

TOWN OF WESTMINSTER, VERMONT

AUDIT REPORT

JUNE 30, 2015

TOWN OF WESTMINSTER, VERMONT
 AUDIT REPORT
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Independent Auditor's Report

Selectboard
Town of Westminster
P.O. Box 147
Westminster, Vermont 05158

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Westminster, Vermont as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of Westminster, 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 as 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, each major fund, and the aggregate remaining fund information of the Town of Westminster, Vermont as of June 30, 2015, and 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.D.

Change in Accounting Principle

As described in Note I.E. to the financial statements, effective June 30, 2015, the Town implemented Governmental Accounting Standards (GASB) Statement No. 68, "Financial Reporting for Pension Plans" – an amendment of GASB Statement No. 27.

Other Matters

Basis of Accounting

We draw attention to Note I.D. 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Proportionate Share of the Net Pension Liability on Schedule 1 and the Schedule of Contributions on Schedule 2 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.

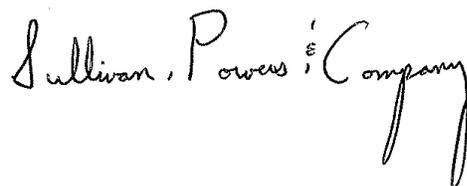
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Westminster, Vermont's basic financial statements. The combining fund financial statements, Schedule of Delinquent Taxes, Schedule of Delinquent Taxes by Year and Schedule of Taxes Raised 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 January 19, 2016 on our consideration of the Town of Westminster, 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 Westminster, Vermont's internal control over financial reporting and compliance.

January 19, 2016
Montpelier, Vermont
VT Lic. #92-000180

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

TOWN OF WESTMINSTER, VERMONT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2015

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 1,004,816
Investments	<u>93,430</u>
Total Assets	<u>1,098,246</u>
<u>LIABILITIES</u>	
Due to State of Vermont	1,845
Payroll Withholdings Payable	54
Tax Sale Overpayments	43,652
Due to Others	<u>300</u>
Total Liabilities	<u>45,851</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Prepaid Property Taxes	<u>5,794</u>
Total Deferred Inflows of Resources	<u>5,794</u>
<u>NET POSITION</u>	
Restricted	324,108
Unrestricted	<u>722,493</u>
Total Net Position	<u>\$ 1,046,601</u>

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

TOWN OF WESTMINSTER, VERMONT
 STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
 FOR THE YEAR ENDED JUNE 30, 2015

	Program Cash Receipts				Net (Disbursements)/ Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Functions/Programs:					
Governmental Activities:					
General Government	\$ 689,371	\$ 41,228	\$ 15,029	\$ 0	\$ (633,114)
Public Safety	120,836	9,707	25,725	0	(85,404)
Highways and Streets	1,189,132	540	223,446	145,958	(819,188)
Culture and Recreation	8,670	0	0	0	(8,670)
Community Development	108,047	16,120	0	0	(91,927)
Sanitation	248,994	1,078	0	0	(247,916)
Cemetery	10,017	1,100	0	0	(8,917)
Debt Service	30,802	0	0	0	(30,802)
Total Governmental Activities	\$ <u>2,405,869</u>	\$ <u>69,773</u>	\$ <u>264,200</u>	\$ <u>145,958</u>	<u>(1,925,938)</u>
General Receipts:					
Property Taxes					1,688,290
Penalties and Interest on Delinquent Taxes					69,230
General State Grants					111,297
Unrestricted Investment Earnings					3,960
Other					3,134
Total General Receipts					<u>1,875,911</u>
Change in Net Position					(50,027)
Net Position - July 1, 2014					<u>1,096,628</u>
Net Position - June 30, 2015					\$ <u><u>1,046,601</u></u>

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

TOWN OF WESTMINSTER, VERMONT
STATEMENT OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Community Improvement Grant Fund	Capital Improvement Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 720,130	\$ 172,037	\$ 89,602	\$ 23,047	\$ 1,004,816
Investments	0	0	0	93,430	93,430
Due from Other Funds	0	0	34,800	269,347	304,147
Total Assets	<u>\$ 720,130</u>	<u>\$ 172,037</u>	<u>\$ 124,402</u>	<u>\$ 385,824</u>	<u>\$ 1,402,393</u>
<u>LIABILITIES</u>					
Due to State of Vermont	\$ 1,845	\$ 0	\$ 0	\$ 0	\$ 1,845
Payroll Withholdings Payable	54	0	0	0	54
Tax Sale Overpayments	43,652	0	0	0	43,652
Due to Other Funds	304,147	0	0	0	304,147
Due to Others	300	0	0	0	300
Total Liabilities	<u>349,998</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>349,998</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Prepaid Property Taxes	5,794	0	0	0	5,794
Total Deferred Inflows of Resources	<u>5,794</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,794</u>
<u>FUND BALANCES</u>					
Nonspendable	0	0	0	65,494	65,494
Restricted	0	172,037	0	86,577	258,614
Assigned	0	0	124,402	233,753	358,155
Unassigned	364,338	0	0	0	364,338
Total Fund Balances	<u>364,338</u>	<u>172,037</u>	<u>124,402</u>	<u>385,824</u>	<u>1,046,601</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 720,130</u>	<u>\$ 172,037</u>	<u>\$ 124,402</u>	<u>\$ 385,824</u>	<u>\$ 1,402,393</u>

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

TOWN OF WESTMINSTER, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Community Improvement Grant Fund	Capital Improvement Fund	Non-Major Governmental Funds	Total Governmental Funds
Cash Receipts:					
Property Taxes	\$ 1,688,290	\$ 0	\$ 0	\$ 0	\$ 1,688,290
Penalties and Interest on Delinquent Taxes	69,230	0	0	0	69,230
Intergovernmental	480,701	0	0	40,754	521,455
Charges for Services	9,948	0	0	1,100	11,048
Permits, Licenses and Fees	30,859	0	0	2,039	32,898
Fines and Forfeits	9,707	0	0	0	9,707
Loan Repayments	0	13,870	0	0	13,870
Loan Interest Income	0	2,250	0	0	2,250
Investment Income	2,132	215	172	1,441	3,960
Other	3,134	0	0	0	3,134
Total Cash Receipts	<u>2,294,001</u>	<u>16,335</u>	<u>172</u>	<u>45,334</u>	<u>2,355,842</u>
Cash Disbursements:					
General Government	640,787	0	0	0	640,787
Public Safety	92,672	0	0	28,164	120,836
Highways and Streets	713,693	0	0	0	713,693
Culture and Recreation	8,670	0	0	0	8,670
Community Development	0	108,047	0	0	108,047
Sanitation	248,994	0	0	0	248,994
Cemetery	10,002	0	0	15	10,017
Capital Outlay:					
General Government	0	0	48,584	0	48,584
Highways and Streets	148,659	0	0	326,780	475,439
Debt Service:					
Principal	0	0	0	30,000	30,000
Interest	0	0	0	802	802
Total Cash Disbursements	<u>1,863,477</u>	<u>108,047</u>	<u>48,584</u>	<u>385,761</u>	<u>2,405,869</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>430,524</u>	<u>(91,712)</u>	<u>(48,412)</u>	<u>(340,427)</u>	<u>(50,027)</u>
Other Financing Sources/(Uses):					
Transfers In	0	0	0	270,000	270,000
Transfers Out	(270,000)	0	0	0	(270,000)
Total Other Financing Sources/(Uses)	<u>(270,000)</u>	<u>0</u>	<u>0</u>	<u>270,000</u>	<u>0</u>
Net Change in Fund Balances	<u>160,524</u>	<u>(91,712)</u>	<u>(48,412)</u>	<u>(70,427)</u>	<u>(50,027)</u>
Fund Balances - July 1, 2014	<u>203,814</u>	<u>263,749</u>	<u>172,814</u>	<u>456,251</u>	<u>1,096,628</u>
Fund Balances - June 30, 2015	<u>\$ 364,338</u>	<u>\$ 172,037</u>	<u>\$ 124,402</u>	<u>\$ 385,824</u>	<u>\$ 1,046,601</u>

