based upon an actuarial valuation of all State of Vermont municipal employees. Activity in this plan is done in the aggregate, not by municipality. The net position available for benefits as well as present value of vested and nonvested plan benefits by municipality are not available. The premise of Plan DC is to allow the employees to have a choice in investing their retirement assets. Each employee will receive the value of their account upon retirement.

Total payroll for the year was \$446,956. Total payroll covered by Plan B and Plan DC was \$130,825 and \$245,990, respectively. The Town's contribution to the plans for the years ending June 30, 2014, 2013 and 2012 was \$19,311, \$19,486, and \$19,765, respectively.

Additional information regarding the State of Vermont Municipal Employees Retirement System is available upon request from the State of Vermont.

TOWN OF WEST RUTLAND, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014

B. PROPERTY TAXES

Property taxes are due in three equal installments on August 15, November 15 and May 15. Interest is assessed at 1% per month after each respective due date for the first three (3) months and 1.5% per month thereafter and a penalty of 8% is added on to the entire unpaid tax balance after November 11th. The Town of West Rutland bills and collects its own property taxes and also for the education taxes for the State of Vermont. Town tax revenue is recognized when cash is received. For the year ended June 30, 2014, the tax rate is as follows:

	<u>Residential</u>	<u>Non-residential</u>
Municipal	0.6734	0.6734
Education	<u>1.4028</u>	<u>1.4100</u>
 Total Tax Rate/Per \$100 of Assessed Valuation	 <u>2.0762</u>	 <u>2.0834</u>

The Town also bills a flat fee to homeowners as part of their tax bill to cover debt service related to the wastewater bond.

C. RISK MANAGEMENT

The Town of West Rutland is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town of West Rutland maintains insurance coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town of West Rutland. Settled claims have not exceeded this coverage in any of the past three fiscal years. The Town must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving sixty days notice. Fund underwriting and ratesetting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund’s liabilities.

The Town of West Rutland is also a member of the Vermont League of Cities and Towns Unemployment Insurance Trust. The Unemployment Trust is a nonprofit corporation formed to provide unemployment coverage for Vermont municipalities and is owned by the participating members. The agreement does not permit the Unemployment Trust to make additional assessments to its members.

D. LONG-TERM DEBT

General Obligation Bonds – The Town issues general obligation bonds to provide resources for the acquisition and construction of major capital facilities and to refund prior issues. General obligation bonds have been issued for both general governmental and proprietary activities. Bonds are reported in governmental activities if the debt is expected to be repaid from general governmental revenues and in business-type activities if the debt is expected to be repaid from proprietary fund revenues.

General obligation bonds are direct and pledge the full faith and credit of the Town. New bonds generally are issued as 10 to 20 year bonds. Refunding bonds are issued for various terms based on the debt service of the debt refunded.

TOWN OF WEST RUTLAND, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014

The State of Vermont offers a number of no-interest and negative interest revolving loan programs to utilize for predetermined purposes. The Town has borrowed money from the State of Vermont Special Environmental Revolving Fund for a wastewater project.

Other Notes Payable – The Town has other notes payable to finance various capital projects and purchases through local banks.

Capital Lease Obligations - The Town enters into lease agreements as the lessee for the purpose of financing the acquisition of major pieces of equipment. These lease agreements qualify as capital lease obligations for accounting purposes (even though they may include clauses that allow for cancellation of the lease in the event the Town does not appropriate funds in future years) and therefore, have been recorded at the present value of the future minimum lease payments as of the inception date of the leases. Leases are reported in governmental activities if the debt is expected to be repaid from general governmental revenue and in the business-type activities of debt is expected to be repaid from proprietary fund revenue. The Town does not have any existing capital leases as of June 30, 2014.

NOTES AND BONDS PAYABLE

Notes and Bonds Payable consist of the following:

Governmental Activities:

	Balance 7/1/2013	Additions	Deletions	Balance 6/30/2014
Bond Payable - Vermont Municipal Bond Bank - Town Hall Improvements and Salt Shed - Annual Principal Payments Ranging from \$10,000 to \$15,000, Various Interest Rates Ranging from 3% to 4.58% Payable Semi-Annually on June 1 and December 1, Due December, 2025	\$ 155,000	\$ 0	\$ 15,000	\$ 140,000
Bond Payable - Vermont Municipal Bond Bank, Town Garage Refunding Bond, Interest at 3.930%, Annual Principal Payments of \$17,259, Interest Payable Semi-Annually on June 1 and December 1, Due December 1, 2022	175,286	0	17,529	157,757
Bond Payable - Vermont Municipal Bond Bank, Fire Station Improvements, Annual Principal Payments Ranging from \$55,000 to \$60,000, Various Interest Rates Ranging from 3.835% to 4.665%, Payable Semi-Annually on December 1 and June 1, Due December 1, 2026	770,000	0	55,000	715,000

