

**TOWN OF PITTSFORD, VERMONT**

**AUDIT REPORT**

**JUNE 30, 2015**

TOWN OF PITTSFORD, VERMONT  
AUDIT REPORT  
TABLE OF CONTENTS  
JUNE 30, 2015

	<u>Page #</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-10
Basic Financial Statements:	
Statement of Net Position	Exhibit A      11
Statement of Activities	Exhibit B      12
Governmental Funds:	
Balance Sheet	Exhibit C      13
Statement of Revenues, Expenditures and Changes in Fund Balances	Exhibit D      14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	Exhibit E      15
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	Exhibit F      16-25
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Special Revenue Fund – Highway Fund	Exhibit G      26-28
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Special Revenue Fund – Village Fund	Exhibit H      29
Proprietary Funds:	
Statement of Fund Net Position	Exhibit I      30
Statement of Revenues, Expenses and Changes in Fund Net Position	Exhibit J      31
Statement of Cash Flows	Exhibit K      32

TOWN OF PITTSFORD, VERMONT  
AUDIT REPORT  
TABLE OF CONTENTS  
JUNE 30, 2015

		<u>Page #</u>
Fiduciary Funds:		
Statement of Fiduciary Net Position	Exhibit L	33
Statement of Changes in Fiduciary Net Position	Exhibit M	34
Notes to the Financial Statements		35-63
Required Supplementary Information:		
Schedule of Proportionate Share of the Net Pension Liability – VMERS Defined Benefit Plan	Schedule 1	64
Schedule of Contributions – VMERS Defined Benefit Plan	Schedule 2	65
Combining Fund Financial Statements:		
Combining Balance Sheet – Non-Major Governmental Funds	Schedule 3	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	Schedule 4	67
Combining Balance Sheet – Non-Major Special Revenue Funds	Schedule 5	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Special Revenue Funds	Schedule 6	69
Combining Balance Sheet – Non-Major Capital Projects Funds	Schedule 7	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Capital Projects Funds	Schedule 8	71

TOWN OF PITTSFORD, VERMONT  
AUDIT REPORT  
TABLE OF CONTENTS  
JUNE 30, 2015

	<u>Page #</u>
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	72-73
Schedule of Findings and Deficiencies in Internal Control	74
Response to Deficiencies in Internal Control	

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## Independent Auditor's Report

Board of Selectmen  
Town of Pittsford, Vermont  
P.O. Box 10, Plains Road  
Pittsford, Vermont 05763-0010

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Pittsford, 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 Pittsford, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town of Pittsford, Vermont'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 of Pittsford, Vermont'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 previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-activities, each major fund, and the aggregate remaining fund information of the Town of Pittsford, Vermont as of June 30, 2015 and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, the Highway Fund and the Village Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Change in Accounting Principle***

As described in Note I.F. to the financial statements, effective June 30, 2015, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 68, “Financial Reporting for Pension Plans” – an amendment of GASB Statement No. 27. As a result of this required change in accounting principle, the Town recorded a \$34,430 reduction in beginning net position of the Governmental Activities, a \$7,010 reduction in beginning net position of the Business-type Activities, a \$4,980 reduction in beginning net position of the Water Fund and a \$2,030 reduction in beginning net position of the Sewer Fund. Our opinion is not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management’s Discussion and Analysis on pages 4 through 10, 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.

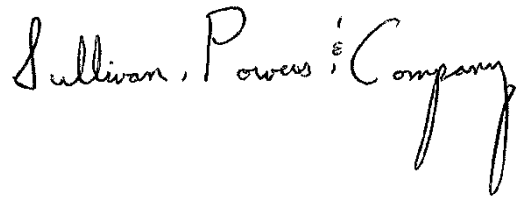
***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Pittsford, Vermont's basic financial statements. The combining fund financial statements 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 do not express an opinion or provide any assurance on them.

***Other Reporting Required by "Government Auditing Standards"***

In accordance with "Government Auditing Standards", we have also issued our report dated February 11, 2016 on our consideration of the Town of Pittsford, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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 Pittsford, Vermont's internal control over financial reporting and compliance.

February 11, 2016  
Montpelier, Vermont  
VT Lic. #92-000180

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town of Pittsford (the "Town") herein sets forth an overview and analysis of its financial operations for the fiscal year ended June 30, 2015.

### ***Financial Highlights***

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources on June 30, 2015 by \$12,955,539 (*net position*). Of this amount, \$891,872 (*unrestricted net position*) may be used by the various funds of the Town to meet the Town's ongoing obligations.
- The Town's total net position increased by \$18,595. Of this amount, net position attributable to governmental activities increased by \$2,928. Net position attributable to business-type activities increased by \$15,667.
- The General Fund had a current year deficit of \$113,511 (\$75,000 of which was planned, to reduce the Fund balance and provide relief to taxpayers) reducing its fund balance to \$100,541,
- The Highway Fund had a current year deficit of \$91,821 (\$75,000 of which was intended, to reduce the fund balance and provide relief to taxpayers) reducing its fund balance to \$230,324.

### ***Overview of the Town's Financial Statements:***

The annual financial report consists of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Town of Pittsford's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town of Pittsford's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between the two reported as net position.

The *statement of activities* presents information showing how the Town's net position changed during the past fiscal year. The *statement of activities* is on the full accrual basis (i.e. 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) whereas the *statement of revenues, expenditures and changes in fund balance governmental funds* is on the modified accrual basis (i.e. revenue is recognized when it becomes measurable and available as net current position and expenditures are recognized when the related liability is incurred). Thus in the *statement of activities* revenues and expenses are reported 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 combine information from governmental funds (which are supported primarily by tax dollars) with information from enterprise funds which are supported by user fees and charges (*business-type activities*). The governmental activities of the Town of Pittsford include general government, highways and streets, public safety, sanitation and culture and recreation. The business-type activities of the Town include water operations and sewer/wastewater treatment operations. The government-wide financial statements can be found in Exhibits A and B of this report.



**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town has three types of funds: governmental funds, proprietary funds, and fiduciary funds. The proprietary funds of the Town are all Enterprise Funds. Fund financial statements can be found in Exhibits C through M of this report.

**Notes to the financial statements.** The notes provide additional information that is necessary for an understanding of the information in the government-wide and fund financial statements. The notes to the financial statements follow the basic financial statements in this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*. This supplementary information includes combining statements for various funds. The supplementary information can be found immediately following the notes to the financial statements.

### Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014
Current and Other Assets	\$ 1,759,150	\$ 1,800,802	\$ 388,133	\$ 346,777	\$ 2,147,283	\$ 2,147,579
Capital Assets	6,411,736	6,487,381	9,649,057	9,801,754	16,060,793	16,289,135
Total Assets	<u>8,170,886</u>	<u>8,288,183</u>	<u>10,037,190</u>	<u>10,148,531</u>	<u>18,208,076</u>	<u>18,436,714</u>
Deferred Outflows of Resources	<u>20,705</u>	<u>19,059</u>	<u>4,214</u>	<u>3,879</u>	<u>24,919</u>	<u>22,938</u>
Current Liabilities	84,673	108,659	34,106	32,612	118,779	141,271
Long-term Liabilities	<u>600,300</u>	<u>739,529</u>	<u>4,497,426</u>	<u>4,634,058</u>	<u>5,097,726</u>	<u>5,373,587</u>
Total Liabilities	<u>684,973</u>	<u>848,188</u>	<u>4,531,532</u>	<u>4,666,670</u>	<u>5,216,505</u>	<u>5,514,858</u>
Deferred Inflows of Resources	<u>52,486</u>	<u>7,850</u>	<u>8,465</u>	<u>0</u>	<u>60,951</u>	<u>7,850</u>
Net Position						
Net Investment in Capital Assets	5,986,736	5,977,381	5,166,980	5,191,011	11,153,716	11,168,392
Restricted	909,951	482,288	0	0	909,951	482,288
Unrestricted	<u>557,445</u>	<u>991,535</u>	<u>334,427</u>	<u>294,729</u>	<u>891,872</u>	<u>1,286,264</u>
Total Net Position	<u>\$ 7,454,132</u>	<u>\$ 7,451,204</u>	<u>\$ 5,501,407</u>	<u>\$ 5,485,740</u>	<u>\$ 12,955,539</u>	<u>\$ 12,936,944</u>

As stated above, Assets and Deferred Outflows of Resources exceeded Liabilities and Deferred Inflows of Resources by \$12,955,539 and \$12,936,944 as of June 30, 2015 and 2014, respectively.

The largest portion of the Town's net position (\$11,153,716) are in its investment in capital assets (86.0%). These assets are used to provide services to its citizens (e.g. land, buildings, equipment, infrastructure). Therefore, these assets are not available for future spending. A portion (7.0%, or \$909,951) of the Town's assets are subject to restrictions on how they may be used (e.g. highway maintenance, highway and fire vehicle replacement, building maintenance). The remaining balance of unrestricted net position (7.0%, or \$891,872) may be used to meet the government's ongoing obligations to citizens and creditors. Some of the amounts included in unrestricted net position have been assigned by management for particular purposes (e.g. capital projects).

