

**Lamoille Regional Solid Waste  
Management District**

**Comparative Financial Statements**

**June 30, 2015 and 2014**

**(With Independent Auditor's Report)**

## TABLE OF CONTENTS

<b>Independent Auditor's Report.....</b>	<b>1-2</b>
<b>Management Discussion &amp; Analysis.....</b>	<b>3-7</b>
<b>Basic Financial Statements:</b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Position.....	8
Statement of Activities.....	9-10
<b>Fund Financial Statements:</b>	
Balance Sheet – Governmental Funds.....	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	12-13
Statement of Revenues, Expenditures, and Change in Fund Balance – Governmental Funds.....	14-15
Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balance of Governmental Funds to the Statement of Activities.....	16-17
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	18-21
<b>Notes to Financial Statements.....</b>	<b>22-34</b>

# Telling & Associates, CPA PC

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Certified Public Accountants  
5 Park Street – Middlebury, VT 05753

## Independent Auditors' Report

To the Board of Supervisors  
Lamoille Regional Solid Waste Management District  
Morrisville, Vermont

We have audited the accompanying financial statements of the governmental activities, and each major fund of Lamoille Solid Waste Management District as of and for the year ended June 30, 2015, and 2014 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of Lamoille Regional Solid Waste Management District, as of June 30, 2015, and 2014 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-7 and 18-21 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.

Telling & Associates, CPA, PC  
Middlebury, Vermont  
August 21, 2015

**LAMOILLE REGIONAL SOLID WASTE MANAGEMENT DISTRICT**  
**Management Discussion and Analysis**  
**For the year ended June 30, 2015**

As management of the Lamoille Regional Solid Waste Management District (the District), we offer readers of the Lamoille Regional Solid Waste Management District's financial statements this overview and analysis of the financial activities of the Lamoille Regional Solid Waste Management District for the fiscal year ended June 30, 2015.

**A. OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported on this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by charges for services. The governmental activities include disposal and related services, recycling services, interest on long-term debt, and household hazardous waste.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

**LAMOILLE REGIONAL SOLID WASTE MANAGEMENT DISTRICT**  
**Management Discussion and Analysis**  
**For the year ended June 30, 2015**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

An annual appropriated budget is adopted for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

**Proprietary funds.** Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District does not have an enterprise fund.

Proprietary funds provide the same type of information as the business-type funds activities reported in the governmental-wide financial statements, only in more detail. The District does not have a proprietary fund.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The District does not have fiduciary fund.

**Notes to the financial statements.** The notes provide additional information that is essential to obtain a full understanding of the data provided in the government-wide and fund financial statements.

**B. FINANCIAL HIGHLIGHTS**

- As of the close of the current year, the total of assets exceeded liabilities by \$839,073 (i.e., net position) a change of \$122,945 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balance of \$531,497 a change of \$111,086 in comparison to the prior year.
- Total debt (i.e., bonds and leases payable) at the close of the current year was \$37,789 a change of (\$41,764) in comparison to the prior year.

**LAMOILLE REGIONAL SOLID WASTE MANAGEMENT DISTRICT**  
**Management Discussion and Analysis**  
**For the year ended June 30, 2015**

**C. GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following is a summary of condensed government-wide financial data for the current and prior fiscal years.

	Governmental Activities		
	2015	2014	% Change
Current and other assets	\$ 595,724	\$ 486,308	23%
Capital assets	355,440	387,669	9%
Total assets	\$ 951,164	\$ 873,977	9%
Current liabilities	\$ 102,932	\$ 107,663	5%
Long-term liabilities	9,159	50,186	82%
Total liabilities	112,302	157,849	29%
Net position			
Capital assets net of debt	347,651	368,116	6%
Restricted	30,038	60,156	50%
Unrestricted	461,384	287,856	61%
Total net position	\$ 839,073	\$ 716,128	18%

**CHANGES IN NET POSITION**

	Governmental Activities		
	2015	2014	% Change
<b>Revenues</b>			
Program Revenues:			
Charges for services	\$ 1,239,901	\$ 1,146,028	9%
Grants and contributions	20,773	18,538	12%
General revenues:			
Investment income	2,574	4,446	43%
Gain on sale of fixed assets	16	8,050	100%
Total revenues	1,263,264	1,177,062	8%
<b>Program expenses</b>			
Disposal and related services	1,051,349	1,064,820	2%
Recycling services	57,037	49,461	16%
Interest on long-term debt	2,335	5,568	58%
Household hazardous waste	29,598	38,204	23%
Total expenses	1,140,320	1,158,053	2%
<b>Increase in net position</b>	\$ 122,945	\$ 19,009	85%

**LAMOILLE REGIONAL SOLID WASTE MANAGEMENT DISTRICT**  
**Management Discussion and Analysis**  
**For the year ended June 30, 2015**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net position was \$839,073, a change of \$122,945 from the prior year.

\$347,651 reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, \$30,038, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$461,384 may be used to meet the government's ongoing obligations to citizens and creditors.

**Governmental activities.**

**D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources.

Such information is useful in assessing financing requirements. In particular, the unassigned fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balance of \$531,497, a change of \$111,086 in comparison to the prior year.

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund was \$424,868 while total fund balance was \$531,497. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Refer to the table below.

<u>General Fund</u>	<u>06/30/15</u>	<u>06/30/14</u>	<u>Change</u>	<u>% of Total General Fund Expenditures</u>
Unassigned fund balance	\$ 424,868	\$ 231,681	\$ 193,187	38%
Total fund balance	531,497	420,410	111,087	47%



**LAMOILLE REGIONAL SOLID WASTE MANAGEMENT DISTRICT**  
**Management Discussion and Analysis**  
**For the year ended June 30, 2015**

**E. GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget for Lamoille Regional Solid Waste Management District's general fund was \$1,239,250. The fund balance increased by \$111,086 during the current fiscal year due to receipts of \$1,263,264 compared to general fund expenditures of \$1,152,178. The variations in the budgeted amount and actual was primarily due to differences in anticipated tonnages of disposal and recycling services.