TOWN OF WEST RUTLAND, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

	<u>Balance</u> <u>7/1/2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2014</u>
Bond Payable - Vermont Municipal Bond Bank, Town Hall Handicap Accessibility Improvements, Annual Principal Payments of \$40,000, Various Interest Rates Ranging from .444% to 3.634% Payable Semi-Annually on November 15th and May 15th, Beginning November 15, 2014 Due November, 2023	\$ <u>0</u>	\$ <u>400,000</u>	\$ <u>0</u>	\$ <u>400,000</u>
Total Governmental Activities	<u>1,100,286</u>	<u>400,000</u>	<u>87,529</u>	<u>1,412,757</u>
<u>Business-Type Activities:</u>				
Bond Payable- State of Vermont Special Environmental Revolving Fund, Sewer Upgrade, Interest at 0% \$127,025 Due Annually, Due December, 2021	\$ <u>1,143,232</u>	\$	\$ <u>127,025</u>	\$ <u>1,016,207</u>
Bond Payable- State of Vermont Special Environmental Revolving Fund, Water Planning, Annual Principal Payments Starting in 2019 in the amount of \$9,197 with Interest at 0%, Due February, 2023	<u>0</u>	<u>32,286</u>	<u>0</u>	<u>32,286</u>
Bond Payable - Vermont Municipal Bond Bank, Water System Refunding Bond, Interest at 3.93%, Annual Principal Payments Ranging from \$2,879 to \$8,805 with Interest Paid Semi-Annually on June 1 and December 1, Due December 1, 2041	<u>156,718</u>	<u>0</u>	<u>2,992</u>	<u>153,726</u>
Bond Payable - Vermont Municipal Bond Bank, Water System Refunding Bond, Interest at 3.930%, Annual Principal Payments Ranging from \$56,212 to \$71,915 with Interest Paid Semi-Annually on June 1 and December 1, Due December 1, 2041	<u>3,059,800</u>	<u>0</u>	<u>58,421</u>	<u>3,001,379</u>
Total Business Type Activities	<u>4,359,750</u>	<u>32,286</u>	<u>188,438</u>	<u>4,203,598</u>
Total Notes and Bonds Payable	<u>\$ 5,460,036</u>	<u>\$ 432,286</u>	<u>\$ 275,967</u>	<u>\$ 5,616,355</u>

TOWN OF WEST RUTLAND, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Reconciliation of Notes and Bonds Payable

Governmental Activities:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Due Within</u> <u>One Year</u>
General Obligation Bonds Payable	\$ 1,100,286	\$ 400,000	\$ 87,529	\$ 1,412,757	\$ 127,529
Total Governmental Activities	<u>\$ 1,100,286</u>	<u>\$ 400,000</u>	<u>\$ 87,529</u>	<u>\$ 1,412,757</u>	<u>\$ 127,529</u>

Business-Type Activities:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Due Within</u> <u>One Year</u>
General Obligation Bonds Payable	\$ 4,359,750	\$ 32,286	\$ 188,438	\$ 4,203,598	\$ 190,581
Total Business-Type Activities	<u>\$ 4,359,750</u>	<u>\$ 32,286</u>	<u>\$ 188,438</u>	<u>\$ 4,203,598</u>	<u>\$ 190,581</u>

The Town anticipates the maturities to be as follows:

<u>Governmental Activities</u>			
<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 127,529	\$ 82,436	\$ 209,965
2016	127,529	78,807	206,336
2017	127,529	74,449	201,978
2018	127,529	70,998	198,527
2019	122,529	67,056	189,585
2020-2024	595,115	98,482	693,597
2025-2028	<u>184,997</u>	<u>11,495</u>	<u>196,492</u>
Total	<u>\$ 1,412,757</u>	<u>\$ 483,723</u>	<u>\$ 1,896,480</u>

TOWN OF WEST RUTLAND, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Business-Type Activities

Year Ending June 30,	Principal	Interest	Total
2015	\$ 190,851	\$ 122,741	\$ 313,592
2016	193,360	120,184	313,544
2017	195,967	117,526	313,493
2018	198,676	114,763	313,439
2019	210,689	111,892	322,581
2020-2024	822,774	512,282	1,335,056
2025-2029	507,583	421,554	929,137
2030-2034	615,477	311,540	927,017
2035-2039	746,305	178,141	924,446
2040-2043	<u>521,916</u>	<u>31,294</u>	<u>553,210</u>
Total	<u>\$ 4,203,598</u>	<u>\$ 2,041,917</u>	<u>\$ 6,245,515</u>

E. OPERATING LEASE

The Town has entered into a lease with Highwinds, Inc. for a copier. The lease began on October 5, 2010 and expires on September 5, 2015. The estimated future minimum lease payments are as follows:

2015	\$ 2,013
2016	<u>503</u>
 Total	 <u>\$ 2,516</u>

F. RELATED PARTY TRANSACTIONS

The former Town Clerk's husband and current Zoning Administrator is a stockholder at an architectural firm that the Town utilizes for services. The amount paid to his architectural firm for the fiscal year ending June 30, 2014 was \$33,139.