Statement of Activities (Change in Net Position)

	Governmental Activities		Business-type Activities		Total	
	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014
Revenues						
Program Revenues						
Charges for services	\$ 170,842	\$ 175,878	\$ 717,059	\$ 644,711	\$ 887,901	\$ 820,589
Operating grants and contributions	191,447	287,374	0	0	191,447	287,374
Capital grants and contributions	96,880	5,454	177,043	131,640	273,923	137,094
General Revenues						
Property taxes	1,788,162	1,677,770	0	0	1,788,162	1,677,770
Interest & Penalties on Delinquent Taxes	30,836	27,633	0	0	30,836	27,633
General State Grants	66,379	72,472	0	0	66,379	72,472
Unrestricted investment earnings	11,692	21,325	2,773	1,980	14,465	23,305
Other revenues	15,786	16,364	0	0	15,786	16,364
Total Revenues	<u>2,372,024</u>	<u>2,284,270</u>	<u>896,875</u>	<u>778,331</u>	<u>3,268,899</u>	<u>3,062,601</u>
Expenses						
Governmental activities						
General Government	752,189	600,920	0	0	752,189	600,920
Highways & Streets	1,007,216	884,752	0	0	1,007,216	884,752
Public Safety	342,884	365,128	0	0	342,884	365,128
Sanitation	80,551	84,748	0	0	80,551	84,748
Culture and Recreation	175,388	220,262	0	0	175,388	220,262
Community Development	0	11,800	0	0	0	11,800
Interest on Long-term Debt	10,868	8,250	0	0	10,868	8,250
Business-type activities						
Water	0	0	552,066	396,185	552,066	396,185
Sewer	0	0	329,142	351,273	329,142	351,273
Total Expenses	<u>2,369,096</u>	<u>2,175,860</u>	<u>881,208</u>	<u>747,458</u>	<u>3,250,304</u>	<u>2,923,318</u>
Transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in net position	2,928	108,410	15,667	30,873	18,595	139,283
Net position - Beginning of Year	7,451,204	7,377,224	5,485,740	5,461,877	12,936,944	12,839,101
Less: GASB 68 Adjustment	<u>0</u>	<u>(34,430)</u>	<u>0</u>	<u>(7,010)</u>	<u>0</u>	<u>(41,440)</u>
Net position - End of Year	<u>\$7,454,132</u>	<u>\$ 7,451,204</u>	<u>\$ 5,501,407</u>	<u>\$ 5,485,740</u>	<u>\$ 12,955,539</u>	<u>\$ 12,936,944</u>

**Governmental activities.** Governmental activities increased the Town’s net position by \$2,928 in FY15. The primary reasons are due to having invested more in capital outlays than the amount of depreciation in this period.

**Business-type activities.** Business-type activities increased the Town’s net position by \$15,667. Specifically, the Water Fund had a current year surplus of \$28,893, whereas the Sewer Fund had a current year deficit of \$13,226. The water surplus was due largely to grant revenue received to support the now-completed USDA-funded water system expansion project. The sewer deficit was due to rates being inadequate to support both operational costs and debt service obligations.

The Pittsford Water Fund had a GAAP basis net position increase of \$28,893 in FY15. This surplus was derived primarily from an operating surplus of \$93,155. The Town merged with Fire District No. 1 and took on some former customers of Proctor Water in a modest water system expansion project, which received USDA grant and loan funding totaling \$260,000. Additionally, the Agency of Transportation is planning to upgrade U.S. Route 7, in segments, through the Town of Pittsford. The impact on the Pittsford Water System's infrastructure will be financially significant. Unrestricted net position (resources available to meet future obligations) were \$477,544 on June 30, 2015.

The Sewer Fund had a GAAP basis net position decrease of \$13,226. This decrease was primarily the result of non-operating interest expenses of \$59,465. Historically low user rates have increased twice in recent years and now appear to be adequate beginning in fiscal year 2015. Additionally, the Agency of Transportation is planning to upgrade U.S. Route 7 through the Town of Pittsford. The impact on the Pittsford Sewer System's infrastructure will be financially significant. Unrestricted net position (resources available to meet future obligations) were a negative balance of (\$143,117) on June 30, 2015.

## ***Financial Analysis of Major Governmental Funds***

### **The General Fund**

The General Fund balance decreased \$113,511 from \$214,052 at the end of fiscal year 2014 to \$100,541 at the end of fiscal year 2015.

On the revenue side, this Fund purposely received \$75,000 less than projected expenses in order to reduce the fund balance and to provide relief to taxpayers. In addition, fee and permit revenues fell short of expectations by \$9,519. Investment interest fell \$7,270 short of the target. Transfer Station revenues fell short by \$6,630. In the police department, traffic fines and COPS grant revenues were \$6,184 and \$10,778 below budgeted levels, respectively. Partially offsetting these revenue shortfalls were unbudgeted police department revenues including \$11,520 from the Omya truck detail and \$4,000 from a safety grant.

On the expense side, owing to an unbudgeted increase in compensation for the Town Manager, this Department saw an overage of \$30,185. The Town also chose to transfer \$35,000 to the Water Fund for hydrant fees even though the amount was not budgeted. Partially offsetting these expense overruns were expenditure of \$14,985 less than budgeted for computer supplies and computer contracts. Expenses were \$6,122 less than budgeted for health insurance. The Planning Commission spent \$2,000 less than anticipated for legal fees. The Listers's office spent \$8,126 less than budgeted. The Transfer Station spent \$1,007 less than budgeted.

### **The Highway Fund**

The Highway Fund balance decreased \$91,821 from \$322,145 at the end of fiscal year 2014 to \$230,324 at the end of fiscal year 2015.

On the revenue side, the Town purposely underfunded this fund by \$75,000 in order to reduce the fund balance and to provide relief to taxpayers. The Town did receive an unbudgeted State grant for \$96,880 for bridge repairs, but fell short by \$11,955 in providing services to other departments.

On the expense side, general expenses were over budget by \$53,333, primarily due to wages and overtime associated with harsh winter conditions and purchases of new equipment that was not planned. Worker's compensation insurance exceeded the budgeted figure by \$7,449. Between maintenance and paving on Class 3 roads, the Highway Department spent \$72,149 more than expected. On the brighter side, the Highway Fund spent \$12,848 less than expected for bridge maintenance and \$18,933 less than anticipated for interest on its bond debt.

### Other Funds

The Town has the following other reserve funds at June 30, 2015:

Committed for Village Fund – Sidewalks	\$ 11,273
Assigned for Reappraisal Expenses	193,909
Restricted for State Planning Grants	7,779
Restricted for Land Records Preservation	37,471
Restricted for Veterans Memorial	737
Restricted for William Dennison Fund – Fire	97,473
Restricted for Well Drilling Fund	19,604
Assigned for Bridge Replacement	306,447
Assigned for Municipal Office Capital Improvements	11,367
Assigned for Fire Department Capital	104,734
Assigned for Patrol Car Fund	(11,239)
Assigned for Mower Replacement	16,743
Assigned for Cemetery Development	37,388
Assigned for Highway Capital Fund	274,153
Restricted for Belcher Miracle Fund – Recreation	<u>2,019</u>
 Total Other Funds	 <u>\$1,109,858</u>

### Restricted Net Position and Reserved Fund Balances

The restricted net position was \$909,951 on June 30, 2015. These funds are reserved for specific future expenses, such as highway maintenance and other purposes determined by trust agreements.

The unassigned fund balance of the Governmental Funds was \$85,044 on June 30, 2015. The General Fund has an unassigned amount of \$96,283 however, the Patrol Car Fund had a unassigned deficit of \$11,239.

## **Capital Assets**

Governmental Capital Assets decreased \$75,645 in FY15, net of depreciation. Major capital additions for the year were as follows:

- 2015 Ford Explorer Police Cruiser
- Upgrade to Jaws of Life
- Leaf Collector
- Straw Blower
- Oxbow Road Paving
- Elm Street Paving
- Windy Hill Road Paving
- Gorham Bridge Road Paving
- Began Sidewalk Replacement Project Engineering

Business-Type Capital Assets decreased \$152,697 in FY15, net of depreciation. Major capital additions for the year were as follows:

- 2015 Ford F350

During the year, the Town sold two (2) fire trucks, one (1) police cruiser, and a water utility truck.

## ***Long Term Debt***

All of the long term debt identified below is a general obligation of the Town of Pittsford. However, it has been the practice to fund repayment of the various obligations from their respective funds. As of June 30, 2015, the Town's Highway Fund had a bond balance of \$425,000, the proceeds of which were used for highway improvements.