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

TOWN OF WESTMINSTER, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Receipts:			
Property Taxes	\$ 1,655,443	\$ 1,688,290	\$ 32,847
Interest and Warrants	32,000	39,606	7,606
Penalties on Delinquent Taxes	27,000	29,624	2,624
Payment in Lieu of Taxes	17,475	18,028	553
Hold Harmless	85,000	91,251	6,251
Highway State Aid	159,000	159,606	606
Railroad Tax	0	2,018	2,018
School Treasurer Reimbursement	1,000	728	(272)
Post Office Rental Income	9,220	9,220	0
Post Office Tax Reimbursement	2,200	2,214	14
Liquor Licenses	200	140	(60)
Dog Licenses	2,500	1,027	(1,473)
Road Access Permits	200	540	340
Sign Permits	100	60	(40)
Zoning Permits	3,000	3,945	945
Clerk Fees	25,000	23,177	(1,823)
Trash Bag Sales	0	1,078	1,078
Local Ordinance Fees	20,000	9,707	(10,293)
Copier Fees	200	892	692
Investment Income	3,150	2,132	(1,018)
Miscellaneous	2,500	3,134	634
FEMA Reimbursement	0	4,861	4,861
Emergency Grant Income	0	58,979	58,979
West Road Grant Income	0	140,958	140,958
Wood Furnace Grant Income	0	5,000	5,000
	<u>2,045,188</u>	<u>2,296,215</u>	<u>251,027</u>
Total Cash Receipts			
Cash Disbursements:			
Selectmen:			
Selectmen Salaries	5,800	5,800	0
Recording Secretary Stipend	1,200	1,150	50
Social Security	43,976	39,770	4,206
Retirement	27,976	25,849	2,127
Health Insurance	123,760	119,884	3,876
Selectmen's Expenses	2,000	1,426	574
Town Office Supplies	4,000	4,206	(206)
Computer Expenses	4,200	4,900	(700)
Computer Contract Services	7,500	3,358	4,142
Miscellaneous	2,200	2,190	10
Town Meeting	250	0	250
Volunteer Recognition	150	30	120
Advertising	1,500	1,531	(31)
VLCT	4,255	4,255	0

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

TOWN OF WESTMINSTER, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable/ (Unfavorable)
Selectmen/(Cont'd):			
Meetings and Training	\$ 300	\$ 60	\$ 240
Windham Regional Planning	5,785	5,785	0
Insurance	49,588	45,866	3,722
Legal Services	7,200	3,493	3,707
Town Office Phones	3,700	1,642	2,058
	<u>295,340</u>	<u>271,195</u>	<u>24,145</u>
Total Selectmen			
Goldies Road Land:	<u>0</u>	<u>5,000</u>	<u>(5,000)</u>
Town Report:			
Town Report - Postage	200	391	(191)
Town Report - Staff	0	125	(125)
Town Report	3,200	2,636	564
	<u>3,400</u>	<u>3,152</u>	<u>248</u>
Total Town Report			
Executive Department:			
Town Manager Salary	56,942	56,862	80
Clerical Salary	24,968	25,430	(462)
Finance Officer	13,195	13,195	0
Office Supplies	1,000	443	557
Telephone	0	939	(939)
Postage	500	387	113
Dues, Subscriptions and Meetings	1,400	767	633
Travel Expenses	1,500	1,503	(3)
Contracted Services	7,500	6,619	881
Office Equipment	400	249	151
	<u>107,405</u>	<u>106,394</u>	<u>1,011</u>
Total Executive Department			
Elections:			
Ballot Clerks' Wages	1,000	592	408
Operating Supplies	4,500	5,131	(631)
	<u>5,500</u>	<u>5,723</u>	<u>(223)</u>
Total Elections			
Town Treasurer:			
Treasurer's Salary	4,060	4,060	0
Assistant Town Treasurer's Wages	1,387	1,387	0
Office Supplies and Expenses	1,150	1,192	(42)
Bank Service Charges	200	310	(110)
Postage	1,550	1,564	(14)
Dues and Meetings	400	373	27
Travel Expense	200	248	(48)
	<u>8,947</u>	<u>9,134</u>	<u>(187)</u>
Total Town Treasurer			

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

TOWN OF WESTMINSTER, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable/ (Unfavorable)
Annual Audit and Expenses:	\$ 10,500	\$ 9,700	\$ 800
Listing:			
Listers' Wages	5,500	14,623	(9,123)
Administrative Assistant Listers' Wages	31,405	24,653	6,752
Supplies	2,000	177	1,823
Computer Expenses	1,000	1,401	(401)
Postage	500	36	464
Dues, Subscriptions and Meetings	500	441	59
Mapping	1,000	175	825
Legal	0	455	(455)
Travel Expenses	750	491	259
Total Listing	<u>42,655</u>	<u>42,452</u>	<u>203</u>
Town Clerk:			
Town Clerk Wages	38,409	41,680	(3,271)
Assistant Town Clerk Wages	19,532	20,461	(929)
Office Supplies and Expenses	2,000	1,225	775
Computer Expenses	2,500	1,550	950
Postage	1,500	651	849
Dues, Subscriptions and Meetings	600	435	165
Printing and Binding	0	593	(593)
Travel Expenses	200	261	(61)
Total Town Clerk	<u>64,741</u>	<u>66,856</u>	<u>(2,115)</u>
Planning Board:			
Planning Board Clerk Wages	600	600	0
Supplies	100	0	100
Advertising	200	0	200
Postage	100	0	100
Dues, Subscriptions and Meetings	300	342	(42)
Travel Expense	200	0	200
Total Planning Board	<u>1,500</u>	<u>942</u>	<u>558</u>
Development Review Board:			
Development Review Board Clerk Wages	600	500	100
Supplies	200	80	120
Advertising	750	635	115
Postage	400	357	43
Training & Meetings	600	0	600
Total Development Review Board	<u>2,550</u>	<u>1,572</u>	<u>978</u>