G. AUTHORIZED BORROWING

At the March, 2014 Town meeting, the voters authorized the Town to borrow up to \$2,000,000 for water and wastewater expansion up Route 4. This money will come from the State of Vermont Special Environmental Revolving Fund. Terms of the debt are unknown at this time.

TOWN OF WEST RUTLAND, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
Cash Receipts:			
Property Taxes	\$ 1,234,814	\$ 1,232,987	\$ (1,827)
Tax Sale - Attorney Fees	0	3,712	3,712
State Aid Highway	78,000	80,860	2,860
Railroad Tax	1,100	74	(1,026)
Sewer & Water Administration	27,500	27,500	0
Ordinance Fines	9,000	3,582	(5,418)
Solid Waste Fees	100	78	(22)
Clerk Fees	18,000	16,986	(1,014)
Zoning Fees	2,500	9,711	7,211
Copier Fees	600	505	(95)
Dog Licenses	2,700	2,112	(588)
Treasurer's Salary-School	3,900	4,198	298
Interest	3,000	3,409	409
Town Hall	6,000	7,130	1,130
Liquor Licenses	800	830	30
Sponsored Activities	5,000	3,500	(1,500)
Delinquent Tax Interest and Penalty	20,000	27,709	7,709
School Tax Billing Fee	0	5,218	5,218
Permits	250	320	70
Phone Reimbursement	300	386	86
Farmers Market	0	160	160
Park and Ride Grant	4,000	1,274	(2,726)
Single Audit Fee Reimbursement	5,000	0	(5,000)
Refunds	0	100	100
Miscellaneous Recreation Programs	3,000	1,135	(1,865)
Recreation - Soccer	0	360	360
Recreation - Baseball & Softball	3,500	2,715	(785)
Baseball Sponsor	0	1,500	1,500
Softball Sponsor	0	400	400
Park and Ride Grant	0	41,240	41,240
Pilot Program	1,000	1,045	45
Timber Sale	0	3,019	3,019
State Land Use	7,800	8,734	934
Lister Education	0	394	394
VCDP Grant Monitoring	4,000	2,230	(1,770)
AOT Grant - Dewey Avenue	0	3,891	3,891
Total Cash Receipts	1,441,864	1,499,004	57,140

The accompanying notes are an integral part of this financial statement.

TOWN OF WEST RUTLAND, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
Cash Disbursements:			
Administration:			
Manager's Salary	\$ 59,450	\$ 59,450	\$ 0
Manager's Expense	3,500	3,754	(254)
Grant Administration	2,000	1,115	885
Treasurer's Salary	7,800	7,914	(114)
Office Back Up	2,000	1,411	589
Town Clerk Salary	32,445	32,287	158
Town Clerk Supplies	1,250	1,358	(108)
Copier Lease	2,800	2,649	151
Computer Equipment	2,500	7,514	(5,014)
Custodian Salary	1,000	0	1,000
Town Official Expense	3,000	4,499	(1,499)
Listers Salary	9,500	9,882	(382)
Listers Education Expense	1,000	1,205	(205)
Selectmen Salary	5,000	5,000	0
Planning/Zoning Salary	1,000	768	232
Zoning Mileage	200	245	(45)
Zoning Administration Salary	10,500	10,081	419
Health Officer Salary	1,200	1,200	0
Bookkeeper/Secretary Salary	36,097	32,639	3,458
Assistant Bookkeeper	15,600	18,923	(3,323)
Health & Dental Insurance	13,469	11,297	2,172
FICA	14,913	16,902	(1,989)
Property & Liability Insurance	9,212	9,287	(75)
Workmans Comp Insurance	569	597	(28)
Retirement	8,500	6,492	2,008
Employment Practice	1,431	1,447	(16)
Unemployment Insurance	449	366	83
Disability Insurance	970	858	112
Public Officers Liability Insurance	3,085	3,048	37
Auditing	15,000	14,800	200
Single Audit	5,000	0	5,000
Elections	2,200	1,855	345
Tax Billing	1,000	1,538	(538)
Data Processing	6,000	7,778	(1,778)
Legal Fees	5,000	5,801	(801)
Tax Sale Redemption	0	3,174	(3,174)
Office Supplies	5,000	4,833	167
Postage	1,500	1,437	63
Town Report	600	727	(127)
Advertising	3,000	2,257	743
Telephone	1,500	1,497	3
Bank Fees	0	37	(37)
Regional Planning	875	875	0
VLCT Dues	3,148	3,148	0
Miscellaneous	4,000	1,185	2,815
Newsletters	450	385	65
Total Administration	304,713	303,515	1,198

The accompanying notes are an integral part of this financial statement.