The Town's debt to the State of Vermont Environmental Revolving Loan Fund, for the issuance of loans to Pittsford homeowners to drill water wells, fell to \$127,584.

The combined Pittsford/Florence Water System had a bond balance (current plus noncurrent balance) of \$2,654,190 that was used for system improvements. The Sewer System had a bond balance (current plus noncurrent balances) totaling \$1,827,887, with all of the proceeds used to upgrade the wastewater treatment plant, sewage collection system and to obtain engineering services for other improvements.

## ***Economic Factors and Next Year's Budgets and Rates***

- The national economy continues a slow "recovery" from recession, with repercussions at the State and local levels of government. The outlook for 2016 is one of cautious optimism, with signs of increased economic activity.

The following factors were considered in the development of budgets for FY16:

- **General Fund:** The budget for FY16 does not make the annual transfer of \$35,000 to the Water Fund, owing to the desire to keep tax increases as low as possible.
- **Highway Fund:** In anticipation of the need for funding for the Phase II repair of the Kendall Hill Road Bridge and other bridge repair/replacement projects, the Select Board has maintained the amount budgeted annually for bridge repairs at \$50,000. The Town now puts into a Highway Capital Reserve Fund \$105,000 annually to cover the expected cost of new trucks and equipment.
- **Sewer Fund:** Effective July 1, 2014, sewer rates were raised again to address a chronic annual operating deficit and pay increased debt service obligations.

The following factors will influence budgets in future fiscal years:

- The Agency of Transportation's plans to upgrade U.S. Route 7 in segments as it passes through Pittsford will have to be addressed in this decade. Preliminary estimates from Stantec Engineering are that the Town will have to contribute approximately \$300,000 toward utility improvements when work is done on the segment of Route 7 running north from Plains Road. No definitive costs have been established at this time for the utility work that will be required in the Village segment of the Route 7 upgrade, but they will doubtless be significant.

This financial report is designed to provide a general overview of the Town of Pittsford, Vermont's financial condition. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Town of Pittsford, P.O. Box 10, 426 Plains Road, Pittsford, Vermont 05763.

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF NET POSITION  
JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,391,668	\$ 0	\$ 1,391,668
Investments	99,492	0	99,492
Receivables (Net of Allowance for Uncollectibles)	160,080	336,322	496,402
Loans Receivable	103,400	0	103,400
Internal Balances	(46,200)	46,200	0
Prepaid Expenses	3,398	0	3,398
Inventories	47,312	5,611	52,923
Capital Assets:			
Land	103,699	68,355	172,054
Construction in Progress	44,640	43,180	87,820
Other Capital Assets, (Net of Accumulated Depreciation)	6,263,397	9,537,522	15,800,919
Total Assets	<u>8,170,886</u>	<u>10,037,190</u>	<u>18,208,076</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	<u>20,705</u>	<u>4,214</u>	<u>24,919</u>
Total Deferred Outflows of Resources	<u>20,705</u>	<u>4,214</u>	<u>24,919</u>
<u>LIABILITIES</u>			
Accounts Payable	29,771	6,374	36,145
Accrued Payroll and Benefits Payable	24,252	4,959	29,211
Unearned Revenue	8,558	3,094	11,652
Accrued Interest Payable	3,094	19,679	22,773
Due to First Response Capital Fund	18,998	0	18,998
Noncurrent Liabilities:			
Due within One Year	99,176	124,458	223,634
Due in More than One Year	501,124	4,372,968	4,874,092
Total Liabilities	<u>684,973</u>	<u>4,531,532</u>	<u>5,216,505</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Prepaid Property Taxes	10,903	0	10,903
Deferred Inflows of Resources Related to the Town's Participation in VMERS	<u>41,583</u>	<u>8,465</u>	<u>50,048</u>
Total Deferred Inflows of Resources	<u>52,486</u>	<u>8,465</u>	<u>60,951</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	5,986,736	5,166,980	11,153,716
Restricted For:			
Highways and Streets	763,848	0	763,848
Public Safety	98,097	0	98,097
Records Preservation	37,471	0	37,471
Other	10,535	0	10,535
Unrestricted	557,445	334,427	891,872
Total Net Position	<u>\$ 7,454,132</u>	<u>\$ 5,501,407</u>	<u>\$ 12,955,539</u>

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Governmental Activities:							
General Government	\$ 752,189	\$ 44,529	\$ 13,568	\$ 0	(694,092)	\$ 0	\$ (694,092)
Highways and Streets	1,007,216	14,764	106,821	96,880	(788,751)	0	(788,751)
Public Safety	342,884	19,579	71,058	0	(252,247)	0	(252,247)
Sanitation	80,551	45,370	0	0	(35,181)	0	(35,181)
Culture and Recreation	175,388	46,600	0	0	(128,788)	0	(128,788)
Interest on Long-term Debt	10,868	0	0	0	(10,868)	0	(10,868)
Total Governmental Activities	<u>2,369,096</u>	<u>170,842</u>	<u>191,447</u>	<u>96,880</u>	<u>(1,909,927)</u>	<u>0</u>	<u>(1,909,927)</u>
Business-type Activities:							
Water	552,066	392,917	0	177,043	0	17,894	17,894
Sewer	329,142	324,142	0	0	0	(5,000)	(5,000)
Total Business-type Activities	<u>881,208</u>	<u>717,059</u>	<u>0</u>	<u>177,043</u>	<u>0</u>	<u>12,894</u>	<u>12,894</u>
Total	<u>\$ 3,250,304</u>	<u>\$ 887,901</u>	<u>\$ 191,447</u>	<u>\$ 273,923</u>	<u>(1,909,927)</u>	<u>12,894</u>	<u>(1,897,033)</u>
General Revenues:							
Property Taxes					1,788,162	0	1,788,162
Interest and Penalties on Delinquent Taxes					30,836	0	30,836
General State Grants					66,379	0	66,379
Unrestricted Investment Earnings					11,692	2,773	14,465
Other Revenues					2,082	0	2,082
Gain on Sale of Equipment					13,704	0	13,704
Total General Revenues					<u>1,912,855</u>	<u>2,773</u>	<u>1,915,628</u>
Change in Net Position					2,928	15,667	18,595
Net Position - July 1, 2014, As Restated					<u>7,451,204</u>	<u>5,485,740</u>	<u>12,936,944</u>
Net Position - June 30, 2014					<u>\$ 7,454,132</u>	<u>\$ 5,501,407</u>	<u>\$ 12,955,539</u>

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



TOWN OF PITTSFORD, VERMONT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

	General Fund	Highway Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash	\$ 1,391,668	\$ 0	\$ 0	\$ 1,391,668
Investments	0	0	99,492	99,492
Receivables (Net of Allowance for Uncollectibles)	159,960	120	0	160,080
Due from Other Funds	0	193,092	1,023,391	1,216,483
Loans Receivable	0	0	103,400	103,400
Prepaid Expenses	3,398	0	0	3,398
Inventory	236	47,076	0	47,312
Total Assets	<u>\$ 1,555,262</u>	<u>\$ 240,288</u>	<u>\$ 1,226,283</u>	<u>\$ 3,021,833</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 22,744	\$ 5,241	\$ 1,786	\$ 29,771
Accrued Payroll and Benefits Payable	19,529	4,723	0	24,252
Due to Other Funds	1,270,442	0	11,239	1,281,681
Unearned Revenue	8,558	0	0	8,558
Total Liabilities	<u>1,321,273</u>	<u>9,964</u>	<u>13,025</u>	<u>1,344,262</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Prepaid Property Taxes	10,903	0	0	10,903
Unavailable Property Taxes, Penalties and Interest	122,545	0	0	122,545
Unavailable Loans Receivable	0	0	103,400	103,400
Total Deferred Inflows of Resources	<u>133,448</u>	<u>0</u>	<u>103,400</u>	<u>236,848</u>
<u>FUND BALANCES</u>				
Nonspendable	3,634	47,076	1,250	51,960
Restricted	624	183,248	744,433	928,305
Committed	0	0	11,273	11,273
Assigned	0	0	364,141	364,141
Unassigned/(Deficit)	96,283	0	(11,239)	85,044
Total Fund Balances	<u>100,541</u>	<u>230,324</u>	<u>1,109,858</u>	<u>1,440,723</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,555,262</u>	<u>\$ 240,288</u>	<u>\$ 1,226,283</u>	

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds.	6,411,736
Other Assets are not Available to Pay for Current-Period Expenditures, and, Therefore, are Deferred in the Funds.	225,945
Long-term and Accrued Liabilities, Including Bonds Payable and the Net Pension Liability, are not Due or Payable in the Current Period and, Therefore, are not Reported in the Funds.	(603,394)
Deferred Outflows and Inflows of Resources related to the Town's Participation in VMERS are applicable to Future Periods and, Therefore, are not Reported in the Funds.	<u>(20,878)</u>
Net Position of Governmental Activities	<u>\$ 7,454,132</u>