**F. CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets.** Total investment in capital assets for governmental activities at year-end amounted to \$355,440 (net of accumulated depreciation), a change of (\$32,229) from prior year. This investment in capital assets includes land, building and improvements, machinery and equipment, office furniture, vehicles, and infrastructure.

Additional information on capital assets can be found in the notes to the financial statements.

**Debt.** At the end of the current fiscal year, total bonds and leases payable outstanding was \$37,789, all of which was backed by the full faith and credit of the government.

Additional information on the District's debt can be found in the notes to the financial statements.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Lamoille Regional Solid Waste Management District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Lamoille Regional Solid Waste Management District, 29 Sunset Drive #5, Morrisville, VT 05661, 802-888-7317.

**LAMOILLE REGIONAL SOLID WASTE MANAGEMENT DISTRICT**  
**Statement of Net Position**  
**June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Current assets:		
Cash	\$ 495,953	\$ 343,582
Investments	30,038	60,156
Accounts receivable - customers	56,386	70,450
Grants receivable	9,112	12,120
Prepaid expense	4,235	-
Total current assets	<u>595,724</u>	<u>486,308</u>
Capital assets, net of accumulated depreciation	<u>355,440</u>	<u>387,669</u>
<b>Total assets</b>	<b>\$ <u>951,164</u></b>	<b>\$ <u>873,977</u></b>
 <b>Liabilities and net assets</b>		
Current liabilities:		
Accounts payable	\$ 44,176	\$ 41,765
Accrued liabilities	11,855	12,012
Unearned revenue	9,112	12,120
Bond payable, current	30,000	30,000
Lease payable, current	7,789	11,765
Total current liabilities	<u>102,932</u>	<u>107,663</u>
Long-term liabilities:		
Bond payable	-	30,000
Leases payable	-	7,788
Accrued compensated absences	9,159	12,398
Total long-term liabilities	<u>9,159</u>	<u>50,186</u>
Total liabilities	<u>112,091</u>	<u>157,849</u>
Net position:		
Investment in capital assets, net of related debt	347,651	368,116
Restricted net position	30,038	60,156
Unrestricted	461,384	287,856
Total net position	<u>839,073</u>	<u>716,128</u>
<b>Total liabilities and net position</b>	<b>\$ <u>951,164</u></b>	<b>\$ <u>873,977</u></b>

The accompanying notes are an integral part of the financial statements.

**LAMOILLE REGIONAL SOLID WASTE MANAGEMENT DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u> <u>Revenue and</u> <u>Change in</u> <u>Net Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants</u>	
<b>Primary government:</b>				
<b>Governmental activities:</b>				
Disposal and related services	\$ 1,051,349	\$ 1,222,702	\$ -	\$ 171,353
Recycling services	57,037	17,199	-	(39,838)
Interest on long-term debt	2,335	-	-	(2,335)
Household hazardous waste	<u>29,598</u>	<u>-</u>	<u>20,773</u>	<u>(8,825)</u>
<b>Total primary-government</b>	<b>\$ <u>1,140,319</u></b>	<b>\$ <u>1,239,901</u></b>	<b>\$ <u>20,773</u></b>	<b>120,355</b>
<b>General revenues:</b>				
				2,574
				16
				<u>2,590</u>
				122,945
				716,128
				<u>\$ 839,073</u>

The accompanying notes are an integral part of the financial statements.

**LAMOILLE REGIONAL SOLID WASTE MANAGEMENT DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2014**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	
<b>Primary government:</b>				
<b>Governmental activities:</b>				
Disposal and related services	\$ 1,064,820	\$ 1,085,584	\$ -	\$ 20,764
Recycling services	49,461	55,418	-	5,957
Interest on long-term debt	5,568	-	-	(5,568)
Household hazardous waste	<u>38,204</u>	<u>5,026</u>	<u>18,538</u>	<u>(14,640)</u>
<b>Total primary-government</b>	<b>\$ <u>1,158,053</u></b>	<b>\$ <u>1,146,028</u></b>	<b>\$ <u>18,538</u></b>	<b><u>6,513</u></b>
<b>General revenues:</b>				
Investment income				4,446
Gain on sale of fixed assets				<u>8,050</u>
<b>Total general revenue</b>				<b><u>12,496</u></b>
<b>Change in net position</b>				19,009
<b>Net position - beginning year, as previously reported</b>				687,970
Prior period adjustment				<u>9,148</u>
Net position - beginning of year, as restated				<u>697,118</u>
<b>Net position - end of year</b>				<b>\$ <u><u>716,128</u></u></b>

The accompanying notes are an integral part of the financial statements.

**LAMOILLE REGIONAL SOLID WASTE MANAGEMENT DISTRICT**  
**Balance Sheet**  
**Governmental Funds-General Fund**  
**June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash	\$ 495,953	\$ 343,582
Investments	30,038	60,156
Accounts receivable - customers	56,386	70,450
Grants receivable	9,112	12,120
Prepaid expense	<u>4,235</u>	<u>-</u>
<b>Total assets</b>	<b>\$ <u>595,724</u></b>	<b>\$ <u>486,308</u></b>
<b>Liabilities</b>		
Accounts payable	\$ 44,176	\$ 41,765
Accrued liabilities	10,939	12,012
Unearned revenue	<u>9,112</u>	<u>12,120</u>
Total liabilities	<u>64,227</u>	<u>65,898</u>
<b>Fund Balances</b>		
Nonspendable	4,235	-
Restricted	30,038	60,156
Assigned	72,356	128,573
Unassigned	<u>424,868</u>	<u>231,681</u>
Total fund balances	<u>531,497</u>	<u>420,410</u>
<b>Total liabilities and fund balances</b>	<b>\$ <u>595,724</u></b>	<b>\$ <u>486,308</u></b>

The accompanying notes are an integral part of the financial statements.