TOWN OF WEST RUTLAND, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
Highway:			
Equipment Savings Transfers	\$ 70,000	\$ 70,000	\$ 0
Labor	137,723	115,364	22,359
FICA	9,957	6,353	3,604
Retirement	7,575	5,729	1,846
Health & Dental Insurance	26,114	24,884	1,230
Workmans Comp Insurance	7,182	7,765	(583)
Property & Liability Insurance	5,641	5,812	(171)
Unemployment Insurance	436	377	59
Vehicle Insurance	3,735	3,770	(35)
Disability Insurance	1,341	1,007	334
Uniforms	1,500	1,163	337
Salt	60,000	54,942	5,058
Sand	6,000	5,559	441
Magnesium Chloride	3,000	0	3,000
Engineering	2,000	650	1,350
Culverts	3,000	2,901	99
Gravel	14,000	14,485	(485)
Hot Mix	1,500	353	1,147
Resurfacing	65,000	62,440	2,560
Cold Patch	2,000	1,431	569
Emergency Maintenance	2,000	0	2,000
Lawn Maintenance	4,000	3,590	410
Tree Work	3,000	1,850	1,150
Traffic Signs	2,000	1,892	108
Pager Service	550	539	11
Tools and Miscellaneous	3,000	3,076	(76)
Bridges	4,500	4,500	0
Catch Basin Cleaning	2,000	390	1,610
Channel Maintenance	1,500	3,240	(1,740)
Sidewalk Repair	15,000	951	14,049
Street Cleaning	1,000	0	1,000
Road Construction	15,000	7,079	7,921
Pavement Marking	2,000	3,355	(1,355)
Training	250	485	(235)
Gas, Oil, Diesel	20,000	25,925	(5,925)
Repair Parts	4,000	3,064	936
Outside Repairs	5,000	8,191	(3,191)
Tires, Chains, Batteries	3,000	4,248	(1,248)

The accompanying notes are an integral part of this financial statement.

TOWN OF WEST RUTLAND, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
Highway/(Cont'd):			
Plow Blades	\$ 4,500	\$ 6,455	\$ (1,955)
Tools and Equipment	2,000	1,682	318
Radios	200	0	200
Garage Heat	9,000	8,155	845
Building Maintenance & Repairs	2,500	3,353	(853)
Telephone	500	415	85
Electricity	1,600	2,458	(858)
Data Processing	750	835	(85)
Loan Payments	24,073	24,073	0
Salt Shed Bond Payment	10,656	10,656	0
Dewey Avenue Repair	0	4,323	(4,323)
Tree Grant Expenses	0	6,036	(6,036)
Park & Ride - Thrall	0	17,137	(17,137)
High Street Expansion	0	51,635	(51,635)
Skyline Dr Improvement	0	59,482	(59,482)
Paving Carryover	0	65,000	(65,000)
	<u>571,283</u>	<u>719,055</u>	<u>(147,772)</u>
Total Highway			
Fire Department:			
Fire Service Reimbursement	6,000	6,000	0
Office Supplies	700	540	160
Postage	50	58	(8)
Tools	750	678	72
Vehicle Fuel	1,500	1,643	(143)
Consumable Supplies	400	415	(15)
Phone	1,600	1,310	290
Training & Dues	1,250	772	478
Property & Casualty	4,275	4,280	(5)
Workman's Compensation	1,142	1,148	(6)
Vehicle Insurance	5,412	5,315	97
Accident & Sickness	1,894	1,802	92
Building Maintenance	3,875	4,124	(249)
Uniforms	750	348	402
CVPS - Station	3,000	3,677	(677)
Heating Fuel	4,500	4,526	(26)
Snow Removal	2,100	2,100	0
Capital Equipment Savings	10,450	10,450	0
Communications	2,500	2,368	132
Truck Maintenance	3,500	2,647	853
Equipment Maintenance	2,500	2,244	256
Medical Surveillance	500	310	190
Truck Savings Transfer	30,000	30,000	0
Fire Station Bond Payment	88,161	88,161	0
Miscellaneous	500	420	80
	<u>177,309</u>	<u>175,336</u>	<u>1,973</u>
Total Fire Department			

The accompanying notes are an integral part of this financial statement.