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Highway Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property Taxes	\$ 874,890	\$ 896,972	\$ 19,981	\$ 1,791,843
Interest and Penalties on Delinquent Taxes	30,836	0	0	30,836
Intergovernmental	135,819	222,990	13,568	372,377
Investment Income	3,730	492	7,470	11,692
Loan Repayments	0	0	21,750	21,750
Permits, Fees and Fines	43,825	570	4,088	48,483
Charges for Services	118,645	10,149	0	128,794
Other	7,235	4,045	85	11,365
<b>Total Revenues</b>	<b>1,214,980</b>	<b>1,135,218</b>	<b>66,942</b>	<b>2,417,140</b>
<b>Expenditures:</b>				
General Government	722,988	0	21,026	744,014
Highways and Streets	0	614,952	0	614,952
Public Safety	258,301	0	1,031	259,332
Sanitation	79,273	0	0	79,273
Culture and Recreation	168,644	0	0	168,644
Capital Outlay:				
General Government	6,294	0	4,500	10,794
Highways and Streets	0	362,020	0	362,020
Public Safety	8,866	0	61,756	70,622
Culture and Recreation	3,648	0	0	3,648
Debt Service:				
Principal	0	85,000	14,176	99,176
Interest	0	10,067	0	10,067
<b>Total Expenditures</b>	<b>1,248,014</b>	<b>1,072,039</b>	<b>102,489</b>	<b>2,422,542</b>
Excess/(Deficiency) of Revenues Over Expenditures	(33,034)	63,179	(35,547)	(5,402)
<b>Other Financing Sources/(Uses):</b>				
Proceeds from Sale of Equipment	0	0	30,204	30,204
Transfers In	23	0	235,500	235,523
Transfers Out	(80,500)	(155,000)	(23)	(235,523)
<b>Total Other Financing Sources/ (Uses)</b>	<b>(80,477)</b>	<b>(155,000)</b>	<b>265,681</b>	<b>30,204</b>
<b>Net Change in Fund Balances</b>	<b>(113,511)</b>	<b>(91,821)</b>	<b>230,134</b>	<b>24,802</b>
Fund Balances - July 1, 2014	214,052	322,145	879,724	1,415,921
Fund Balances - June 30, 2015	\$ 100,541	\$ 230,324	\$ 1,109,858	\$ 1,440,723

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

TOWN OF PITTSFORD, VERMONT  
 RECONCILIATION OF THE STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES OF  
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2015

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit D)	\$	24,802
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (447,084) is allocated over their estimated useful lives and reported as depreciation expense (\$449,949). This is the amount by which capital outlays exceeded depreciation in the current period.		(2,865)
The net effect of various transactions involving capital assets (i.e., sales, loss on disposal of assets, capital grants and donations) is to decrease net position.		(72,780)
The issuance of long-term debt (\$-0-) (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$99,176) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.		99,176
Governmental funds report employer pension contributions as expenditures (\$20,460). However, in the statement of activities, the cost of pension benefits earned net of employee contributions (\$20,392) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.		68
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This amount reflects the decrease in deferred revenue over last year.		(44,720)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>(753)</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>2,928</u></u>

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property Taxes:			
Taxes	\$ 872,713	\$ 874,890	\$ 2,177
Interest on Delinquent Taxes	14,500	16,542	2,042
Penalty on Delinquent Taxes	16,000	14,294	(1,706)
Other Revenue	0	11	11
Total Property Taxes	903,213	905,737	2,524
Fees and Permits:			
First Class Liquor Licenses	250	645	395
Second Class Liquor Licenses	250	280	30
Junk Yard Licenses	50	25	(25)
Marriage Licenses	1,000	760	(240)
Burial Permits	50	65	15
Town Computer Purchases	100	30	(70)
Certified Copy Fees	1,200	1,902	702
Recording Fees	25,000	15,816	(9,184)
Photocopy Fees	4,000	2,387	(1,613)
DMV Fees	300	261	(39)
Posting Permits	50	75	25
Site Plan Review/Zoning Fees	2,500	3,235	735
Fire Wardens Permit Fees	100	185	85
Miscellaneous Fees	500	165	(335)
Total Fees and Permits	35,350	25,831	(9,519)
Intergovernmental Revenues:			
State PILOT	38,000	37,322	(678)
Current Use Reimbursement	28,000	28,868	868
School Billing Fee - Act 68	8,500	9,505	1,005
Vermont Railroad Tax	800	189	(611)
Health and Safety Revenue	500	0	(500)
Total Intergovernmental Revenues	75,800	75,884	84
Fee/Charge For Services:			
Research Revenue	700	312	(388)
Sales of Ordinances	0	35	35
Total Fee/Charge For Services	700	347	(353)
Solid Waste:			
Annual User Permits	13,000	11,550	(1,450)
Garbage Bag Charges	35,000	33,820	(1,180)
Recycling Income	4,000	0	(4,000)
Total Solid Waste	52,000	45,370	(6,630)

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Miscellaneous Receipts:</b>			
School Share of Election Costs	\$ 500	\$ 500	\$ 0
Lister's Education	350	397	47
Maclure Library Phone Reimbursement	400	571	171
Donations	0	500	500
Investment Interest	11,000	3,730	(7,270)
Water Administration Fee	7,600	7,600	0
Sewer Administration Fee	6,500	6,500	0
Green Mountain Passport	30	18	(12)
<b>Total Miscellaneous Receipts</b>	<b>26,380</b>	<b>19,816</b>	<b>(6,564)</b>
<b>Recreation:</b>			
Annual Family Permits	3,000	1,985	(1,015)
Daily Gate Passes	2,500	990	(1,510)
Tennis Court Permits	150	157	7
Group Picnic Charges	3,000	2,835	(165)
School Programs	2,500	1,973	(527)
Ice Out Revenue	0	528	528
CVPS-Line Pole Rent	0	10	10
Belcher-Mericle Interest	35	23	(12)
Recreation Area Donations	1,000	420	(580)
Pittsford Day Revenues	0	2,275	2,275
Youth League Registration	3,000	3,245	245
Girls Softball Registration	400	560	160
Youth League Donations	3,000	2,245	(755)
Day Camp Registrations	11,000	11,483	483
Summer Programs	3,000	2,688	(312)
Fall Programs	3,000	3,366	366
Winter Programs	4,500	8,509	4,009
Spring Programs	4,000	3,331	(669)
<b>Total Recreation</b>	<b>44,085</b>	<b>46,623</b>	<b>2,538</b>
<b>Animal Management Fees:</b>			
Dog Licenses	6,500	4,758	(1,742)
Other Animal Revenue	100	0	(100)
<b>Total Animal Management Fees</b>	<b>6,600</b>	<b>4,758</b>	<b>(1,842)</b>
<b>Police:</b>			
Traffic Fines	16,000	9,816	(6,184)
Contributions	0	5,162	5,162
Insurance Reports	0	190	190
Miscellaneous Revenue	400	991	591
Start Program Revenue	400	0	(400)
Safety Grant Revenue	0	4,000	4,000
BJA Grant Revenue	0	1,316	1,316
OMYA Truck Detail Revenue	0	11,520	11,520
COPS Grant 2011	65,000	54,222	(10,778)
<b>Total Police</b>	<b>81,800</b>	<b>87,217</b>	<b>5,417</b>

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Fire Department:</b>			
Fire Department Reimbursements	\$ 0	\$ 3,420	\$ 3,420
Total Fire Department	0	3,420	3,420
Total Revenues	1,225,928	1,215,003	(10,925)
<b>Expenditures:</b>			
<b>Legislation:</b>			
Selectmen Services	6,000	6,000	0
Public Officials Insurance	4,700	3,412	1,288
Selectmen Expenses	600	573	27
Secretary/Clerk	0	1,957	(1,957)
Recording Secretary	2,700	2,646	54
FICA/Medicare	750	1,207	(457)
Total Legislation	14,750	15,795	(1,045)
<b>Management:</b>			
Town Manager	69,000	92,193	(23,193)
Secretary	37,750	37,059	691
Overtime	0	176	(176)
FICA/Medicare	8,950	11,063	(2,113)
Retirement Insurance	4,400	7,830	(3,430)
Medical Insurance	22,000	17,879	4,121
Dental Insurance	1,400	1,206	194
Life Insurance	1,250	1,096	154
Workers Compensation Insurance	300	491	(191)
Property Insurance	3,000	2,297	703
General Liability Insurance	1,500	1,737	(237)
Employment Practices	0	2,200	(2,200)
Unemployment Insurance	250	166	84
Mileage Reimbursement	1,600	1,843	(243)
Training	1,500	1,209	291
Town Service Fund	100	0	100
Health and Safety Expense	2,000	1,934	66
Car Allowance	0	4,806	(4,806)
Total Management	155,000	185,185	(30,185)
<b>Elections:</b>			
Ballot Clerks	2,000	1,686	314
FICA/Medicare	160	129	31
Notices, Warnings, Ads	200	0	200
Ballots and Supplies	1,200	2,187	(987)
Ballot Machine Setup	3,000	3,221	(221)
Total Elections	6,560	7,223	(663)