**LAMOILLE REGIONAL SOLID WASTE MANAGEMENT DISTRICT**  
**Reconciliation of Governmental Fund Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2015**

	<u>Total Governmental Funds</u>	<u>Long-term Assets, Liabilities</u>	<u>Statement of Net Position Totals</u>
<b>Assets</b>			
Cash	\$ 495,953	\$ -	\$ 495,953
Investments	30,038	-	30,038
Accounts receivable - customers	56,386	-	56,386
Grants receivable	9,112	-	9,112
Prepaid expense	4,235	-	4,235
Land, building, and equipment (net)	<u>-</u>	<u>355,440</u>	<u>355,440</u>
 Total assets	 <u>\$ 595,724</u>	 <u>\$ 355,440</u>	 <u>\$ 951,164</u>
<b>Liabilities</b>			
Accounts payable	\$ 44,176	\$ -	\$ 44,176
Accrued liabilities	10,939	916	11,855
Unearned revenue	9,112	-	9,112
Bonds payable	-	30,000	30,000
Leases payable	-	7,789	7,789
Compensated absences	<u>-</u>	<u>9,159</u>	<u>9,159</u>
 Total liabilities	 <u>64,227</u>	 <u>47,864</u>	 <u>112,091</u>
<b>Fund balance/Net position</b>			
Total fund balance/net position	<u>531,497</u>	<u>307,576</u>	<u>839,073</u>
Total liabilities and fund balance/net position	<u>\$ 595,724</u>	<u>\$ 355,439</u>	<u>\$ 951,163</u>

The accompanying notes are an integral part of the financial statements.

**LAMOILLE REGIONAL SOLID WASTE MANAGEMENT DISTRICT**  
**Reconciliation of Governmental Fund Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2014**

	<u>Total Governmental Funds</u>	<u>Long-term Assets, Liabilities</u>	<u>Statement of Net Position Totals</u>
<b>Assets</b>			
Cash	\$ 343,582	\$ -	\$ 343,582
Investments	60,156	-	60,156
Accounts receivable - customers	70,450	-	70,450
Grants receivable	12,120	-	12,120
Land, building, and equipment (net)	<u>-</u>	<u>387,669</u>	<u>387,669</u>
 Total assets	 <u>\$ 486,308</u>	 <u>\$ 387,669</u>	 <u>\$ 873,977</u>
<b>Liabilities</b>			
Accounts payable	\$ 41,765	\$ -	\$ 41,765
Accrued liabilities	12,012	-	12,012
Unearned revenue	12,120	-	12,120
Bonds payable	-	60,000	60,000
Leases payable	-	19,553	19,553
Compensated absences	<u>-</u>	<u>12,398</u>	<u>12,398</u>
 Total liabilities	 <u>65,898</u>	 <u>91,951</u>	 <u>157,849</u>
<b>Fund balance/Net position</b>			
Total fund balance/net position	<u>420,410</u>	<u>295,718</u>	<u>716,128</u>
Total liabilities and fund balance/net position	<u>\$ 486,308</u>	<u>\$ 387,669</u>	<u>\$ 873,977</u>

The accompanying notes are an integral part of the financial statements.

**LAMOILLE REGIONAL SOLID WASTE MANAGEMENT DISTRICT**  
**Statement of Revenues, Expenditures, and Change in Fund Balance**  
**Governmental Funds**  
**For the Years Ended June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Revenues</b>		
Surcharge income	\$ 347,668	\$ 281,085
Disposal income	578,357	543,681
C & D income	108,688	104,485
Other disposal	41,434	36,995
Miscellaneous program	24,445	19,090
Gain on sale of fixed asset	16	8,050
Interest	2,574	4,446
Grant income	20,773	18,538
Recycling	17,199	55,418
Bottle redemption income	122,110	105,274
<b>Total revenues</b>	<u>1,263,264</u>	<u>1,177,062</u>
<b>Expenditures</b>		
Disposal and related services:		
Salaries and wages	357,386	365,387
Payroll taxes	29,865	39,816
Pension plan	6,014	5,800
Act 148 outreach	2,428	1,187
Advertising	2,660	2,746
Bottle redemption payouts	63,118	60,792
Clerk stipend	1,050	1,050
Compost bins	4,834	3,726
Conferences	958	760
Disposal	220,102	212,619
Donations	6,793	6,456
Electric-transfer station	8,509	8,515
Electronic waste processing	484	1,833
Equipment- maintenance	6,434	11,935
Freon removal	4,368	5,000
Fuel	5,033	6,879
Green-up day	1,798	1,955
Heat	1,581	6,790
Hauling - MSW & C&D	11,101	11,614
Hauler-audit	590	1,755
Insurance	116,571	102,334
Meetings	448	719
Maintenance agreements	2,325	895
Memberships	3,543	2,032
Office supplies	1,482	2,288
Permits	150	150

The accompanying notes are an integral part of the financial statements.