TOWN OF WEST RUTLAND, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Auxiliary Services:			
Street, Traffic Light	\$ 35,000	\$ 38,896	\$ (3,896)
Solid Waste Management	3,000	2,320	680
Library	40,200	40,200	0
Humane Society	200	0	200
Memorial Day	250	767	(517)
Ira Town Taxes	500	514	(14)
Clark Hill Forest	<u>0</u>	<u>4,171</u>	<u>(4,171)</u>
Total Auxiliary Services	<u>79,150</u>	<u>86,868</u>	<u>(7,718)</u>
Town Hall:			
Maintenance Labor	5,000	4,187	813
Inspections Elevator, Etc.	3,200	3,532	(332)
Cleaning Services	5,000	5,072	(72)
Electricity	6,500	7,154	(654)
Miscellaneous	5,000	3,880	1,120
Fuel Oil	10,000	16,303	(6,303)
Electrical	0	154	(154)
Improvements/Reserves	25,000	25,000	0
Town Hall Bond Payment - Auditorium	10,656	10,656	0
Town Hall Bond Payment - Basement	<u>0</u>	<u>7,923</u>	<u>(7,923)</u>
Total Town Hall	<u>70,356</u>	<u>83,861</u>	<u>(13,505)</u>
Public Safety:			
Police Animal Control	8,500	7,680	820
Police Force Labor	<u>65,122</u>	<u>64,751</u>	<u>371</u>
Total Public Safety	<u>73,622</u>	<u>72,431</u>	<u>1,191</u>
Other:			
Marketing - Special Events	5,000	3,130	1,870
Economic Development	5,000	4,137	863
Green Up Vermont	250	82	168
Tax Mapping	2,000	0	2,000
Streetscape Improvement	2,000	1,951	49
Cemetery Maintenance	<u>3,000</u>	<u>2,115</u>	<u>885</u>
Total Other	<u>17,250</u>	<u>11,415</u>	<u>5,835</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF WEST RUTLAND, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
Recreation:			
Electricity	\$ 500	\$ 1,039	\$ (539)
Telephone	400	452	(52)
Labor	7,500	5,069	2,431
Workmans Compensation Insurance	250	288	(38)
Property & Liability Insurance	622	521	101
Supplies	1,000	1,000	0
Heating Fuel	1,200	1,233	(33)
Facility Maintenance	2,000	1,843	157
WR Girls Softball	1,300	1,501	(201)
WR Boys Baseball	2,500	2,894	(394)
Baseball Sponsor	100	190	(90)
Softball Sponsor	100	190	(90)
Construction	3,000	8,940	(5,940)
Jr. Babe Ruth	1,500	1,783	(283)
Mity Mite/T-Ball	1,000	1,000	0
Soccer Grade 1-4	1,000	0	1,000
Skating Rink	200	87	113
Miscellaneous Programs	2,000	526	1,474
Field Mowing	5,500	4,535	965
Marble Street Park	500	150	350
Town Forest Maintenance	500	0	500
Capital Improvements	10,000	10,000	0
Engineering Services	0	853	(853)
Total Recreation	42,672	44,094	(1,422)
County Tax:			
County Tax	11,701	11,701	0
Total County Tax	11,701	11,701	0
Appropriations:			
Paving	65,000	27,307	37,693
Rutland Area Community Services	3,304	3,304	0
Rutland Mental Health Services	1,000	1,000	0
Adult Education	1,200	1,200	0
SW Agency on Aging	1,500	1,500	0
ARC - Disabled Citizens	300	300	0
RAVNA/Hospice	4,800	4,800	0
Regional Ambulance	9,304	9,304	0
REDC	500	500	0

The accompanying notes are an integral part of this financial statement.

TOWN OF WEST RUTLAND, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
Appropriations/(Cont'd):			
RSVP	\$ 400	\$ 400	\$ 0
Natural Resources Conservation District	250	250	0
West Rutland Food Shelf	1,000	1,000	0
BROC	1,250	1,250	0
Marble Valley Regional Transit	2,500	2,500	0
Housing Trust of Rutland County	750	750	0
American Red Cross	250	250	0
Carving Studio	500	500	0
Total Appropriations	93,808	56,115	37,693
Total Cash Disbursements	1,441,864	1,564,391	(122,527)
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	\$ 0	(65,387)	\$ (65,387)
Adjustments to Reconcile from Budgetary Basis of Accounting to Modified Cash Basis of Accounting:			
Recreation Appropriation		10,000	
Recreation Expenses		(9,826)	
Net Change in Modified Cash Basis Fund Balance		(65,213)	
Fund Balance - July 1, 2013		491,329	
Fund Balance - June 30, 2014		\$ 426,116	

The reconciling items are due to combining the "Recreation Fund" with the General Fund in order to comply with GASB Statement No. 54.

The accompanying notes are an integral part of this financial statement.

TOWN OF WEST RUTLAND, VERMONT
 COMBINING STATEMENT OF MODIFIED CASH
 BASIS ASSETS, LIABILITIES AND FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 JUNE 30, 2014

	Special Revenue Funds	Capital Projects Funds	Total
<u>ASSETS</u>			
Due From Other Funds	\$ <u>119,025</u>	\$ <u>147,308</u>	\$ <u>266,333</u>
TOTAL ASSETS	\$ <u><u>119,025</u></u>	\$ <u><u>147,308</u></u>	\$ <u><u>266,333</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Fund Balances:			
Restricted for:			
Industrial Development	19,792	0	19,792
Streetscape	7,356	0	7,356
Restoration of Records	7,295	0	7,295
Memorial Improvements	14,501	0	14,501
Assigned for:			
General Government	70,081	0	70,081
Highways and Streets	<u>0</u>	<u>147,308</u>	<u>147,308</u>
Total Fund Balances	<u>119,025</u>	<u>147,308</u>	<u>266,333</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u><u>119,025</u></u>	\$ <u><u>147,308</u></u>	\$ <u><u>266,333</u></u>