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

TOWN OF WESTMINSTER, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable/ (Unfavorable)
Zoning Administration:			
Zoning Administration Wages	\$ 15,000	\$ 15,000	\$ 0
Clerical Wages	10,700	10,700	0
Supplies	250	78	172
Advertising	0	194	(194)
Legal Services	0	2,666	(2,666)
Travel	1,000	796	204
Total Zoning Administration	26,950	29,434	(2,484)
Municipal Buildings:			
Janitor - Contract Services	3,300	3,680	(380)
Off-Site Storage	500	495	5
Supplies	200	71	129
Building Maintenance/Improvements	2,200	12,792	(10,592)
Post Office Maintenance	500	4,493	(3,993)
Post Office Taxes	2,200	2,214	(14)
Total Municipal Buildings	8,900	23,745	(14,845)
Municipal Building Utilities:			
Heating Oil	3,800	878	2,922
Electricity	8,250	7,972	278
Water	400	400	0
Alarm	600	250	350
Total Municipal Building Utilities	13,050	9,500	3,550
Public Safety:			
Animal Control Officer Salary	2,750	731	2,019
Animal Control Travel Expenses	600	742	(142)
Veterinary Services	1,000	635	365
Sheriff Department - Contracted Services	51,000	46,750	4,250
Ambulance	43,335	43,335	0
Total Public Safety	98,685	92,193	6,492
Town Garage:			
Wages	335,000	295,894	39,106
Uniforms	5,000	3,800	1,200
Supplies	400	752	(352)
Salt and Sand	88,000	100,731	(12,731)
Stone and Gravel	40,000	45,788	(5,788)
Miscellaneous Materials	0	920	(920)
Culverts, Drainage, Fabric	85,000	63,359	21,641
Guard Rails	2,500	0	2,500

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

TOWN OF WESTMINSTER, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable/ (Unfavorable)
Town Garage/(Cont'd):			
Road Signs and Posts	\$ 2,000	\$ 1,859	\$ 141
Liquid Chloride	8,000	8,859	(859)
Small Tools	1,000	1,170	(170)
Contracted Services	10,000	9,585	415
Telephone	1,300	1,345	(45)
DTN Weather System	2,800	2,800	0
Electricity	4,180	4,137	43
Miscellaneous/Training	3,800	2,175	1,625
Building Maintenance	15,000	29,513	(14,513)
Radio System Replacement	500	0	500
Heat	3,000	1,967	1,033
Gas, Fuel and Oil	90,000	89,103	897
Repairs and Parts	50,000	49,936	64
West Road Project	0	148,659	(148,659)
Transfer to Retreatment Fund	125,000	125,000	0
	<u>872,480</u>	<u>987,352</u>	<u>(114,872)</u>
Total Town Garage			
	<u>872,480</u>	<u>987,352</u>	<u>(114,872)</u>
Cemetery:			
Operating Supplies	400	87	313
Contracted Services	9,800	9,915	(115)
	<u>10,200</u>	<u>10,002</u>	<u>198</u>
Total Cemetery			
	<u>10,200</u>	<u>10,002</u>	<u>198</u>
Health and Welfare Services:			
Visiting Nurse	11,500	11,500	0
Retired Senior Volunteer Program	775	775	0
Vermont Center Independent Living	110	110	0
Women's Crisis Center	775	775	0
Westminster Cares	10,000	10,000	0
SEVCA	2,500	2,500	0
Adult Day Program	250	250	0
Early Education Services	1,275	1,275	0
Parks Place Center	500	500	0
Westminster Gazette	4,600	4,600	0
Connecticut River Transit	1,250	1,250	0
Windham County Youth Services	2,250	2,250	0
Our Place Drop In Center	1,000	1,000	0
Westminster Recreation	2,500	1,825	675
Humane Society	400	400	0
Mental Health	3,210	3,210	0
	<u>42,895</u>	<u>42,220</u>	<u>675</u>
Total Health and Welfare Services			
	<u>42,895</u>	<u>42,220</u>	<u>675</u>

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

TOWN OF WESTMINSTER, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable/ (Unfavorable)
Sanitation Unit:			
Collecting Waste	\$ 122,700	\$ 127,857	\$ (5,157)
Disposal of Waste	92,000	77,994	14,006
Waste Assessment	41,590	41,590	0
Recycling Storage Facility	2,800	1,553	1,247
Total Sanitation Unit	259,090	248,994	10,096
Participation Recreation Facilities and Library:			
Senior Center	3,700	3,700	0
Recreation Commission	1,000	750	250
Youth Sports	500	500	0
Library Westminster West	4,200	3,720	480
Total Participation Recreation Facilities and Library	9,400	8,670	730
Fire Fighting - Forest:	1,000	479	521
County Tax:	15,000	15,982	(982)
Transfer to Bridge Rehabilitation Fund:	15,000	15,000	0
Transfer to Equipment Fund:	130,000	130,000	0
Total Cash Disbursements	2,045,188	2,135,691	(90,503)
Excess of Cash Receipts Over Cash Disbursements	\$ 0	160,524	\$ 160,524
Fund Balance - July 1, 2014		203,814	
Fund Balance - June 30, 2015		\$ 364,338	

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

TOWN OF WESTMINSTER, VERMONT
 STATEMENT OF FIDUCIARY MODIFIED CASH BASIS NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2015

<u>ASSETS</u>	<u>Private-Purpose Trust Funds</u>
Cash	\$ 8,027
Investments	<u>23,797</u>
Total Assets	<u>31,824</u>
<u>LIABILITIES</u>	
Liabilities:	<u>0</u>
<u>NET POSITION</u>	
Held in Trust For:	
Individuals and Organizations	<u>31,824</u>
Total Net Position	\$ <u><u>31,824</u></u>

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

TOWN OF WESTMINSTER, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY MODIFIED CASH BASIS NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Private-Purpose Trust Funds
Additions:	
Investment Income	\$ 217
Other	257
Total Additions	474
Deductions:	
Miscellaneous	680
Total Deductions	680
Change in Net Position	(206)
Net Position - July 1, 2014	32,030
Net Position - June 30, 2015	\$ 31,824

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

TOWN OF WESTMINSTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

The Town of Westminster, Vermont (herein the "Town") operates under a Selectboard/Manager form of government and provides the following services: public safety, highways and streets, sanitation, health and social services, culture and recreation, community/economic development, 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 activity of the Town of Westminster, Vermont. The financial 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 impose specific financial burdens on the primary government. The primary government is financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board; a governing board appointed by a higher level of government; or a jointly appointed board. Based on these criteria, there are no other 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, deferred outflows of resources, liabilities, deferred inflows of resources, 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 as a whole. 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 WESTMINSTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

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, except for fiduciary activities. Eliminations have been made to minimize the double counting of activities between funds. Governmental activities generally are financed through property taxes, intergovernmental receipts, and other nonexchange transactions.