**LAMOILLE REGIONAL SOLID WASTE MANAGEMENT DISTRICT**  
**Statement of Revenues, Expenditures, and Change in Fund Balance**  
**Governmental Funds**  
**For the Years Ended June 30, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b><i>Expenditures (continued)</i></b>		
Disposal and related services (continued):		
Postage	2,570	2,626
Professional services	63,559	64,030
Recycling- tire disposal	6,913	7,169
Rent-office	12,983	12,729
Sales tax	286	251
Signage	(16)	1,088
Snow removal	2,600	2,268
Software	1,165	17,294
Subscriptions & publications	844	437
Supplies	6,358	6,065
Telephone	6,484	6,387
Training	-	796
Treasurer stipend	2,700	2,700
Toilet rental	3,968	3,658
Transfer station maintenance	4,221	5,106
Travel/meals	3,782	5,246
Uniforms	8,183	7,225
Work crews	2,652	2,251
Other expenses	768	1,720
Recycling services:		
Hauling-recycling	41,856	36,725
Processing fees-recycling	15,181	12,736
Household hazardous waste:		
HHW collection costs	20,184	26,484
Printing and newsletter	9,414	11,720
Debt service:		
Principal	41,348	36,480
Interest	1,836	5,568
Capital outlays	32,714	44,987
<b><i>Total expenditures</i></b>	<b>1,152,178</b>	<b>1,188,778</b>
 <b><i>Net change in fund balance</i></b>	 111,086	 (11,716)
 <b><i>Fund balance - beginning of year</i></b>	 420,410	 422,978
Prior period adjustment	-	9,148
<b><i>Fund balance-beginning of year, restated</i></b>	<b>420,410</b>	<b>432,126</b>
<b><i>Fund balance - end of year</i></b>	<b>\$ 531,497</b>	<b>\$ 420,410</b>

The accompanying notes are an integral part of the financial statements.

**LAMOILLE REGIONAL SOLID WASTE MANAGEMENT DISTRICT**  
**Reconciliation of Governmental Funds Revenues, Expenditures, and Changes in**  
**Fund Balance to the Statement of Activities**  
**For the Year Ended June 30, 2015**

	<u>Total Governmental Funds</u>	<u>Long-term Revenues, Expenses</u>	<u>Long-term Debt Transactions</u>	<u>Statement of Activities Totals</u>
<b>Revenues:</b>				
Surcharge income	\$ 347,668	\$ -	\$ -	\$ 347,668
Disposal income	578,357	-	-	578,357
C & D income	108,688	-	-	108,688
Other disposal	41,434	-	-	41,434
Miscellaneous program	24,445	-	-	24,445
Gain on sale of fixed asset	16	-	-	16
Interest	2,574	-	-	2,574
Grant income	20,773	-	-	20,773
Recycling	17,199	-	-	17,199
Bottle redemption income	122,110	-	-	122,110
<b>Total revenues</b>	<u>1,263,264</u>	<u>-</u>	<u>-</u>	<u>1,263,264</u>
<b>Expenditures/Expenses</b>				
Disposal and related services	989,645	61,704	-	1,051,349
Recycling services	57,037	-	-	57,037
Household hazardous waste	29,598	-	-	29,598
Debt service:				
Principal	41,348	-	(41,348)	-
Interest	1,836	499	-	2,335
Capital outlays	32,714	(32,714)	-	-
<b>Total expenditures/expenses</b>	<u>1,152,178</u>	<u>29,489</u>	<u>(41,348)</u>	<u>1,140,319</u>
<b>Net change in fund balance/net position</b>	<u>\$ 111,086</u>	<u>\$ (29,489)</u>	<u>\$ (41,348)</u>	<u>\$ 122,945</u>

The accompanying notes are an integral part of the financial statements.

**LAMOILLE REGIONAL SOLID WASTE MANAGEMENT DISTRICT**  
**Reconciliation of Governmental Funds Revenues, Expenditures, and Changes in**  
**Fund Balance to the Statement of Activities**  
**For the Year Ended June 30, 2014**

	<u>Total Governmental Funds</u>	<u>Long-term Revenues, Expenses</u>	<u>Long-term Debt Transactions</u>	<u>Statement of Activities Totals</u>
<b>Revenues:</b>				
Surcharge income	\$ 281,085	\$ -	\$ -	\$ 281,085
Disposal income	543,681	-	-	543,681
C & D income	104,485	-	-	104,485
Other disposal	36,995	-	-	36,995
Miscellaneous program	19,090	-	-	19,090
Gain on sale of fixed asset	8,050	-	-	8,050
Interest	4,446	-	-	4,446
Grant income	18,538	-	-	18,538
Recycling	55,418	-	-	55,418
Bottle redemption income	105,274	-	-	105,274
<b>Total revenues</b>	<u>1,177,062</u>	<u>-</u>	<u>-</u>	<u>1,177,062</u>
<b>Expenditures/Expenses</b>				
Disposal and related services	1,014,078	50,742	-	1,064,820
Recycling services	49,461	-	-	49,461
Household hazardous waste	38,204	-	-	38,204
Debt service:				
Principal	36,480	-	(36,480)	-
Interest	5,568	-	-	5,568
Capital outlays	44,987	(44,987)	-	-
<b>Total expenditures/expenses</b>	<u>1,188,778</u>	<u>5,755</u>	<u>(36,480)</u>	<u>1,158,053</u>
<b>Net change in fund balance/net position</b>	<u>\$ (11,716)</u>	<u>\$ (5,755)</u>	<u>\$ (36,480)</u>	<u>\$ 19,009</u>

The accompanying notes are an integral part of the financial statements.