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Finance:</b>			
Clerk and Treasurer	\$ 62,500	\$ 59,131	\$ 3,369
Assistant Clerk and Treasurer	37,250	40,375	(3,125)
Bookkeeper	12,300	12,600	(300)
FICA/Medicare	7,500	7,478	22
Retirement Insurance	4,200	4,085	115
Medical Insurance	14,450	12,871	1,579
Dental Insurance	900	837	63
Life Insurance	1,300	1,124	176
Workers Compensation Insurance	550	491	59
Unemployment Insurance	250	178	72
Mileage Reimbursement	400	139	261
State Dues - Clerks Association	70	75	(5)
Training Fees	800	160	640
<b>Total Finance</b>	<b>142,470</b>	<b>139,544</b>	<b>2,926</b>
<b>Administration:</b>			
Office Supplies	12,500	15,291	(2,791)
Computer Supplies	12,500	9,297	3,203
Computer Contracts	21,000	9,218	11,782
Website Maintenance/Expenses	1,000	1,093	(93)
Newsletter Printing and Postage	5,000	4,646	354
Postage - General	5,500	7,790	(2,290)
Tax Bills and Postage	1,000	1,000	0
Town Report Coordinator	1,400	1,400	0
Town Report Printing	4,000	3,700	300
Town Report Postage	1,100	1,179	(79)
Tax Collector Expense	200	355	(155)
CPA Audit	26,000	25,015	985
Legal Fees and Tax Collection	4,000	1,747	2,253
<b>Total Administration</b>	<b>95,200</b>	<b>81,731</b>	<b>13,469</b>
<b>Agencies:</b>			
VLCT Dues	4,061	4,061	0
Rutland Economic Development Corporation	500	252	248
Rutland Regional Planning Commission	884	900	(16)
<b>Total Agencies</b>	<b>5,445</b>	<b>5,213</b>	<b>232</b>
<b>Zoning:</b>			
Zoning Administrator	12,000	11,564	436
Zoning Clerical	600	216	384
FICA/Medicare	880	857	23
Mileage Reimbursement	200	124	76
Zoning Hearings	1,400	496	904
Zoning Expense	1,200	884	316
Legal Fees - Zoning	3,400	1,257	2,143
<b>Total Zoning</b>	<b>19,680</b>	<b>15,398</b>	<b>4,282</b>

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Planning Commission:</b>			
Planning Commission Stipends	\$ 2,500	\$ 2,051	\$ 449
Planning Commission Clerical	1,400	1,280	120
FICA/Medicare	0	246	(246)
Mileage Reimbursement	0	299	(299)
Planning Grant Expense	400	239	161
Town Plan	1,000	827	173
Legal Fees	2,000	0	2,000
<b>Total Planning Commission</b>	<b>7,300</b>	<b>4,942</b>	<b>2,358</b>
<b>Board of Civil Authority:</b>			
Board of Civil Authority	1,500	1,185	315
Clerical	500	360	140
FICA/Medicare	160	118	42
Supplies	50	0	50
Legal Fees	500	0	500
Miscellaneous	150	0	150
<b>Total Board of Civil Authority</b>	<b>2,860</b>	<b>1,663</b>	<b>1,197</b>
<b>Municipal Plant and Equipment:</b>			
FICA/Medicare - Custodians	0	199	(199)
Building Maintenance Supplies	3,500	1,589	1,911
Heating Fuel	3,500	2,056	1,444
Municipal Building Fund Transfer	7,000	7,000	0
Cemetery Development Fund Transfer	2,000	2,000	0
Contracts - Facilities	6,000	7,723	(1,723)
Copier Maintenance	5,000	5,039	(39)
Fire/Security Alarm Maintenance	700	706	(6)
Communications	100	0	100
Telephones	3,300	4,815	(1,515)
Maclure Library Phones	500	567	(67)
Modem Online Telephone	800	23	777
Labor and Equipment Use by Highway	500	1,085	(585)
New Equipment for Building	500	0	500
Building Repairs/Maintenance	4,000	0	4,000
Utilities	6,500	5,383	1,117
<b>Total Municipal Plant and Equipment</b>	<b>43,900</b>	<b>38,185</b>	<b>5,715</b>
<b>Fire Warden</b>			
Fire Warden Fees	200	42	158
Burn Permit Expense	800	45	755
FICA/Medicare	0	3	(3)
Mileage Expenses	1,200	689	511
<b>Total Fire Warden</b>	<b>2,200</b>	<b>779</b>	<b>1,421</b>
<b>Miscellaneous:</b>			
Tax Sale Purchases	0	5,686	(5,686)
Marriage License Fees	800	560	240
Emergency Management Fees	300	0	300
E-911 Contract Services	50	0	50
E-911 Mileage/ Supplies	100	0	100

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



TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
Miscellaneous/(Cont'd):			
Contracted Services - Accounting	\$ 2,000	\$ 1,900	\$ 100
Warnings - Meetings/Ordinance	200	135	65
Memorial Day Flags	500	796	(296)
Tax Abatement Costs	600	39	561
Ads/Special Meetings	250	84	166
Legal Fees - Not Budgeted	0	35	(35)
IRS Penalties and Interest	0	345	(345)
	<u>4,800</u>	<u>9,580</u>	<u>(4,780)</u>
Total Miscellaneous			
	<u>4,800</u>	<u>9,580</u>	<u>(4,780)</u>
Listers:			
Lister's Services	22,000	20,400	1,600
Lister's Secretary	12,000	11,295	705
FICA/Medicare	2,700	2,453	247
Worker's Compensation Insurance	100	238	(138)
Unemployment Insurance	200	91	109
Lister's Mileage Reimbursement	1,000	488	512
Training Fees	700	395	305
Lister's Expenses	7,000	2,994	4,006
Property Map Changes	3,000	2,220	780
	<u>48,700</u>	<u>40,574</u>	<u>8,126</u>
Total Listers			
	<u>48,700</u>	<u>40,574</u>	<u>8,126</u>
Special Appropriations:			
Rutland Community Services	3,020	3,020	0
Tax Transfer - First Response	11,750	11,750	0
Rutland National Resource Conservation	250	250	0
Visiting Nurse/Hospice	4,931	4,931	0
R.C. Humane Society	1,000	1,000	0
Vermont Green-Up Day Expenses	250	250	0
Benn-Rut Opport. Council	925	925	0
Rutland West Neighborhood	900	900	0
American Red Cross	1,000	1,000	0
Pittsford Cemetery Association	900	900	0
VT Rural Fire Protection	100	100	0
SWVT Council on Aging	1,100	1,100	0
Transportation	5,000	5,000	0
Pittsford Historical Society	4,052	4,052	0
Rutland Senior Volunteer Program	427	427	0
Rutland Regional Ambulance Service	11,964	11,964	0
VT Center for Independent Living	314	314	0
Rutland County Adult Ed.	1,305	1,305	0
Association for Retarded Citizens	400	400	0
Rutland County Women's Network	200	200	0
VT Association of Conservation	100	100	0
Maclure Library	72,500	72,500	0
Diversion/Restoration	3,600	3,600	0
Pittsford Food Shelf	1,000	1,000	0
Bowen Walker Appropriation	1,500	1,500	0
Rutland Parent Child Center	400	400	0
	<u>128,888</u>	<u>128,888</u>	<u>0</u>
Total Special Appropriations			
	<u>128,888</u>	<u>128,888</u>	<u>0</u>