The statement of activities presents a comparison between direct disbursements and program receipts for each function of the Town's governmental activities. Direct disbursements are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular program or function. Program receipts 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 property taxes, are presented as general receipts.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental 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.

Community Improvement Grant Fund – This fund accounts for the activity of community development grants.

Capital Improvement Fund – This fund accounts for the general capital expenditures of the Town Hall Building.

Additionally, the Town reports the following fund type:

Private-Purpose Trust Funds – These funds are used to report trust arrangements under which resources are to be used for the benefit of individuals. All investment earnings, and in some cases, the principal of these funds may be used to support these activities.

TOWN OF WESTMINSTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

C. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide financial statements are reported using the economic resources measurement focus within the limitations of the modified cash basis of accounting. Equity (i.e., 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 fund balances) 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 fund balances.

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 generally 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 exceptions to this are that the Town records investments at cost as assets, amounts due to the State of Vermont for dog and marriage licenses, payroll withholdings payable, tax sale proceeds collected in excess of the amount required and amounts due to others for cemetery fees collected but not remitted to the funeral homes as liabilities and property taxes paid in advance as deferred inflows of resources.

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

Recognition of revenues on funds received in connection with loan programs are recognized when loans are awarded and expenses incurred in excess of current grants and program income. Loan repayment revenue is recognized as the loans are repaid.

E. New Pronouncement – Pension Plans

Effective June 30, 2015, the Town implemented GASB Statement No. 68, “Financial Reporting for Pension Plans” – an amendment of GASB Statement No. 27. GASB Statement No. 68 requires additional disclosures and required supplemental information related to the Town’s participation in the Vermont Municipal Employees’ Retirement System (VMERS).

TOWN OF WESTMINSTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources 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.

2. Investments

The Town invests in investments as allowed by State Statute. Investments are reported at cost.

3. 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 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 in governmental fund financial statements 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); assigned (reflecting the Selectboard's intended use of the resources); and unassigned.

4. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements that are outstanding at the end of the fiscal year are referred to as "advances from/to other funds". All other outstanding balances between funds are reported as "due from/to other funds".

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statements element, "deferred outflows of resources" represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. The Town did not have any items that qualified for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, "deferred inflows of resources" represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental activities and governmental funds report deferred inflows of resources from one source; prepaid property taxes. This amount is deferred and recognized as an inflow of resources in the future period to which it relates.

TOWN OF WESTMINSTER, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015

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, 2015, expenditures in the General Fund exceeded appropriations by \$90,503. These over expenditures were funded by excess revenues.

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments as of June 30, 2015 consist of the following:

Cash:		
Deposits with Financial Institutions	\$1,012,681	
Cash on Hand	<u>162</u>	
Total Cash	1,012,843	
Investments:		
Certificates of Deposit	<u>117,227</u>	
Total Cash and Investments	<u>\$1,130,070</u>	

The Town has seven (7) certificates of deposit at various banks as shown in the following table.

<u>Bank</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Mascoma Savings Bank	\$ 65,756	1.40%	12/14/2017
TD Bank	22,743	0.90%	12/12/2017
People's United Bank	10,070	0.35%	12/14/2015
Walpole Savings Bank	10,000	1.39%	12/11/2015
Walpole Savings Bank	4,310	0.70%	10/20/2017
Walpole Savings Bank	3,727	0.70%	10/20/2017
Mascoma Savings Bank	<u>621</u>	1.40%	12/04/2017
Total	<u>\$117,227</u>		

TOWN OF WESTMINSTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

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 custodial credit risk for investments is the risk that, in the event of failure of the counter-party (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another 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 and certificates of deposit.

	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC Insured	\$ 783,084	\$ 840,488
Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution's Agent	<u>346,824</u>	<u>335,075</u>
Total	<u>\$1,129,908</u>	<u>\$1,175,563</u>

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

The book balance is comprised of the following:

Cash – Deposits with Financial Institutions	\$1,012,681
Investments – Certificates of Deposit	<u>117,227</u>
Total	<u>\$1,129,908</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have any policy to limit the exposure to interest rate risk. The Town's certificates of deposit are not subject to interest rate risk disclosure.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Town does not have any policy to limit the exposure to credit risk. The Town's certificates of deposit are not subject to credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk that a large percentage of the Town's investments are held within one security. The Town does not have any limitations on the amount that can be invested in any one issuer. The Town has no investments subject to concentration of credit risk.

TOWN OF WESTMINSTER, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015

B. Interfund Balances and Activity

Interfund balances as of June 30, 2015 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 0	\$304,147
Capital Improvement Fund	34,800	0
Non-Major Governmental Funds	<u>269,347</u>	<u>0</u>
Totals	<u>\$304,147</u>	<u>\$304,147</u>

Interfund transfers during the year ended June 30, 2015 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Retreatment Fund	\$125,000	Appropriation
General Fund	Bridge Rehabilitation Fund	15,000	Appropriation
General Fund	Equipment Fund	<u>130,000</u>	Appropriation
Total		<u>\$270,000</u>	

C. Deferred Inflows of Resources

Deferred inflows of resources in the General Fund consist of \$5,794 of property taxes paid in advance.

D. 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.

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.

TOWN OF WESTMINSTER, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015

Amounts constrained to stabilization (rainy-day funds) 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. 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 for each major special revenue fund, including which specific revenues and other resources are authorized to be reported in each, are described in the following section.

The fund balances in the following funds are nonspendable as follows:

Non-Major Funds

Permanent Funds:

Nonspendable Permanent Care Fund Principal – Estimated	\$64,594
Nonspendable Maple Grove Grange Trust Fund Principal	600
Nonspendable Military and Flag Fund Principal	<u>300</u>
Total Nonspendable Fund Balances	<u>\$65,494</u>

The fund balances in the following funds are restricted as follows:

Major Funds

Community Improvement Grant Fund:

Restricted for Community Improvements by Grant Agreement (Source of Revenue is Grant Revenue)	<u>\$172,037</u>
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Non-Major Funds

Special Revenue Funds:

Restricted for Tri-Centennial Expenses by Donations (Source of Revenue is Donations)	253
Restricted for Emergency Management Expenses by Grant Agreement (Source of Revenue is Grant Revenue)	17,176
Restricted for Restoration Expenses by State Statute (Source of Revenue is Restoration Fees)	16,573
Restricted for Recreation Committee by Donations (Source of Revenue is Donations)	<u>1,292</u>
Total Special Revenue Funds	<u>35,294</u>

TOWN OF WESTMINSTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Capital Projects Funds:	
Restricted for Cemetery Capital Expenditures by Sale of Lots	\$ <u>37,754</u>
Permanent Funds:	
Restricted for Permanent Care – Expendable Portion	8,736
Restricted for Maple Grove Grange Trust Fund Expenses by Trust Agreement	783
Restricted for Military and Flag Fund Expenses by Trust Agreement	<u>4,010</u>
Total Permanent Funds	<u>13,529</u>
Total Non-Major Funds	<u>86,577</u>
Total Restricted Fund Balances	<u>\$258,614</u>