**LAMOILLE REGIONAL SOLID WASTE MANAGEMENT DISTRICT**  
**Statement of Revenues, Expenditures, and Change in Fund Balance**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Surcharge income	\$ 340,000	\$ 347,668	\$ 7,668
Disposal income	580,000	578,357	(1,643)
C & D income	110,000	108,688	(1,312)
Other disposal	41,950	41,434	(516)
Miscellaneous programs	23,600	24,445	845
Other income	400	16	(384)
Interest	400	2,574	2,174
Grant income	22,000	20,773	(1,227)
Recycling	15,900	17,199	1,299
Bottle redemption income	105,000	122,110	17,110
<b>Total revenues</b>	<u>1,239,250</u>	<u>1,263,264</u>	<u>24,014</u>
<b>Expenditures</b>			
Disposal and related services:			
Salaries and wages	395,500	357,386	38,114
Payroll taxes	41,800	29,865	11,935
Pension plan	6,500	6,014	486
Act 148	1,000	2,428	-
Advertising	3,000	2,660	340
Bottle redemption donations	60,000	63,118	(3,118)
Clerk stipend	1,300	1,050	250
Compost bins	3,400	4,834	(1,434)
Conferences	1,250	958	292
Disposal	234,000	220,102	13,898
Donations	6,500	6,793	(293)
Electric-transfer station	7,500	8,509	(1,009)
Electronic waste processing	3,600	484	3,116
Equipment-maintenance	12,500	6,434	6,066
Freon removal	6,000	4,368	1,632
Fuel	8,000	5,033	2,967
Green-up day	7,400	1,798	5,602
Heat	4,000	1,581	2,419
Hauling - MSW & C&D	10,000	11,101	(1,101)
Hauler-audit	1,000	590	410
Insurance	139,300	116,571	22,729
Maintenance agreements	850	2,325	(1,475)
Meetings	600	448	152
Memberships	3,000	3,543	(543)
Office Supplies	2,200	1,482	718
Permits	150	150	-

The accompanying notes are an integral part of the financial statements.

**LAMOILLE REGIONAL SOLID WASTE MANAGEMENT DISTRICT**  
**Statement of Revenues, Expenditures, and Change in Fund Balance**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Expenditures (continued)</b>			
Disposal and related services (continued):			
Postage	3,200	2,570	630
Professional services	58,800	6,913	51,887
Recycling- book	1,000	-	1,000
Recycling-propane tank	500	-	500
Recycling-tire disposal	8,000	6,913	1,087
Rent-office	13,000	12,983	17
Sales tax	200	286	(86)
Signage	500	(16)	516
Snow removal	2,500	2,600	(100)
Software	800	1,165	(365)
Subscriptions & publications	500	844	(344)
Supplies	6,800	6,358	442
Telephone	6,700	6,484	216
Training	250	-	250
Treasurer stipend	2,700	2,700	-
Toilet rental	4,200	3,968	232
Transfer station maintenance	7,100	4,221	2,879
Travel/meals	4,500	3,782	718
Uniforms	7,300	8,183	(883)
Work crews	1,800	2,652	(852)
Other expenses	600	768	(168)
Recycling services:			
Hauling-recycling	35,000	41,856	(6,856)
Processing fees-recycling	12,600	15,181	(2,581)
Household hazardous waste:			
HHW collection costs	19,000	20,184	(1,184)
Printing & newsletter	12,250	9,414	2,836
Debt service:			
Principal	14,200	41,348	(27,148)
Interest	-	1,836	(1,836)
Capital outlays	54,900	32,714	22,186
Total Expenses	<u>1,239,250</u>	<u>1,095,532</u>	<u>145,146</u>
Net operating income	\$ <u>-</u>	\$ <u>167,732</u>	\$ <u>167,732</u>

The accompanying notes are an integral part of the financial statements.

**LAMOILLE REGIONAL SOLID WASTE MANAGEMENT DISTRICT**  
**Statement of Revenues, Expenditures, and Change in Fund Balance**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Surcharge income	\$ 303,000	\$ 281,085	\$ (21,915)
Disposal income	557,000	543,681	(13,319)
C & D income	103,000	104,485	1,485
Other disposal	34,200	36,995	2,795
Miscellaneous programs	17,900	19,090	1,190
Gain on sale of fixed assets	-	8,050	8,050
Interest	400	4,446	4,046
Grant income	18,500	18,538	38
Recycling	53,600	55,418	1,818
Bottle redemption income	105,000	105,274	274
<b>Total revenues</b>	<u>1,192,600</u>	<u>1,177,062</u>	<u>(15,538)</u>
<b>Expenditures</b>			
Disposal and related services:			
Salaries and wages	387,000	365,387	21,613
Payroll taxes	41,900	39,816	2,084
Pension plan	4,500	5,800	(1,300)
Professional services	58,200	64,030	(5,830)
Advertising	4,000	1,187	2,813
Act 148 outreach	1,000	2,746	-
Bottle redemption donations	60,000	60,792	(792)
Clerk stipend	1,400	1,050	350
Compost bins	3,400	3,726	(326)
Conferences	1,500	760	740
Disposal	238,100	212,619	25,481
Donations	7,500	6,456	1,044
Electric-transfer station	7,500	8,515	(1,015)
Electronic waste processing	5,000	1,833	3,167
Equipment-maintenance	7,500	11,935	(4,435)
Freon removal	3,500	5,000	(1,500)
Fuel	9,000	6,879	2,121
Green-up day	5,350	1,955	3,395
Heat	4,000	6,790	(2,790)
Hauling - MSW & C&D	12,000	11,614	386
Hauler-audit	1,500	1,755	(255)
Insurance	110,350	102,334	8,016
Maintenance agreements	2,250	719	1,531
Meetings	1,100	895	205
Memberships	3,000	2,032	968
Office Supplies	2,000	2,288	(288)
Permits	150	150	-

The accompanying notes are an integral part of the financial statements.