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Health Officer:</b>			
Health Officer Labor	\$ 1,500	\$ 417	\$ 1,083
FICA/Medicare	130	26	104
Mileage	25	0	25
Health Officer Expenses	50	0	50
Mosquito Control	10,000	180	9,820
<b>Total Health Officer</b>	<b>11,705</b>	<b>623</b>	<b>11,082</b>
<b>Solid Waste Management:</b>			
Labor - Facility	20,000	18,819	1,181
Labor - Highway	2,000	0	2,000
FICA/Medicare	2,000	1,515	485
Insurance Workman's Comp.	1,700	2,156	(456)
Labor-Contract	150	1,391	(1,241)
New Equipment	500	171	329
Supplies	1,400	869	531
Telephone	325	282	43
Insurance - Property and Liability	320	199	121
Unemployment Insurance	160	91	69
Portalet Contract	1,525	1,410	115
Waste Removal Fees	30,000	36,745	(6,745)
RCSWD Surcharge	8,000	5,205	2,795
Tire Disposal Fees	0	134	(134)
State Franchise Tax	2,200	1,798	402
Container Rental/Purchase	4,500	4,380	120
Labor and Equipment Use by Highway	2,000	1,375	625
Utilities	3,000	2,733	267
Equipment Maintenance	500	0	500
<b>Total Solid Waste Management</b>	<b>80,280</b>	<b>79,273</b>	<b>1,007</b>
<b>Fire Hydrant:</b>			
Hydrant Fee to Water Department	0	35,000	(35,000)
<b>Total Fire Hydrant</b>	<b>0</b>	<b>35,000</b>	<b>(35,000)</b>
<b>Constables:</b>			
Local Services	88,500	83,099	5,401
Overtime Expense	0	3,246	(3,246)
Clerical	3,000	2,723	277
FICA/Medicare	7,000	6,537	463
Retirement Insurance	1,600	1,896	(296)
Medical Insurance	14,800	14,378	422
Dental Insurance	1,500	788	712
Life Insurance	600	513	87
New Equipment	1,500	1,608	(108)
Contracted Services	0	1,661	(1,661)
Supplies	2,000	1,585	415
Insurance - Property/Liability/Auto	4,800	4,765	35
Insurance - Worker's Compensation	2,600	3,579	(979)
Insurance - Car	2,500	1,448	1,052

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
Constables/(Cont'd):			
Unemployment Insurance	\$ 300	\$ 216	\$ 84
Mileage Reimbursement	100	38	62
Telephone Expenses	0	82	(82)
Legal and Administration	400	0	400
Patrol Car - Fuel and Maintenance	10,000	8,400	1,600
Patrol Car Replace Fund	7,000	7,000	0
Equipment Maintenance	600	235	365
Communications	4,400	3,337	1,063
Safety Equipment Grant	0	4,000	(4,000)
BJA Grant Expenses	0	1,356	(1,356)
OMYA Donation Expenses	0	4,376	(4,376)
Training Fees	1,000	851	149
Reimbursement for Expenses	300	269	31
	<u>154,500</u>	<u>157,986</u>	<u>(3,486)</u>
Total Constables			
Fire Department:			
Firemen Expenses	30,000	28,149	1,851
FICA/Medicare	2,500	2,280	220
Building Fuel	7,500	9,872	(2,372)
Vehicle Fuel	4,500	2,802	1,698
Small Tools	2,000	567	1,433
Hose & Fittings	1,000	664	336
Protective Equipment	8,000	11,484	(3,484)
Supplies	1,200	1,849	(649)
Ins. - Worker's Comp	4,500	5,177	(677)
Ins. - Vehicles	4,800	4,536	264
Ins. - General Liability	1,200	532	668
Ins. - Accident	2,850	5,297	(2,447)
Ins. - Property	1,200	1,515	(315)
Telephone	1,500	338	1,162
Communications	4,000	6,161	(2,161)
Fire Alarm System	500	395	105
Dispatching Service	1,500	1,374	126
Building Maintenance	15,000	958	14,042
Truck Maintenance	12,000	14,776	(2,776)
Equipment Maintenance	1,000	8,390	(7,390)
Ladder Truck Certificate	500	0	500
New Equipment	2,000	1,790	210
Utilities	4,000	3,145	855
Training Fees	1,500	802	698
Mutual Aid Assoc. Fees	1,000	1,000	0
FEMA Expenses	0	926	(926)
Vehicle Replacement Fund	62,500	62,500	0
	<u>178,250</u>	<u>177,279</u>	<u>971</u>
Total Fire Department			

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
Recreation Programs:			
Lifeguards	\$ 25,000	\$ 16,707	\$ 8,293
Management	45,500	41,702	3,798
Overtime	0	4,576	(4,576)
Grounds Management	7,500	10,069	(2,569)
Day Camp Labor	7,500	8,523	(1,023)
FICA/Medicare	6,500	6,272	228
Retirement Insurance	1,825	1,873	(48)
Medical Insurance	19,700	17,396	2,304
Dental Insurance	1,500	1,393	107
Life Insurance	570	516	54
Insurance - Workman's Comp.	2,500	3,807	(1,307)
Insurance - Personal Liability	0	787	(787)
Vehicle Insurance	125	220	(95)
Insurance - General Liability	1,000	0	1,000
Insurance - Unemployment	300	215	85
Mileage Reimbursement	50	117	(67)
Supplies - Recreation Area General	1,500	2,250	(750)
Supplies - Day Camp	2,000	2,496	(496)
Spring Programs	3,000	4,141	(1,141)
Summer Programs	2,000	2,140	(140)
Mower Maintenance & Fuel	1,000	2,748	(1,748)
Fall Programs	2,000	2,038	(38)
Winter Programs	2,500	7,193	(4,693)
Mower Replacement Fund	2,000	2,000	0
Training	250	80	170
Signup Refunds	0	150	(150)
League Fees/Coaches, Umpires	2,000	1,075	925
Supplies - Youth League	2,000	1,912	88
Summer Softball Expense	500	1,807	(1,307)
Pittsford Day Celebration	10,000	13,944	(3,944)
State League Membership	150	0	150
Telephone	400	344	56
Communications	720	707	13
Donation Expenses	1,000	283	717
Rubbish Removal Contract	800	780	20
Other Contract Services	250	0	250
Advertising	200	0	200
Portalet Contract	500	360	140
Ballfield Maintenance	1,000	688	312
Signs Replacement	100	576	(476)
Equipment Rentals	1,000	0	1,000
Labor and Equipment Use by Highway	1,000	3,219	(2,219)
Labor and Equipment Use by Water	0	700	(700)
Utilities	800	823	(23)
Pool Water Tests	300	120	180
Trails and Tree Planting	3,000	2,739	261
Trails and Bridging Maintenance	750	63	687
Green up Day Expense	200	0	200
Capital Improvements	4,000	4,743	(743)
Total Recreation Programs	166,490	174,292	(7,802)

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
Animal Management:			
Animal Control	\$ 2,200	\$ 971	\$ 1,229
FICA/Medicare	190	74	116
Mileage Reimbursement	300	454	(154)
Supplies	500	496	4
Contract Services	300	143	157
Ins.- Property/Liability	60	23	37
Ins.- Workman's Comp.	550	615	(65)
Legal - Animal Control	200	0	200
Animal Census	600	0	600
Vet/Humane Shelter Fees	300	99	201
Rabies Fees To State	2,700	2,093	607
Postage	50	50	0
Total Animal Management	7,950	5,018	2,932
Debt Service and Fixed Charges:			
Rutland County Tax	24,000	24,343	(343)
Total Debt Service and Fixed Charges	24,000	24,343	(343)
Total Expenditures	1,300,928	1,328,514	(27,586)
Excess/(Deficiency) of Revenues Over Expenditures	\$ (75,000)	(113,511)	\$ (38,511)
Fund Balance - July 1, 2014		214,052	
Fund Balance - June 30, 2015		\$ 100,541	

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - HIGHWAY FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property Taxes	\$ 897,170	\$ 896,972	\$ (198)
State Aid	127,000	126,110	(890)
Grant Revenue	0	96,880	96,880
Special Projects Revenue	0	1,490	1,490
Overload Permits	0	570	570
Investment Income	4,500	492	(4,008)
Interfund Charges for Service	15,700	3,745	(11,955)
Interfund Sale of Fuel	9,000	6,404	(2,596)
Miscellaneous Revenue	0	2,555	2,555
<b>Total Revenues</b>	<b>1,053,370</b>	<b>1,135,218</b>	<b>81,848</b>
Expenditures:			
General:			
Labor - Vacation and Services	22,500	31,627	(9,127)
Overtime	0	17,106	(17,106)
Labor - Maintenance	34,000	41,086	(7,086)
Mileage Reimbursement	100	139	(39)
Social Security Contribution	12,000	14,588	(2,588)
Insurance - Retirement	6,400	8,026	(1,626)
Insurance - Medical	45,000	40,180	4,820
Insurance - Dental	4,100	3,615	485
Insurance - Life	2,750	2,829	(79)
Workman's Comp/Unemployment	7,000	14,449	(7,449)
Insurance - General Liability	4,300	1,579	2,721
Insurance - Property	1,200	1,907	(707)
Insurance - Vehicle	3,800	5,592	(1,792)
Bridges Insurance	2,800	2,327	473
Dam Insurance	300	0	300
Legal and Administrative	230	0	230
Small Tool Purchases	1,000	1,895	(895)
Communications	1,400	534	866
Telephone	1,500	1,579	(79)
Heating Fuel	4,000	2,283	1,717
Training Fees	200	0	200
Equipment Rentals	0	2,642	(2,642)
Uniform Rentals	4,000	4,095	(95)
Highway Capital Reserve	105,000	105,000	0
Advertising/Postage	1,050	800	250
Utilities	5,440	5,497	(57)
Supplies	1,400	974	426
New Equipment Purchases	500	16,830	(16,330)
Building Expenses	3,000	1,124	1,876
<b>Total General</b>	<b>274,970</b>	<b>328,303</b>	<b>(53,333)</b>