The fund balances in the following funds are assigned as follows:

Major Funds

Capital Improvement Fund:	
Assigned for Town Hall Building Capital Improvements	\$ <u>124,402</u>

Non-Major Funds

Special Revenue Funds:	
Assigned for Reappraisal Expenses (Source of Revenue is Grant Revenue)	79,980
Assigned for E-911 Expenses (Source of Revenue is Grant Revenue)	<u>1,721</u>
Total Special Revenue Funds	<u>81,701</u>

Capital Projects Funds:	
Assigned for Retreatment Expenses	41,515
Assigned for Bridge Rehabilitation Expenses	82,503
Assigned for Equipment Expenses	<u>28,034</u>
Total Capital Projects Funds	<u>152,052</u>
Total Non-Major Funds	<u>233,753</u>
Total Assigned Fund Balances	<u>\$358,155</u>

E. Restricted Net Position

The restricted net position in the Governmental Activities consists of the nonspendable fund balances of \$65,494 and the restricted fund balances of \$258,614 for a total of \$324,108.

TOWN OF WESTMINSTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

The net position held in trust for various purposes in the Town's Private-Purpose Trust Funds as of June 30, 2015 consisted of the following:

Private-Purpose Trust Funds:	
Restricted for School Related Health Care by Agreement	\$16,700
Restricted for Campbell Fund by Endowment	5,000
Restricted for Support and Aid of Poor by Trust Agreement	6,397
Restricted for Streeter Lot by Trust Agreement	<u>3,727</u>
 Total Private-Purpose Trust Funds	 <u>\$31,824</u>

IV. OTHER INFORMATION

A. PENSION PLAN

Defined Benefit Plan

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. During the year ended June 30, 2015, the retirement system consisted of 437 participating employers.

The plan was established effective July 1, 1975, and is governed by Title 24, V.S.A. Chapter 125.

The general administration and responsibility for formulating administrative policy and procedures of the retirement system for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system, and two employer representatives-one elected by the governing bodies of participating employers of the system, and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service.

TOWN OF WESTMINSTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

As of June 30, 2014, the measurement date selected by the State of Vermont, VMERS was funded at 98.32% and had a plan fiduciary net position of \$534,525,477 and a total pension liability of \$543,652,090 resulting in a net position liability of \$9,126,613. As of June 30, 2015, the Town's proportionate share of this was 0.1979% resulting in a net pension liability of \$18,060. 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 Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. As of June 30, 2014, the Town's proportion of 0.1979% was a decrease of 0.0122% from its proportion measured as of June 30, 2013.

Summary of System Provisions

Membership – Full time employees of participating municipalities. The Town elected coverage under Group B provisions.

Creditable Service – Service as a member plus purchased service.

Average Final Compensation (AFC) – Group B – Average annual compensation during highest three (3) consecutive years.

Service Retirement Allowance:

Eligibility – Group B – The earlier of age 62 with five (5) years of service or age 55 with thirty (30) years of service.

Amount – Group B – 1.7% of AFC times service as a Group B member plus percentage earned as a Group A member times AFC.

Maximum benefit is 60% of AFC for Group B. The previous amounts include the portion of the allowance provided by member contributions.

Early Retirement Allowance:

Eligibility – Age 55 with five (5) years of service for Group B.

Amount – Normal allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes normal retirement age for Group B members.

Vested Retirement Allowance:

Eligibility – Five (5) years of service.

TOWN OF WESTMINSTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Amount – Allowance beginning at normal retirement age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on “Post-Retirement Adjustments”.

Disability Retirement Allowance:

Eligibility – Five (5) years of service and disability as determined by Retirement Board.

Amount – Immediate allowance based on AFC and service to date of disability.

Death Benefit:

Eligibility – Death after five (5) years of service.

Amount – For Group B, reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor(s) benefit under disability annuity computed as of date of death.

Optional Benefit and Death after Retirement - For Group B, lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee.

Refund of Contribution – Upon termination, if the member so elects or if no other benefit is payable, the member’s accumulated contributions are refunded.

Post-Retirement Adjustments – Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in Consumer Price Index but not more than 3% for Group B.

Member Contributions – Group B – 4.75% effective July 1, 2014 (increased from 4.625%).

Employer Contributions – Group B – 5.275% effective July 1, 2014 (increased from 5.125%).

Retirement Stipend – \$25 per month payable at the option of the Board of Trustees.

Significant Actuarial Assumptions and Methods

Interest Rate - A select-and-ultimate interest rate set, specified as follows. The interest rate set is restarted every year.

Year 1: 6.25%	Year 10: 8.50%
Year 2: 6.75%	Year 11: 8.50%
Year 3: 7.00%	Year 12: 8.50%
Year 4: 7.50%	Year 13: 8.50%
Year 5: 7.75%	Year 14: 8.50%
Year 6: 8.25%	Year 15: 8.50%
Year 7: 8.25%	Year 16: 8.75%
Year 8: 8.25%	Year 17 and later: 9.00%
Year 9: 8.50%	

TOWN OF WESTMINSTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Salary increases - 5% per year.

Deaths:

Active participants – 50% of the probabilities in the 1995 Buck Mortality Tables for males and females.

Non-disabled retirees and terminated vested participants – The 1995 Buck Mortality Tables with no set-back for males and one-year set-back for females.

Disabled retirees – RP-2000 Disabled Life Tables.

Beneficiaries – 1995 Buck Mortality Tables for males and females.

Spouse's Age: – Husbands are assumed to be three years older than their wives.

Cost-of-Living Adjustments to Benefits of Terminated Vested and Retired Participants – Assumed to occur at the rate of 1.8% per annum for members of Group B.

Actuarial Cost Method - Entry Age Normal - Level Percentage of Pay.

Asset Valuation Method - Invested assets are reported at fair value.

Note – For funding purposes – A smoothing method is used, under which the value of assets for actuarial purposes equals market value less a five-year phase-in of the differences between actual and assumed investment return. The value of assets for actuarial purposes may not differ from the market value of assets by more than 20%.

Inflation- The separately stated assumptions for investment return, salary increases and cost of living adjustments are consistent with an expected annual inflation rate of 3.00% to 3.25% per year.

Long-term Expected Rate of Return:

The long-term expected rate of return on 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 variable and the asset classes. These best estimate ranges were combined to produce forecasts 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 3.8.4 of Actuarial Standard of Practice No. 27 as an alternative to a single assumed rate of return, is employed.

TOWN OF WESTMINSTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Equity	31.50%	6.70%
Fixed Income	33.00%	2.94%
Alternatives	15.50%	6.26%
Multi-strategy	20.00%	5.98%

Nominal long-term expected rates of return for these asset classes are equal to the sum of the expected long-term real rates and the expected long-term inflation rate of 3.0%.