**LAMOILLE REGIONAL SOLID WASTE MANAGEMENT DISTRICT**  
**Statement of Revenues, Expenditures, and Change in Fund Balance**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><i>Expenditures (continued)</i></b>			
Disposal and related services (continued):			
Postage	2,800	2,626	174
Recycling-tire disposal	8,000	7,169	831
Rent-office	13,000	12,729	271
Sales tax	250	251	(1)
Signage	1,000	1,088	(88)
Snow removal	3,000	2,268	733
Software	500	17,294	(16,794)
Subscriptions & publications	500	437	63
Supplies	5,800	6,065	(265)
Telephone	6,800	6,387	413
Training	500	796	(296)
Treasurer stipend	2,700	2,700	-
Toilet rental	4,000	3,658	342
Transfer station maintenance	6,900	5,106	1,794
Travel/meals	4,500	5,246	(746)
Uniforms	7,000	7,225	(225)
Work crews	1,700	2,251	(551)
Other expenses	100	1,720	(1,620)
Recycling services:			
Hauling-recycling	33,000	36,725	(3,725)
Processing fees-recycling	8,400	12,736	(4,336)
Household hazardous waste:			
HHW collection costs	18,500	26,484	(7,984)
Printing & newsletter	12,650	11,720	930
Debt service:			
Principal	15,000	36,480	(21,480)
Interest	-	5,568	(5,568)
Capital outlays	53,300	44,987	8,313
Total Expenses	<u>1,192,600</u>	<u>1,188,778</u>	<u>5,568</u>
Net operating income	\$ <u><u>-</u></u>	\$ <u><u>(11,716)</u></u>	\$ <u><u>(11,716)</u></u>

The accompanying notes are an integral part of the financial statements.

# LAMOILLE SOLID WASTE MANAGEMENT DISTRICT

## Notes to Financial Statements

### **Note 1. Summary of Significant Accounting Policies**

The accounting policies of the Lamoille Regional Solid Waste Management District (the District) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

#### **a) Reporting Entity**

The Lamoille Solid Waste Management District was approved by voters in 1989. The District's charter was further approved by State Legislation in 1989. The District is a union municipality that exists to cooperatively and comprehensively address the solid waste management interest of its member municipalities. The mission of the District is to reduce the quantity and toxicity of the trash generated and going to the landfill while maintaining or improving overall environment quality (air, water, and soil), treating customers and employees with respect and operating within a balanced budget.

The District is exempt from federal income taxation under Internal Revenue Code Section 501 (c) (1).

#### **b) Basis of Presentation**

##### **Government-Wide Statements**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (focusing on the District's major fund). The government-wide financial statements categorize activities as either governmental or business type. All of the District's program services are classified as governmental activities.

The government-wide Statement of Net Position presents all of the District's activities on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts—invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities for which both restricted and unrestricted resources are available.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's governmental functions. The functions are also supported by general government revenue (investment income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenue, consisting of charges for services, and operating grants and contributions. Program revenue must be directly associated with the governmental function (specific services or programs). Operating grants include operating-specific and discretionary grants.

The net costs (by governmental function) are normally covered by general revenue. This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.



# LAMOILLE SOLID WASTE MANAGEMENT DISTRICT

## Notes to Financial Statements

### **Note 1. Summary of Significant Accounting Policies (continued)**

#### ***Fund Financial Statements***

The Financial statements of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenue and expenditures. The various funds are reported by major funds within the financial statements.

The emphasis in fund financial statements is on the major funds in the governmental categories. The General Fund is the only fund of the District and is shown as a major fund.

#### **c) *Governmental Funds***

The funds used by the District are Governmental Funds. The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund is the main operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

#### **d) *Measurement Focus***

The accounting and financial reporting 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. This means that all assets and liabilities associated with the operation of these funds (whether current or noncurrent) are included on the balance sheet (or statement of net position). Fund equity (i.e. net total position) is segregated into invested in capital assets, net of related debt; restricted net position; and unrestricted net position. Operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net total position.

#### **e) *Basis of Accounting***

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

#### **f) *Accrual***

The financial activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenue is recognized when the transactions occur and expenses are recognized when incurred.

LAMOILLE SOLID WASTE MANAGEMENT DISTRICT

Notes to Financial Statements

**Note 1. Summary of Significant Accounting Policies (continued)**

**g) Modified Accrual**

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recorded when susceptible to accrual; i.e., both measureable and available. "Available" to the District means collectible within the current paid period or within sixty days after year end. Expenditures are recorded when the related fund liability is incurred, except for the principal and interest on general long-term debt, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

**h) Investments**

Investments are stated at fair value, (quoted market price, or the best available estimate).

**i) Capital Assets**

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets, if any, are reported at fair value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Machinery & equipment	5-10 years
Building & improvements	30 years

**j) Unearned Revenue**

Unearned revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for the unearned revenue is removed and revenues are recorded.

**k) Accrued Compensated Absences**

Vacation with pay is granted to every regular employee. Each month, employees accrue a portion of their vacation. The amount given depends on the length of service, and only a maximum accrual of 20 vacations days is allowed. Each year vacation accrues as follows:

0 through 60 months	10 days
60 through 180 months	15 days
After 180 months	20 days

In addition, two personal days are granted each year. These days do not accrued if unused at the end of the year.

# LAMOILLE SOLID WASTE MANAGEMENT DISTRICT

## Notes to Financial Statements

### **Note 1. Summary of Significant Accounting Policies (continued)**

#### **l) Net Position/Governmental Fund Balance**

In the government-wide financial statements, net position is classified in the following categories:

Net investments in capital assets – This category groups all capital assets into one component of net position. Accumulated depreciation and outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This category includes both designated and undesignated net position of the District. Designated net position includes reserves that were established by the Board, which are considered internally designated. Undesignated net position is not restricted for any project or purpose.

In the fund basis statements there are five classifications of fund balance:

Nonspendable fund balances- Indicates the portion of the fund balance that cannot be spent due to their form (e.g. inventories and prepaid) or funds that legally or contractually must be maintained intact.

Restricted fund balances- Indicates the portion of the fund balance that is mandated for a specific purpose by external parties, constitutional provisions, or enabling legislation (e.g. federal and state grants, bondholders, trust and trustee accounts).

Committed fund balances- Indicates the portion of the fund balance that is set aside for a specific purpose by the board. Formal action must be taken prior to the end of the fiscal year (e.g. capital projects). The same formal action must be taken to remove or change the limitations placed on the funds.