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TOWN OF WEST RUTLAND, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND
 CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds	Capital Projects Funds	Total
Cash Receipts:			
Intergovernmental	\$ 207,032	\$ 1,490	\$ 208,522
Interest Income	587	658	1,245
Restoration Fees	3,606	0	3,606
Insurance Claims	0	5,047	5,047
Donations	14,490	0	14,490
	<u>225,715</u>	<u>7,195</u>	<u>232,910</u>
Cash Disbursements:			
General Government	10,245	0	10,245
Community Development	196,962	0	196,962
Capital Outlay:			
Highways and Streets	0	13,574	13,574
	<u>207,207</u>	<u>13,574</u>	<u>220,781</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>18,508</u>	<u>(6,379)</u>	<u>12,129</u>
Other Financing Sources:			
Transfers In	0	74,500	74,500
	<u>0</u>	<u>74,500</u>	<u>74,500</u>
Net Change in Fund Balances	18,508	68,121	86,629
Fund Balances - July 1, 2013	<u>100,517</u>	<u>79,187</u>	<u>179,704</u>
Fund Balances - June 30, 2014	<u>\$ 119,025</u>	<u>\$ 147,308</u>	<u>\$ 266,333</u>

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TOWN OF WEST RUTLAND, VERMONT
 COMBINING STATEMENT OF MODIFIED CASH BASIS ASSETS,
 LIABILITIES AND FUND BALANCES
 SPECIAL REVENUE FUNDS
 JUNE 30, 2014

	Community Development Fund	Restoration Fund	Industrial Development Revolving Loan Fund	Reappraisal Fund	Streetscape Fund	WWII Memorial Fund	Total
<u>ASSETS</u>							
Due From Other Funds	\$ 0	\$ 7,295	\$ 19,792	\$ 70,081	\$ 7,356	\$ 14,501	\$ 119,025
TOTAL ASSETS	\$ 0	\$ 7,295	\$ 19,792	\$ 70,081	\$ 7,356	\$ 14,501	\$ 119,025
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balances:							
Restricted for:							
Industrial Development	0	0	19,792	0	0	0	19,792
Streetscape	0	0	0	0	7,356	0	7,356
Restoration of Records	0	7,295	0	0	0	0	7,295
Memorial Improvements	0	0	0	0	0	14,501	14,501
Assigned for:							
General Government	0	0	0	70,081	0	0	70,081
Total Fund Balances	0	7,295	19,792	70,081	7,356	14,501	119,025
TOTAL LIABILITIES AND FUND BALANCES	\$ 0	\$ 7,295	\$ 19,792	\$ 70,081	\$ 7,356	\$ 14,501	\$ 119,025

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TOWN OF WEST RUTLAND, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND
 CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Community Development Fund	Restoration Fund	Industrial Development Revolving Loan Fund	Reappraisal Fund	Streetscape Fund	WWII Memorial Fund	Total
Cash Receipts:							
Intergovernmental	\$ 196,962	\$ 0	\$ 0	\$ 10,070	\$ 0	\$ 0	\$ 207,032
Interest Income	0	42	118	373	43	11	587
Restoration Fees	0	3,606	0	0	0	0	3,606
Donations	0	0	0	0	0	14,490	14,490
Total Cash Receipts	<u>196,962</u>	<u>3,648</u>	<u>118</u>	<u>10,443</u>	<u>43</u>	<u>14,501</u>	<u>225,715</u>
Cash Disbursements:							
General Government	0	2,550	0	0	7,695	0	10,245
Community Development	196,962	0	0	0	0	0	196,962
Total Cash Disbursements	<u>196,962</u>	<u>2,550</u>	<u>0</u>	<u>0</u>	<u>7,695</u>	<u>0</u>	<u>207,207</u>
Net Change in Fund Balances	0	1,098	118	10,443	(7,652)	14,501	18,508
Fund Balances - July 1, 2013	<u>0</u>	<u>6,197</u>	<u>19,674</u>	<u>59,638</u>	<u>15,008</u>	<u>0</u>	<u>100,517</u>
Fund Balances - June 30, 2014	<u>\$ 0</u>	<u>\$ 7,295</u>	<u>\$ 19,792</u>	<u>\$ 70,081</u>	<u>\$ 7,356</u>	<u>\$ 14,501</u>	<u>\$ 119,025</u>

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TOWN OF WEST RUTLAND, VERMONT
 COMBINING STATEMENT OF MODIFIED CASH BASIS ASSETS,
 LIABILITIES AND FUND BALANCES
 CAPITAL PROJECTS FUNDS
 JUNE 30, 2014

	Highway Equipment Fund	Bridge Fund	Total
<u>ASSETS</u>	<u> </u>	<u> </u>	<u> </u>
Due From Other Funds	\$ <u>108,006</u>	\$ <u>39,302</u>	\$ <u>147,308</u>
TOTAL ASSETS	\$ <u>108,006</u>	\$ <u>39,302</u>	\$ <u>147,308</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Fund Balances:			
Assigned for:			
Highways and Streets	<u>108,006</u>	<u>39,302</u>	<u>147,308</u>
Total Fund Balances	<u>108,006</u>	<u>39,302</u>	<u>147,308</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>108,006</u>	\$ <u>39,302</u>	\$ <u>147,308</u>