Discount Rate - The discount rate used to measure the total pension liability was 8.23%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 8.23 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (7.23%) or one percent higher (9.23%):

<u>1% Decrease (7.23%)</u>	<u>Discount Rate (8.23%)</u>	<u>1% Increase (9.23%)</u>
\$152,148	\$18,060	\$(94,435)

B. PROPERTY TAXES

The Town is responsible for assessing and collecting its own property taxes, education taxes for the State of Vermont and Fire District #3 taxes. The tax rate is set by the Selectboard based on the voter approved budget, the estimated grand list and the State education property tax liability. Property taxes are due in two equal installments, on September 10 and February 10. The penalty rate is eight percent (8%) after the February 10 payment. Interest is charged at one percent (1%) per month. The tax rates for 2015 were as follows:

	<u>Residential</u>	<u>Non-Residential</u>
Town	.5893	.5893
Local Agreement	.0024	.0024
Fire District #3	.0852	.0852
Education	<u>1.6958</u>	<u>1.5022</u>
Total	<u>2.3727</u>	<u>2.1791</u>

TOWN OF WESTMINSTER, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015

C. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town 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. 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 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

The Town has a note payable to finance a capital purchase through a local bank.

Long-term debt outstanding as of June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Note Payable, People's United Bank, Highway Loader, Principal Payments of \$30,000 Payable on August 10 Annually, Interest at 2.65%, Due and Paid August, 2014	\$30,000	\$ 0	\$30,000	\$ 0
Total	<u>\$30,000</u>	<u>\$ 0</u>	<u>\$30,000</u>	<u>\$ 0</u>

E. CONTINGENT LIABILITY

The Town is a member of the Windham County Solid Waste Management District. The Town, as a member, could be required to share in any special assessments.

F. RELATED PARTY TRANSACTIONS

The Town purchased parts and equipment for their vehicles in the Highway Department from a local company where a member of the Selectboard is an employee. The amount paid to this company for parts and equipment during the year was \$74,240.

TOWN OF WESTMINSTER, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 VMERS DEFINED BENEFIT PLAN
 JUNE 30, 2015

	2015
Total Plan Net Pension Liability	\$ 9,126,613
Town's Proportion of the Net Pension Liability	0.1979%
Town's Proportionate Share of the Net Pension Liability	\$ 18,060
Town's Covered Employee Payroll	\$ 478,614
Town's Proportionate Share of the Net Pension Liability as a Percentage of Town's Covered Employee Payroll	3.7734%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.32% as of June 30, 2014

Notes to Schedule

Benefit Changes: None.

Changes in Assumptions: None.

Fiscal year 2015 was the first year of implementation, therefore, only one year is shown.

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TOWN OF WESTMINSTER, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 VMERS DEFINED BENEFIT PLAN
 FOR THE YEAR ENDED JUNE 30, 2015

	2015
Contractually Required Contribution (Actuarially Determined)	\$ 25,726
Contributions in Relation to the Actuarially Determined Contributions	25,726
Contribution Excess/(Deficiency)	\$ 0
Town's Covered Employee Payroll	\$ 478,614
Contributions as a Percentage of Town's Covered Employee Payroll	5.375%

Notes to Schedule

Valuation Date: June 30, 2014

Fiscal year 2015 was the first year of implementation, therefore, only one year is shown.

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF WESTMINSTER, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS ASSETS,
 LIABILITIES AND FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total
<u>ASSETS</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash	\$ 0	\$ 14,861	\$ 8,186	\$ 23,047
Investments	0	22,743	70,687	93,430
Due from Other Funds	<u>116,995</u>	<u>152,202</u>	<u>150</u>	<u>269,347</u>
Total Assets	<u>\$ 116,995</u>	<u>\$ 189,806</u>	<u>\$ 79,023</u>	<u>\$ 385,824</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances:				
Nonspendable	0	0	65,494	65,494
Restricted	35,294	37,754	13,529	86,577
Assigned	<u>81,701</u>	<u>152,052</u>	<u>0</u>	<u>233,753</u>
Total Fund Balances	<u>116,995</u>	<u>189,806</u>	<u>79,023</u>	<u>385,824</u>
Total Liabilities and and Fund Balances	<u>\$ 116,995</u>	<u>\$ 189,806</u>	<u>\$ 79,023</u>	<u>\$ 385,824</u>

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TOWN OF WESTMINSTER, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND
 CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total
Cash Receipts:				
Intergovernmental	\$ 40,754	\$ 0	\$ 0	\$ 40,754
Charges for Services	0	400	700	1,100
Permits, Licenses and Fees	2,039	0	0	2,039
Investment Income	<u>0</u>	<u>226</u>	<u>1,215</u>	<u>1,441</u>
Total Cash Receipts	<u>42,793</u>	<u>626</u>	<u>1,915</u>	<u>45,334</u>
Cash Disbursements:				
Public Safety	28,164	0	0	28,164
Cemetery	0	0	15	15
Capital Outlay:				
Highways and Streets	0	326,780	0	326,780
Debt Service:				
Principal	0	30,000	0	30,000
Interest	<u>0</u>	<u>802</u>	<u>0</u>	<u>802</u>
Total Cash Disbursements	<u>28,164</u>	<u>357,582</u>	<u>15</u>	<u>385,761</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>14,629</u>	<u>(356,956)</u>	<u>1,900</u>	<u>(340,427)</u>
Other Financing Sources:				
Transfers In	<u>0</u>	<u>270,000</u>	<u>0</u>	<u>270,000</u>
Total Other Financing Sources	<u>0</u>	<u>270,000</u>	<u>0</u>	<u>270,000</u>
Net Change in Fund Balances	14,629	(86,956)	1,900	(70,427)
Fund Balances - July 1, 2014	<u>102,366</u>	<u>276,762</u>	<u>77,123</u>	<u>456,251</u>
Fund Balances - June 30, 2015	<u>\$ 116,995</u>	<u>\$ 189,806</u>	<u>\$ 79,023</u>	<u>\$ 385,824</u>

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TOWN OF WESTMINSTER, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2015

	Reappraisal Fund	Tri- Centennial Fund	Emergency Management Fund	Restoration Fund	E-911 Fund	Recreation Committee Fund	Total
<u>ASSETS</u>							
Due from Other Funds	\$ 79,980	\$ 253	\$ 17,176	\$ 16,573	\$ 1,721	\$ 1,292	\$ 116,995
Total Assets	<u>\$ 79,980</u>	<u>\$ 253</u>	<u>\$ 17,176</u>	<u>\$ 16,573</u>	<u>\$ 1,721</u>	<u>\$ 1,292</u>	<u>\$ 116,995</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balances:							
Restricted	0	253	17,176	16,573	0	1,292	35,294
Assigned	<u>79,980</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,721</u>	<u>0</u>	<u>81,701</u>
Total Fund Balances	<u>79,980</u>	<u>253</u>	<u>17,176</u>	<u>16,573</u>	<u>1,721</u>	<u>1,292</u>	<u>116,995</u>
Total Liabilities and Fund Balances	<u>\$ 79,980</u>	<u>\$ 253</u>	<u>\$ 17,176</u>	<u>\$ 16,573</u>	<u>\$ 1,721</u>	<u>\$ 1,292</u>	<u>\$ 116,995</u>