Assigned fund balances- Indicates the portion of the fund balance that is set aside with the intent to be used for specific purpose by the board or official that has been given authority to assign funds (e.g. encumbrances, subsequent budgets, compensated absences, closure costs). Assigned funds cannot cause a deficit in unassigned fund balances.

Unassigned fund balances- Indicates the portion of the fund balance that has been classified in the previous four categories. All funds in this category are considered spendable resources. This category provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

# LAMOILLE SOLID WASTE MANAGEMENT DISTRICT

## Notes to Financial Statements

### **Note 1. Summary of Significant Accounting Policies (continued)**

The board establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as designation or commitment of the fund (such as special incentives). Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service or other purposes). When expenditures are incurred that would qualify for payment with either restricted or unrestricted funds, it will be paid from restricted funds.

#### **m) Budgets**

Budgets are developed using the modified accrual basis of accounting and were approved by the Board of Supervisors on February 2014 and February 2013 for fiscal years ending June 30, 2015 and 2014 respectively.

#### **n) Use of Estimates**

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

#### **o) Allowance for Uncollectible Accounts**

The District does not have an allowance for uncollectible accounts. Management expects to collect all accounts receivable.

### **Note 2. Explanation of Certain Differences Between Governmental Fund Statements and the Government-Wide Statements**

Due to the differences in the measurement focus and basis of accounting used in the funds statements and the District-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

**LAMOILLE SOLID WASTE MANAGEMENT DISTRICT**

**Notes to Financial Statements**

**Note 2. Explanation of Certain Differences Between Fund Statements and District-wide Statements (continued)**

a) Total fund balances of governmental funds vs. net position of governmental activities:

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net position. This difference primarily results from the additional long-term economic focus of the Statement of Net position versus the solely current financial resources focus of the governmental fund Balance Sheets.

The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net position includes those capital assets among the assets of the District as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives. Long-term liabilities are reported in the Statements of Net position, but not in the governmental funds, because they are not due and payable in the current period.

Explanation of difference between Governmental Fund Balance and District-wide Net Position

	2015	2014
Ending fund balance reported on governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ 531,497	\$ 420,410
Capital assets net of related depreciation	355,440	387,669
Liabilities:		
Short-term:		
Accrued liabilities	(916)	-
Bonds payable	(30,000)	(30,000)
Leases payable	(7,789)	(11,763)
Long-term:		
Bonds payable	-	(30,000)
Leases payable	-	(7,790)
Accrued compensation	(9,159)	(12,398)
Ending net position reported in Statement of Activities for governmental activities	\$ 839,073	\$ 716,128

# LAMOILLE SOLID WASTE MANAGEMENT DISTRICT

## Notes to Financial Statements

### Note 2. Explanation of Certain Differences Between Fund Statements and District-wide Statements (continued)

#### b) Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities:

Differences between the funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three categories. The amounts shown below represent:

##### i) Long-term Revenue and Expense Differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

##### ii) Capital Related Differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities and the difference between recording an expenditure for the purchase of capital items in the fund statements and depreciation expense on those items as recorded in the Statement of Activities.

##### iii) Long-Term Debt Transaction Differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the fund statements, whereas interest payments are recorded in the Statement of Activities as incurred and principal payments are recorded as a reduction of liabilities in the Statement of Net position.

**LAMOILLE SOLID WASTE MANAGEMENT DISTRICT**

**Notes to Financial Statements**

**Note 2. Explanation of Certain Differences Between Fund Statements and District-wide Statements (continued)**

Explanation of Differences Between Governmental Funds Operating Statements and the District Wide Statement of Activities

	2015	2014
Total revenues and other funding sources of governmental funds	\$ <u>1,263,264</u>	\$ <u>1,177,062</u>
Total expenditures reported in governmental funds	1,152,178	1,188,778
 In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Compensated absences earned were less than the amount used during the year.	 (3,239)	 (5,426)
 When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statements of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense for the current year.		
Expenditure for capital outlays	(32,714)	(47,979)
Current year depreciation	64,943	59,160
 In the statement of activities interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported when due.	 499	 -
 Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net position, and does not affect the Statement of Activities.	 <u>(41,348)</u>	 <u>(36,480)</u>
Total expenses of governmental activities in the Statement of Activities	\$ <u>1,140,319</u>	\$ <u>1,158,053</u>

**LAMOILLE SOLID WASTE MANAGEMENT DISTRICT**

**Notes to Financial Statements**

**Note 3. Investments**

The fair value of the District's investments for June 30, 2015 and 2014 totaled \$30,038 and \$60,156. These investments earned \$2,575 and \$4,446 of interest respectively.

**Note 4. Fair Value Measurements**

In accordance with authoritative guidance on fair value measurement and disclosures, the District discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to valuation based upon unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (level 3 measurements). The guidance establishes three levels of the fair value hierarchy as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the District has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered active.

Level 3 – Prices determined using significant unobservable inputs. Unobservable inputs would reflect the District's own assumption about the factors market participants would use in pricing an investment, and would be based on the best information available in the circumstances. The following tables present the District's investment held-to-maturity securities within the valuation hierarchy.