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TOWN OF WEST RUTLAND, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND
 CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Highway Equipment Fund	Bridge Fund	Total
Cash Receipts:			
Intergovernmental	\$ 1,490	\$ 0	\$ 1,490
Interest Income	437	221	658
Insurance Claims	5,047	0	5,047
Total Cash Receipts	<u>6,974</u>	<u>221</u>	<u>7,195</u>
Cash Disbursements:			
Capital Outlay:			
Highways and Streets	13,574	0	13,574
Total Cash Disbursements	<u>13,574</u>	<u>0</u>	<u>13,574</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>(6,600)</u>	<u>221</u>	<u>(6,379)</u>
Other Financing Sources:			
Transfers In	70,000	4,500	74,500
Total Other Financing Sources	<u>70,000</u>	<u>4,500</u>	<u>74,500</u>
Net Change in Fund Balances	63,400	4,721	68,121
Fund Balances - July 1, 2013	<u>44,606</u>	<u>34,581</u>	<u>79,187</u>
Fund Balances - June 30, 2014	<u>\$ 108,006</u>	<u>\$ 39,302</u>	<u>\$ 147,308</u>

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TOWN OF WEST RUTLAND, VERMONT
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS
 AND CHANGES IN MODIFIED CASH BASIS NET POSITION
 BUDGET AND ACTUAL - BUDGETARY BASIS
 PROPRIETARY FUND - WATER FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
Cash Receipts:			
Water Fees	\$ 362,063	\$ 370,704	\$ 8,641
Miscellaneous Revenues	0	125	125
Interest on Delinquent Accounts	0	4,238	4,238
Interest Income	0	562	562
	<u>362,063</u>	<u>375,629</u>	<u>13,566</u>
Cash Disbursements:			
Salaries	51,052	52,732	(1,680)
Administrative Reimbursement	12,500	12,500	0
Assistant Labor	1,000	110	890
FICA	3,691	3,904	(213)
Office Supplies	700	755	(55)
Data Processing	500	0	500
Advertising	300	250	50
Contributions & Subsidies	100	0	100
Property & Casualty Insurance	2,297	2,385	(88)
Vehicle Insurance	616	608	8
Workers Comp Insurance	1,146	1,254	(108)
Chlorine & Chemicals	600	337	263
Testing & Sampling	1,500	1,753	(253)
Permits	4,500	3,847	653
Postal	200	225	(25)
Health/Dental Insurance	11,298	8,838	2,460
VMERS	2,808	3,008	(200)
Disability Insurance	436	482	(46)
Unemployment Insurance	154	144	10
Meter Installation	0	689	(689)
Pump & Well Supplies	500	150	350
Phone	1,000	263	737
Pine Hill Pump Station Phone	300	263	37
Pager Service	300	258	42
Contract Services	1,500	1,500	0
Well/Plant Maintenance	4,000	3,125	875
Tank Maintenance	1,500	180	1,320

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TOWN OF WEST RUTLAND, VERMONT
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS
 AND CHANGES IN MODIFIED CASH BASIS NET POSITION
 BUDGET AND ACTUAL - BUDGETARY BASIS
 PROPRIETARY FUND - WATER FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Disbursements: (Cont'd)			
Line Maintenance	\$ 10,000	\$ 20,169	\$ (10,169)
Meter Maintenance & Testing	1,000	69	931
Propane-Pine Hill Pump St	500	340	160
Clark Hill Valve Vault	1,000	1,004	(4)
CVPS-Wells	38,000	38,014	(14)
CVPS-Distribution-Pine	1,300	1,614	(314)
Propane-Wells	1,750	1,807	(57)
Hydrant Maintenance	100	0	100
Capital Improvement/Reserve	10,000	10,000	0
Vehicle Fuel	1,000	1,213	(213)
Vehicle Maintenance	500	406	94
Training	500	1,207	(707)
Engineering	3,000	400	2,600
Publication Expense	200	0	200
Uniforms	600	608	(8)
Generator Maintenance	1,500	850	650
Bond Principal & Interest	<u>186,615</u>	<u>186,615</u>	<u>0</u>
 Total Cash Disbursements	 <u>362,063</u>	 <u>363,876</u>	 <u>(1,813)</u>
 Excess of Cash Receipts Over Cash Disbursements	 \$ <u>0</u>	 11,753	 \$ <u>11,753</u>
 Adjustments to Reconcile to Modified Cash Basis of Accounting:			
Interest on Reserve Funds		188	
Transfer to Water Equipment Reserve		10,000	
Center Rutland Corridor Project		(34,640)	
Loan Proceeds		32,286	
Capital Outlay		<u>(72,433)</u>	
 Change in Modified Cash Basis Net Position - Exhibit F		 \$ <u>(52,846)</u>	