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TOWN OF WESTMINSTER, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS
 AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Reappraisal Fund	Tri- Centennial Fund	Emergency Management Fund	Restoration Fund	E-911 Fund	Recreation Committee Fund	Total
Cash Receipts:							
Intergovernmental	\$ 15,029	\$ 0	\$ 25,725	\$ 0	\$ 0	\$ 0	\$ 40,754
Permits, Licenses and Fees	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,039</u>	<u>0</u>	<u>0</u>	<u>2,039</u>
Total Cash Receipts	<u>15,029</u>	<u>0</u>	<u>25,725</u>	<u>2,039</u>	<u>0</u>	<u>0</u>	<u>42,793</u>
Cash Disbursements:							
Public Safety	<u>0</u>	<u>0</u>	<u>28,164</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>28,164</u>
Total Cash Disbursements	<u>0</u>	<u>0</u>	<u>28,164</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>28,164</u>
Net Change in Fund Balances	15,029	0	(2,439)	2,039	0	0	14,629
Fund Balances - July 1, 2014	<u>64,951</u>	<u>253</u>	<u>19,615</u>	<u>14,534</u>	<u>1,721</u>	<u>1,292</u>	<u>102,366</u>
Fund Balances - June 30, 2015	<u>\$ 79,980</u>	<u>\$ 253</u>	<u>\$ 17,176</u>	<u>\$ 16,573</u>	<u>\$ 1,721</u>	<u>\$ 1,292</u>	<u>\$ 116,995</u>

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TOWN OF WESTMINSTER, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2015

	Retreatment Fund	Bridge Rehabilitation Fund	Equipment Fund	New Cemetery Fund	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 14,861	\$ 14,861
Investments	0	0	0	22,743	22,743
Due from Other Funds	<u>41,515</u>	<u>82,503</u>	<u>28,034</u>	<u>150</u>	<u>152,202</u>
Total Assets	<u>\$ 41,515</u>	<u>\$ 82,503</u>	<u>\$ 28,034</u>	<u>\$ 37,754</u>	<u>\$ 189,806</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances:					
Restricted	0	0	0	37,754	37,754
Assigned	<u>41,515</u>	<u>82,503</u>	<u>28,034</u>	<u>0</u>	<u>152,052</u>
Total Fund Balances	<u>41,515</u>	<u>82,503</u>	<u>28,034</u>	<u>37,754</u>	<u>189,806</u>
Total Liabilities and Fund Balances	<u>\$ 41,515</u>	<u>\$ 82,503</u>	<u>\$ 28,034</u>	<u>\$ 37,754</u>	<u>\$ 189,806</u>

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TOWN OF WESTMINSTER, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS
 AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 NON-MAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Retreatment Fund	Bridge Rehabilitation Fund	Equipment Fund	New Cemetery Fund	Total
Cash Receipts:					
Charges for Services	\$ 0	\$ 0	\$ 0	\$ 400	\$ 400
Investment Income	<u>0</u>	<u>0</u>	<u>0</u>	<u>226</u>	<u>226</u>
Total Cash Receipts	<u>0</u>	<u>0</u>	<u>0</u>	<u>626</u>	<u>626</u>
Cash Disbursements:					
Capital Outlay:					
Highways and Streets	189,862	0	136,918	0	326,780
Debt Service:					
Principal	0	0	30,000	0	30,000
Interest	<u>0</u>	<u>0</u>	<u>802</u>	<u>0</u>	<u>802</u>
Total Cash Disbursements	<u>189,862</u>	<u>0</u>	<u>167,720</u>	<u>0</u>	<u>357,582</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>(189,862)</u>	<u>0</u>	<u>(167,720)</u>	<u>626</u>	<u>(356,956)</u>
Other Financing Sources:					
Transfers In	<u>125,000</u>	<u>15,000</u>	<u>130,000</u>	<u>0</u>	<u>270,000</u>
Total Other Financing Sources	<u>125,000</u>	<u>15,000</u>	<u>130,000</u>	<u>0</u>	<u>270,000</u>
Net Change in Fund Balances	(64,862)	15,000	(37,720)	626	(86,956)
Fund Balances - July 1, 2014	<u>106,377</u>	<u>67,503</u>	<u>65,754</u>	<u>37,128</u>	<u>276,762</u>
Fund Balances - June 30, 2015	<u>\$ 41,515</u>	<u>\$ 82,503</u>	<u>\$ 28,034</u>	<u>\$ 37,754</u>	<u>\$ 189,806</u>

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TOWN OF WESTMINSTER, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR PERMANENT FUNDS
 JUNE 30, 2015

	Permanent Care Fund	Maple Grove Grange Trust Fund	Military and Flag Fund	Total
<u>ASSETS</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash	\$ 7,424	\$ 762	\$ 0	\$ 8,186
Investments	65,756	621	4,310	70,687
Due from Other Funds	<u>150</u>	<u>0</u>	<u>0</u>	<u>150</u>
Total Assets	<u>\$ 73,330</u>	<u>\$ 1,383</u>	<u>\$ 4,310</u>	<u>\$ 79,023</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances:				
Nonspendable	64,594	600	300	65,494
Restricted	<u>8,736</u>	<u>783</u>	<u>4,010</u>	<u>13,529</u>
Total Fund Balances	<u>73,330</u>	<u>1,383</u>	<u>4,310</u>	<u>79,023</u>
Total Liabilities and Fund Balances	<u>\$ 73,330</u>	<u>\$ 1,383</u>	<u>\$ 4,310</u>	<u>\$ 79,023</u>

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TOWN OF WESTMINSTER, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS
 AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 NON-MAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Permanent Care Fund	Maple Grove Grange Trust Fund	Military and Flag Fund	Total
Cash Receipts:				
Charges for Services	\$ 700	\$ 0	\$ 0	\$ 700
Investment Income	1,166	9	40	1,215
Total Cash Receipts	1,866	9	40	1,915
Cash Disbursements:				
Cemetery	15	0	0	15
Net Change in Fund Balances	1,851	9	40	1,900
Fund Balances - July 1, 2014	71,479	1,374	4,270	77,123
Fund Balances - June 30, 2015	\$ 73,330	\$ 1,383	\$ 4,310	\$ 79,023

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TOWN OF WESTMINSTER, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND NET POSITION
 PRIVATE-PURPOSE TRUST FUNDS
 JUNE 30, 2015