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - HIGHWAY FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Class II Maintenance:			
Labor	\$ 15,000	\$ 7,201	\$ 7,799
Cold Patch/Hot Mix	1,400	1,192	208
Signs and Posts	1,000	2,322	(1,322)
Gravel/Stone	2,000	1,464	536
Culverts and Bands	3,000	996	2,004
Contracted Services	0	175	(175)
Supplies/Miscellaneous	1,000	806	194
	<u>23,400</u>	<u>14,156</u>	<u>9,244</u>
Class III Maintenance:			
Labor	55,000	52,317	2,683
Overtime	0	373	(373)
Cold Patch and Hot Mix	1,000	1,450	(450)
Signs and Posts	1,500	1,583	(83)
Calcium Chloride	4,500	20,161	(15,661)
Gravel and Stone	19,500	24,269	(4,769)
Culverts and Bands	3,500	7,019	(3,519)
Contract Services	0	6,217	(6,217)
Paving	272,000	314,677	(42,677)
Supplies/Miscellaneous	0	1,083	(1,083)
	<u>357,000</u>	<u>429,149</u>	<u>(72,149)</u>
Winter Maintenance:			
Labor	37,500	30,345	7,155
Overtime	0	2,922	(2,922)
Sodium Chloride	74,000	78,055	(4,055)
Sand	15,000	15,114	(114)
Gravel/Stone	2,000	4,313	(2,313)
Contract Services	1,000	0	1,000
Town Equipment Drawing Sand	1,500	0	1,500
Supplies/Miscellaneous	0	424	(424)
	<u>131,000</u>	<u>131,173</u>	<u>(173)</u>

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - HIGHWAY FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
Highway Vehicles			
Supplies	\$ 3,000	\$ 6,217	\$ (3,217)
Vehicle Fuel	42,000	41,476	524
Contract Services	0	1,787	(1,787)
In-Shop Repairs and Maintenance	13,000	16,043	(3,043)
Outside Maintenance and Repairs	10,000	11,605	(1,605)
Total Highway Vehicles	68,000	77,128	(9,128)
Bridges:			
Labor	2,000	6,302	(4,302)
Overtime	0	272	(272)
Supplies	2,000	6,728	(4,728)
Bridge Replacement Reserve Fund	50,000	50,000	0
Guardrails	2,000	0	2,000
Bridge Painting	104,000	83,850	20,150
Total Bridges	160,000	147,152	12,848
Special Projects			
Sidewalks	0	1,249	(1,249)
Administration - Arch Street	0	1,186	(1,186)
Engineering - Arch Street	0	1,495	(1,495)
Postage and Advertising - West Creek Road	0	981	(981)
Total Special Projects	0	4,911	(4,911)
Debt Service:			
Principal	85,000	85,000	0
Interest	29,000	10,067	18,933
Total Debt Service	114,000	95,067	18,933
Total Expenditures	1,128,370	1,227,039	(98,669)
Excess/(Deficiency) of Revenues Over Expenditures	\$ (75,000)	(91,821)	\$ (16,821)
Fund Balance - July 1, 2014		322,145	
Fund Balance - June 30, 2015		\$ 230,324	

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



TOWN OF PITTSFORD, VERMONT  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 SPECIAL REVENUE FUND - VILLAGE FUND  
 FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property Taxes	\$ 20,000	\$ 19,981	\$ (19)
Interest Income	0	412	412
Total Revenues	20,000	20,393	393
Expenditures:			
Village Street Lights	20,000	19,938	62
Total Expenditures	20,000	19,938	62
Excess of Revenues Over Expenditures	\$ 0	455	\$ 455
Fund Balance - July 1, 2014		10,818	
Fund Balance - June 30, 2015		\$ 11,273	

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2015

	Water Fund	Sewer Fund	Total
<u>ASSETS</u>			
Current Assets:			
Receivables (Net of Allowance for Uncollectible Accounts)	\$ 181,210	\$ 155,112	\$ 336,322
Due from Other Funds	315,840	0	315,840
Inventory	4,202	1,409	5,611
Total Current Assets	<u>501,252</u>	<u>156,521</u>	<u>657,773</u>
Noncurrent Assets:			
Capital Assets			
Land	66,855	1,500	68,355
Construction in Progress	43,180	0	43,180
Vehicles	54,562	0	54,562
Buildings and Building Improvements	46,991	2,614,321	2,661,312
Distribution/Collection Systems	6,991,908	1,811,768	8,803,676
Less Accumulated Depreciation	(1,264,397)	(717,631)	(1,982,028)
Total Noncurrent Assets	<u>5,939,099</u>	<u>3,709,958</u>	<u>9,649,057</u>
Total Assets	<u>6,440,351</u>	<u>3,866,479</u>	<u>10,306,830</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS			
	<u>2,994</u>	<u>1,220</u>	<u>4,214</u>
Total Deferred Outflows of Resources	<u>2,994</u>	<u>1,220</u>	<u>4,214</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	1,447	4,927	6,374
Due to Other Funds	0	269,640	269,640
Accrued Payroll	3,558	1,401	4,959
Unearned Revenue	3,094	0	3,094
Accrued Interest Payable	3,019	16,660	19,679
General Obligation Bonds Payable - Current Portion	57,019	67,439	124,458
Total Current Liabilities	<u>68,137</u>	<u>360,067</u>	<u>428,204</u>
Noncurrent Liabilities			
Compensated Absences Payable	7,620	4,984	12,604
Net Pension Liability	1,950	795	2,745
General Obligation Bonds Payable - Noncurrent Portion	2,597,171	1,760,448	4,357,619
Total Noncurrent Liabilities	<u>2,606,741</u>	<u>1,766,227</u>	<u>4,372,968</u>
Total Liabilities	<u>2,674,878</u>	<u>2,126,294</u>	<u>4,801,172</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources Related to the Town's Participation in VMERS			
	<u>6,014</u>	<u>2,451</u>	<u>8,465</u>
Total Deferred Inflows of Resources	<u>6,014</u>	<u>2,451</u>	<u>8,465</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	3,284,909	1,882,071	5,166,980
Unrestricted/(Deficit)	477,544	(143,117)	334,427
Total Net Position	<u>\$ 3,762,453</u>	<u>\$ 1,738,954</u>	<u>\$ 5,501,407</u>

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	Water Fund	Sewer Fund	Total
<b>Operating Revenues:</b>			
Charges for Services	\$ 340,559	\$ 288,718	\$ 629,277
Penalties & Interest	5,184	5,786	10,970
Hydrant Fee	35,000	0	35,000
Contract - Otter Valley	0	24,635	24,635
Reserve Flow Fees/Permits	25	500	525
Interfund Services Revenues	3,343	0	3,343
Miscellaneous	8,806	4,503	13,309
<b>Total Operating Revenues</b>	<b>392,917</b>	<b>324,142</b>	<b>717,059</b>
<b>Operating Expenses:</b>			
Labor and Stipends	76,410	59,518	135,928
Social Security	6,423	4,458	10,881
Insurances - Medical, Dental & Life	15,890	10,660	26,550
Retirement	2,937	1,204	4,141
Workmen's Comp/Unemployment	3,678	3,726	7,404
Insurance - General Liability/Property	1,935	3,724	5,659
Supplies	4,371	8,592	12,963
Depreciation	107,004	88,378	195,382
Postage/Billing Program	1,000	551	1,551
Advertising/Dues and Subscriptions	441	0	441
Telephone/Communications	1,121	2,370	3,491
Training	487	659	1,146
Property Tax	1,028	0	1,028
Contracts	21,150	10,280	31,430
Vermont Permit Renewals	2,346	0	2,346
Administration	7,600	0	7,600
Interfund Services Expenses	2,424	2,980	5,404
Utilities	7,102	25,906	33,008
Testing	1,200	4,695	5,895
Sludge/Refuse Removal	0	25,491	25,491
Maintenance	13,670	7,067	20,737
Mileage Reimbursement	197	2,447	2,644
Engineering Studies/Projects	14,350	0	14,350
Vehicle Fuel	3,195	0	3,195
Other	73	471	544
Small Equipment Purchases	3,730	6,500	10,230
<b>Total Operating Expenses</b>	<b>299,762</b>	<b>269,677</b>	<b>569,439</b>
<b>Operating Income</b>	<b>93,155</b>	<b>54,465</b>	<b>147,620</b>
<b>Nonoperating Revenues (Expenses):</b>			
Grant Income	139,796	0	139,796
Loan Forgiveness	22,000	0	22,000
Investment Income	2,294	479	2,773
Grant Expense	(161,796)	0	(161,796)
Interest Expense	(90,508)	(59,465)	(149,973)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(88,214)</b>	<b>(58,986)</b>	<b>(147,200)</b>
<b>Net Income/(Loss) Before Capital Contributions and Transfers In/(Out)</b>	<b>4,941</b>	<b>(4,521)</b>	<b>420</b>
Capital Contributions	15,247	0	15,247
Transfers In	8,705	0	8,705
Transfers Out	0	(8,705)	(8,705)
<b>Change in Net Position</b>	<b>28,893</b>	<b>(13,226)</b>	<b>15,667</b>
<b>Net Position - July 1, 2014, As Restated</b>	<b>3,733,560</b>	<b>1,752,180</b>	<b>5,485,740</b>
<b>Net Position - June 30, 2015</b>	<b>\$ 3,762,453</b>	<b>\$ 1,738,954</b>	<b>\$ 5,501,407</b>