Investments at Fair Value as of June 30, 2015

Investments	Level 1	Level 2	Level 3	Total
U.S. Treasury Bonds	\$ 30,038	-	-	\$ 30,038
Total	\$ 30,038	-	-	\$ 30,038

Investments at Fair Value as of June 30, 2014

Investments	Level 1	Level 2	Level 3	Total
U.S. Treasury Bonds	\$ 60,156	-	-	\$ 60,156
Total	\$ 60,156	-	-	\$ 60,156



**LAMOILLE SOLID WASTE MANAGEMENT DISTRICT**

**Notes to Financial Statements**

**Note 5. Capital Assets**

Capital asset activity for the year was as follows:

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015
Building & improvements	\$ 445,935	\$ 3,114	\$ (1,305)	\$ 447,744
Equipment & furniture	368,400	29,600	(36,668)	361,332
Less accumulated depreciation	(426,666)	37,973	(64,943)	(453,636)
Total capital assets-net	<u>\$ 387,669</u>	<u>\$ 70,687</u>	<u>\$ (102,916)</u>	<u>\$ 355,440</u>

For 2015 and 2014 depreciation of \$64,943 and \$59,160 was charged to disposal and related services, of these amounts included \$6,066 and \$6,067 of lease amortization respectively.

**Note 6. Retirement Plan**

The District has a SIMPLE-IRA retirement plan. The District's contribution for eligible employees is 2% of their compensation. Employees are eligible to participate in the plan for any calendar year in which they are reasonably expected to receive income from the District of at least \$5,000 for the upcoming year and they elect to participate in the plan. The total wages for 2015 and 2014 respectively were \$357,386 and \$365,387 of these amounts \$308,413 and \$365,387 were covered wages under this plan. The District's contribution for fiscal year 2015 and 2014 were \$6,014 and \$5,800 respectively.

**Note 7. Bonds and Leases Payable and Schedule of Five Year Maturities**

Short-term liabilities at June 30, 2015 consisted of the following:

Bond payable - The Bank of New York Mellon Trust Company, N.A., annual principal payments ranging from \$10,000 to \$30,000 due December 1, semi-annual interest payments due on June and December 1, interest rates ranging from 3.5% and 5.8%, due December 1, 2015.	\$30,000
Vehicle lease payable - Ford Motor Credit, monthly payments of \$670, interest of 5.85%, due June 14, 2016.	7,789

**LAMOILLE SOLID WASTE MANAGEMENT DISTRICT**

**Notes to Financial Statements**

**Note 7. Bonds and Leases Payable and Schedule of Five Year Maturities (continued)**

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015
Bond payable	\$ 60,000	\$ -	\$ 30,000	\$ 30,000
Equipment lease payable	4,415	-	4,415	-
Vehicle lease payable	15,138	-	7,349	7,789
	<u>79,553</u>	<u>-</u>	<u>41,764</u>	<u>37,789</u>
Other liabilities:				
Accrued compensated absences	12,398	-	3,239	9,159
	<u>91,951</u>	<u>-</u>	<u>45,003</u>	<u>46,948</u>

The debt service requirements at June 30, 2015 for the next five years and thereafter are as follows:

Fiscal Year	Principal	Interest
2015	37,789	1,128
Totals	<u>\$ 37,789</u>	<u>\$ 1,128</u>

**Note 8. Risk Management**

The District 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 District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**Note 9. Concentration of Risk**

The District charges disposal fees to various haulers in Lamoille County. One hauler made up 70% of the total fees charged during fiscal year 2015 and 54% of the accounts receivable at June 30, 2015.

The District maintains cash in bank deposit accounts where the balances, at times, may exceed federally insured limits. At June 30, 2015 and 2014, the District's checking account deposits exceeded the insured limit by approximately \$31,586 and \$0 respectively. At June 30, 2015 and 2014, the District's savings account deposits did not exceed the insured limit. These balances are collateralized by securities held by the pledging financial institution.

LAMOILLE SOLID WASTE MANAGEMENT DISTRICT

Notes to Financial Statements

**Note 10. Related Party Transaction**

The District has an agreement for the hauling of recyclables and loose waste services with a trucking company whose owner is a member of the Board of Supervisors. The District owed the related party \$4,831 as of June 30, 2015. The hauler agreement runs through June 30, 2015. This agreement was approved by the Board with the owner abstaining from the vote.

At June 30, 2015 the District has an employee serving as a member of the Board of Supervisors.

**Note 11. Commitments**

The District entered into hauling contract with a trucking company as discussed in Note 10. The District also entered into a contract with Casella Waste Management, Inc. for recycling and disposal services. The contract period is through June 30, 2015.

The District rents an office space from Demars Properties, LLC. The rental period is from January 1, 2015 through December 31, 2015. Rental contract can be cancelled with a 90 day written notice. Rental expense for the years ended June 30, 2015 and 2014 were \$12,983 and \$12,729, respectively.

The Rental requirements at June 30, 2015 for the next five years and thereafter are as follows:

Fiscal Year	Rent
2016	13,112
2017	13,200
2018	13,200
2019	13,200
2020	13,200
Totals	\$ 65,912

**Note 12. Closure Costs**

The District is legally responsible for closure costs associated with the District's Solid Waste Facilities. Estimated closure costs are funds assigned for the removal of all solid wastes and recyclable materials that are located at each of the facilities. These assigned funds are designated by management and the Board of Supervisors to be held for this purpose and are separated out as assigned funds in the financial statements.

LAMOILLE SOLID WASTE MANAGEMENT DISTRICT

Notes to Financial Statements

**Note 12. Closure Costs (continued)**

The amounts of closure costs were submitted with the site's certification of each facility and approved by the Secretary of State at the time the closure plan was submitted for approval. These closure estimates as of June 30, 2015 were:

Landfill		Closure cost
Johnson	\$	10,000
Worcester		5,115
Stowe		10,430
Totals	\$	<u>25,455</u>

**Note 13. Prior Period Adjustment**

The District has corrected the classification of deferred revenue incurred during the year ended June 30, 2014 that were originally recorded as an advance from grantors. The effect of the adjustment increased net position, and fund balance by \$9,148 as of June 30, 2014.

**Note 14. Subsequent Events**

The Board of Supervisors has evaluated subsequent events through August 21, 2015, the date on which the financial statements were available to be issued.