	Frank Miller Health Fund	Campbell Fund	Richmond Streeter Fund	Total
<u>ASSETS</u>				
Cash	\$ 6,630	\$ 1,397	\$ 0	\$ 8,027
Investments	<u>10,070</u>	<u>10,000</u>	<u>3,727</u>	<u>23,797</u>
Total Assets	<u>\$ 16,700</u>	<u>\$ 11,397</u>	<u>\$ 3,727</u>	<u>\$ 31,824</u>
<u>LIABILITIES AND NET POSITION</u>				
Liabilities:	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Position:				
Restricted	<u>16,700</u>	<u>11,397</u>	<u>3,727</u>	<u>31,824</u>
Total Net Position	<u>16,700</u>	<u>11,397</u>	<u>3,727</u>	<u>31,824</u>
Total Liabilities and Net Position	<u>\$ 16,700</u>	<u>\$ 11,397</u>	<u>\$ 3,727</u>	<u>\$ 31,824</u>

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TOWN OF WESTMINSTER, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS
 AND CHANGES IN MODIFIED CASH BASIS NET POSITION
 PRIVATE-PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Frank Miller Health Fund	Campbell Fund	Richmond Streeter Fund	Total
Cash Receipts:				
Investment Income	\$ 42	\$ 141	\$ 34	\$ 217
Other	<u>0</u>	<u>257</u>	<u>0</u>	<u>257</u>
Total Cash Receipts	<u>42</u>	<u>398</u>	<u>34</u>	<u>474</u>
Cash Disbursements:				
Miscellaneous	<u>0</u>	<u>680</u>	<u>0</u>	<u>680</u>
Total Cash Disbursements	<u>0</u>	<u>680</u>	<u>0</u>	<u>680</u>
Change in Net Position	42	(282)	34	(206)
Net Position - July 1, 2014	<u>16,658</u>	<u>11,679</u>	<u>3,693</u>	<u>32,030</u>
Net Position - June 30, 2015	<u>\$ 16,700</u>	<u>\$ 11,397</u>	<u>\$ 3,727</u>	<u>\$ 31,824</u>

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TOWN OF WESTMINSTER, VERMONT
SCHEDULE OF DELINQUENT TAXES
FOR THE YEAR ENDED JUNE 30, 2015

Delinquent Taxes - Beginning of Year	\$	220,541
Current Taxes Becoming Delinquent and Turned Over to Collector		164,296
Total Delinquent Taxes to Account For		384,837
Less: Delinquent Tax Collections and Abatements		193,767
Delinquent Taxes - End of Year	\$	191,070

TOWN OF WESTMINSTER, VERMONT
SCHEDULE OF DELINQUENT TAXES BY YEAR
FOR THE YEAR ENDED JUNE 30, 2015

Tax Year	Beginning Balance	To Collector	Collections/ Abatements	Ending Balance
2008-09	\$ 213	\$ 0	\$ 0	\$ 213
2009-10	1,377	0	0	1,377
2010-11	1,401	0	0	1,401
2011-12	3,910	0	2,586	1,324
2012-13	28,078	0	22,492	5,586
2013-14	185,562	0	164,832	20,730
2014-15	0	164,296	3,857	160,439
	\$ 220,541	\$ 164,296	\$ 193,767	\$ 191,070

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TOWN OF WESTMINSTER, VERMONT
 SCHEDULE OF TAXES RAISED
 FOR THE YEAR ENDED JUNE 30, 2015

Grand List:

General Property:

Gross Real Estate	\$ 298,159,293
Plus Equipment Value	1,002,269
Less Veterans Exemption	(480,000)
Less Current Use	(15,983,900)
Less Contracts	<u>(2,363,769)</u>

Total Taxable Grand List \$ 280,333,893

Taxes Billed:

General Property:

Town	\$ 1,652,007
Fire District No. 3	238,845
Education	<u>4,561,031</u>

Total General Property Taxes Billed \$ 6,451,883

Taxes Accounted for as follows:

Collections:

General Property	\$ 6,287,587
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Delinquent Taxes to Collector:

General Property	<u>164,296</u>
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Total Taxes Accounted for \$ 6,451,883

See Disclaimer in Accompanying Independent Auditor's Report.

Sullivan, Powers & Co., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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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"

Selectboard
Town of Westminster
P.O. Box 147
Westminster, Vermont 05158

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Westminster, Vermont as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of Westminster, Vermont's basic financial statements and have issued our report thereon dated January 19, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Westminster, 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 Westminster, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Westminster, 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 Westminster, 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, we did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Deficiencies in Internal Control as Items 2015-1 and 2015-2, that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Westminster, 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 or other matters that are required to be reported under "Government Auditing Standards".

We also noted certain other matters that we reported to the management of the Town of Westminster, Vermont in a separate letter dated January 19, 2016.

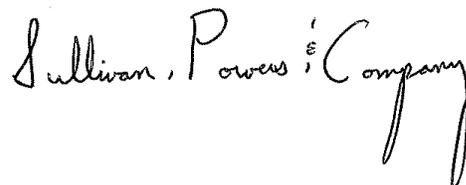
Town of Westminster, Vermont's Response to Deficiencies in Internal Control

The Town of Westminster, Vermont's response to the deficiencies in internal control identified in our audit is included with the accompanying Schedule of Findings and Deficiencies in Internal Control. The Town of Westminster, Vermont's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Westminster, 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 Westminster, Vermont's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

January 19, 2016
Montpelier, Vermont
VT Lic. #92-000180



TOWN OF WESTMINSTER, VERMONT
SCHEDULE OF FINDINGS AND
DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2015

Deficiencies in Internal Control:

Material Weaknesses:

None noted.

Significant Deficiencies:

2015-1 Authorization of General Journal Entries

Criteria:

Internal controls should be in place that requires appropriate officials to authorize and review all adjustments to the books of original entry.

Condition:

The Town does not have a policy in place to require authorization or review of adjustments to the books of original entry.

Cause:

Unknown.

Effect:

This deficiency in the internal control structure could allow other working control policies to be circumvented.

Recommendation:

We recommend that the Town enact a policy that requires appropriate officials to authorize and review all general journal entries so as not to circumvent the original approval process.

2015-2 Netting Revenues and Expenditures

Criteria:

Internal controls should be in place to ensure that revenues are not netted with expenditures in order to conform with the modified cash basis of accounting.

Condition:

The Town netted a paving grant and emergency management grant with the related expenditures account during the year. This nets out the revenue and expenditures as if they did not exist and results in the understatement of both revenue and expenditures.

TOWN OF WESTMINSTER, VERMONT
SCHEDULE OF FINDINGS AND
DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2015

Cause:

The Town was not aware that this practice is not in accordance with the modified cash basis of accounting.

Effect:

This will result in understatement of revenue and expenditures.

Recommendation:

We recommend that the Town implement controls to ensure that revenues are not netted with expenditures.



TOWN OF WESTMINSTER

P.O. BOX 147 WESTMINSTER, VT 05158
Tel. 802-722-4255 Fax 802-722-9816

Response:

The Town will implement a policy in which it requires appropriate officials to authorize and review of all journal entries.

The Town will implement a policy to ensure revenue's will not be netted in expenditure's.