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TOWN OF WEST RUTLAND, VERMONT
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS NET POSITION
BUDGET AND ACTUAL - BUDGETARY BASIS
PROPRIETARY FUND - WASTEWATER FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
Cash Receipts:			
Sewer Fees	\$ 343,622	\$ 361,307	\$ 17,685
Sewer Bond Surcharge	127,025	123,562	(3,463)
Interest Income	0	2,772	2,772
Interest on Delinquent Accounts	0	3,095	3,095
Miscellaneous	0	1,221	1,221
Total Cash Receipts	470,647	491,957	21,310
Cash Disbursements:			
Salaries	79,413	83,943	(4,530)
Health Insurance	17,501	14,300	3,201
Disability Insurance	692	760	(68)
Workers Compensation	1,719	1,969	(250)
Unemployment	244	222	22
Property & Liability Insurance	4,556	4,704	(148)
FICA	5,673	6,059	(386)
VMERS	4,316	4,083	233
Uniforms	850	905	(55)
Assistant Labor	1,000	490	510
Administrative Reimbursement	15,000	15,000	0
Data Processing	1,000	1,583	(583)
Equipment Savings Transfer	50,000	50,000	0
Vehicle Maintenance	1,200	1,994	(794)
Vehicle Insurance	658	650	8
Vehicle Fuel	1,800	1,669	131
Lab Chemicals	1,000	1,144	(144)
Lab Equipment	1,800	1,729	71
Instrumentation & Control	1,500	1,500	0
Solid Waste Removal	1,500	1,390	110
Lab Testing	4,400	2,409	1,991
Soda Ash	2,500	1,019	1,481
Allum	11,000	3,975	7,025
UV Bulbs	2,000	0	2,000
Telephone	1,200	1,102	98
Modem Phone Expense	500	486	14
Paging Service	300	258	42
Office Supplies	1,000	941	59
Miscellaneous	1,800	1,984	(184)
Training	500	686	(186)
Plant Maintenance	6,000	9,217	(3,217)
Engineering	5,000	400	4,600
Heating Fuel	15,000	10,226	4,774
UV Room Propane	1,700	1,930	(230)
Emergency Maintenance	2,000	0	2,000

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TOWN OF WEST RUTLAND, VERMONT
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS NET POSITION
BUDGET AND ACTUAL - BUDGETARY BASIS
PROPRIETARY FUND - WASTEWATER FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
Cash Disbursements:			
(Cont'd)			
Lawn Service	\$ 1,500	\$ 1,380	\$ 120
Generator Maintenance	2,500	1,750	750
Sewer Line Maintenance	10,000	9,796	204
Manhole Maintenance	1,500	1,360	140
Sludge Management	31,000	24,154	6,846
Annual Operating Permit	700	515	185
Plant - CVPS	26,000	19,674	6,326
Pumpstation Maintenance	3,500	3,512	(12)
Elm Street	10,000	10,518	(518)
Elm Street Fuel	1,400	959	441
Harrison Avenue	2,800	3,469	(669)
Harrison Avenue Propane	150	0	150
Barnes Street	1,200	1,039	161
Baxter Street	500	481	19
Clarendon Avenue	2,600	2,373	227
Clarendon Avenue Propane	150	1,299	(1,149)
Main Street	1,300	1,165	135
Thrall Avenue	500	465	35
Bond Principal	127,025	127,025	0
Total Cash Disbursements	470,647	439,661	30,986
Excess of Cash Receipts Over			
Cash Disbursements	\$ 0	52,296	\$ 52,296
Adjustments to Reconcile to Modified Cash Basis of Accounting:			
Interest on Reserve Funds		743	
Transfer to Sewer Equipment Reserve		50,000	
Grant Income		360	
Miscellaneous Expense		(600)	
Change in Modified Cash Basis Net Position - Exhibit F		\$ 102,799	

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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"

Board of Selectmen
Town of West Rutland
35 Marble Street
West Rutland, Vermont 05777

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of West Rutland, Vermont, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town of West Rutland, Vermont's basic financial statements and have issued our report thereon dated February 2, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of West Rutland, 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 the Town of West Rutland, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of West Rutland, 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town of West Rutland, Vermont's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. 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

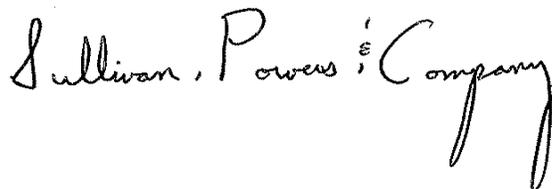
As part of obtaining reasonable assurance about whether the Town of West Rutland, Vermont's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under "Government Auditing Standards".

However, we noted certain other matters that we reported to the management of the Town of West Rutland, Vermont in a separate letter dated February 2, 2015.

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 Town of West Rutland, Vermont'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 Town of West Rutland, Vermont's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

February 2, 2015
Montpelier, Vermont
VT Lic. #92-000180

A handwritten signature in cursive script that reads "Sullivan, Powers & Company". The signature is written in black ink and is positioned to the right of the typed text.