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	Water Fund	Sewer Fund	Total
<b>Cash Flows From Operating Activities:</b>			
Receipts from Customers and Users	\$ 379,109	\$ 300,013	\$ 679,122
Receipts from Interfund Services	38,343	0	38,343
Receipts of Other Income	8,806	4,503	13,309
Payments for Goods and Services	(85,493)	(99,043)	(184,536)
Payment for Interfund Services	(2,424)	(2,980)	(5,404)
Payments for Wages and Benefits	(103,167)	(79,243)	(182,410)
Net Cash Provided by Operating Activities	<u>235,174</u>	<u>123,250</u>	<u>358,424</u>
<b>Cash Flows From Noncapital Financing Activities:</b>			
Transfer In/(Out) from Other Funds	8,705	(8,705)	0
(Increase)/Decrease in Due To/From Other Funds	(52,905)	(2,259)	(55,164)
Operating Grant Income	139,796	0	139,796
Operating Grant Expense	(139,796)	0	(139,796)
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>(44,200)</u>	<u>(10,964)</u>	<u>(55,164)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Acquisition and Construction of Capital Assets	(64,685)	0	(64,685)
Proceeds of Long-term Debt	1,005	0	1,005
Capital Contributions	15,247	0	15,247
Principal Paid on:			
General Obligation Bonds	(54,499)	(53,172)	(107,671)
Interest Paid on :			
General Obligation Bonds	(90,336)	(59,593)	(149,929)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(193,268)</u>	<u>(112,765)</u>	<u>(306,033)</u>
<b>Cash Flows From Investing Activities:</b>			
Interest Received	2,294	479	2,773
Net Cash Provided by Investing Activities	<u>2,294</u>	<u>479</u>	<u>2,773</u>
Net Increase in Cash	0	0	0
Cash - July 1, 2014	<u>0</u>	<u>0</u>	<u>0</u>
Cash - June 30, 2015	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>			
Operating Income	93,155	54,465	147,620
Depreciation	107,004	88,378	195,382
(Increase)/Decrease in Receivables	31,984	(18,559)	13,425
(Increase)/Decrease in Inventory	(33)	416	383
(Increase)/Decrease in Deferred Outflows of Resources Related to the Town's Participation in VMERS	(238)	(97)	(335)
Increase/(Decrease) in Accounts Payable	(464)	(706)	(1,170)
Increase/(Decrease) in Accrued Payroll	2,028	302	2,330
Increase/(Decrease) in Deferred Revenue	1,357	(1,067)	290
Increase/(Decrease) in Compensated Absences Payable	153	25	178
Increase/(Decrease) in Net Pension Liability	(5,786)	(2,358)	(8,144)
Increase/(Decrease) in Deferred Inflows of Resources Related to the Town's Participation in VMERS	6,014	2,451	8,465
Net Cash Provided by Operating Activities	<u>\$ 235,174</u>	<u>\$ 123,250</u>	<u>\$ 358,424</u>

The Town was granted a forgiveness of debt in the Water Fund in the amount of \$22,000 from the State of Vermont.

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2015

	<u>Private-Purpose Trust Fund Bowen Walker Fund</u>	<u>Agency Fund First Response Capital Fund</u>
<u>ASSETS</u>		
Investments	\$ 28,628	\$ 0
Due from Other Funds	<u>0</u>	<u>18,998</u>
Total Assets	<u>28,628</u>	<u>18,998</u>
<u>LIABILITIES</u>		
Due to Others	<u>0</u>	<u>18,998</u>
Total Liabilities	<u>0</u>	<u>18,998</u>
<u>NET POSITION</u>		
Net Position:		
Restricted	<u>28,628</u>	<u>0</u>
Total Net Position	<u>\$ 28,628</u>	<u>\$ 0</u>

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

TOWN OF PITTSFORD, VERMONT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	Private-Purpose Trust Fund Bowen Walker Fund
Additions:	
Investment Income	\$ <u>778</u>
Total Additions	<u>778</u>
Deductions:	
Other	<u>778</u>
Total Deductions	<u>778</u>
Change in Net Position	0
Net Position - July 1, 2014	<u>28,628</u>
Net Position - June 30, 2015	\$ <u><u>28,628</u></u>

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

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

The Town of Pittsford, Vermont, (herein the "Town") was formed in 1761 and operates under a Selectboard-Manager form of government and provides the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, community/economic development, public improvements, planning, zoning, water, sewer and general administrative services.

## **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted by the Town of Pittsford (the "Town") conform to generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant accounting policies employed in the preparation of these financial statements.

### **A. The Financial Reporting Entity**

This report includes all of the funds of the Town of Pittsford, Vermont. The reporting entity consists of the primary government; organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government 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, revenues, and expenditures or expenses, as appropriate. 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 and present a longer-term view of the Town's finances. 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 and present a shorter-term view of how operations were financed and what remains available for future spending.

TOWN OF PITTSFORD, 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. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities and for each segment of the Town's business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function or segment. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as 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, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise 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.

Highway Fund – This fund accounts for the maintenance and operation of the Town highways.

The Town reports on the following major enterprise funds:

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

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

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

Additionally, the Town reports the following fund types:

Private Purpose Trust Fund – This fund accounts for the monies held for the benefit of low income individuals within the Town.

Agency Fund – This fund accounts for monies maintained for the First Response Association to be used for their capital needs.



TOWN OF PITTSFORD, 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. This means that all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds (whether current or noncurrent) are included on the balance sheet (or statement of net position). Equity (i.e., net total position) is segregated into net investment in capital assets, restricted net position; and unrestricted net position. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

Governmental fund financial statements are reported using the current financial resources measurement focus. This means that only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are generally reported on their balance sheets. Their reported fund balances (net current position) are considered a measure of available spendable resources, and are segregated into nonspendable; restricted; committed; assigned and unassigned amounts. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current position. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

**D. Basis of Accounting**

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

The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. “Measurable” means the amount of the transaction can be determined, and “available” means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers all revenues reported in governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, certain compensated absences and other long-term liabilities which are recognized when the obligations are expected to be liquidated or are funded with expendable available financial resources.

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

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

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. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

**E. Use of Estimates**

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

**F. 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 the reporting of the proportionate share of the net pension liability related to the Town's participation in the Vermont Municipal Employees' Retirement System (VMERS) as well as additional disclosures and required supplemental information.

**G. 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.

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

**2. Investments**

The Town invests in investments as allowed by State statute. Investments with readily determinable fair values are reported at their fair values on the balance sheet. Unrealized gains and losses are included in revenue.

**3. Receivables**

Receivables are shown net of an allowance for uncollectible accounts for the estimated losses that will be incurred in the collection of the receivables. The estimated losses are based on the judgment of management and a review of the current status of existing receivables.

Unbilled revenues consist of revenues earned as of June 30, but not yet billed as of that date.

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

**4. Internal Balances**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “advances to/from other funds”. All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”. The purpose for the interfund balances is to allow the Town to pool its cash deposits and obtain a higher interest rate.

**5. Inventories and Prepaid Expenses**

Inventory quantities are determined by physical count and are valued at the lower of cost or market. Inventories in the Governmental Funds consists of sand, gravel and stone, sodium chloride and culverts. Inventories in the Proprietary Funds consists of fuel and materials.

Certain payments to vendors reflect costs that are applicable to future accounting periods and are recorded as prepaid expenses.

Inventories and prepaid expenses of governmental funds in the fund financial statements are offset by a nonspendable fund balance as these are not in spendable form.

**6. Pensions**

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

**7. 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 has one type which arises under the accrual basis of accounting that qualifies for reporting in this category. The governmental activities, business-type activities and proprietary funds report deferred outflows of resources from one source; deferred outflows related to the Town’s participation in the Vermont Municipal Employees Retirement System. These amounts are deferred and recognized as an outflow of resources in the future periods to which the outflows are related.

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

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 Town has three types of items which arise under the modified accrual basis of accounting and two types which arise under the accrual basis of accounting that qualify for reporting in this category. Accordingly, the item, “deferred inflows of resources”, is reported in the statement of net position and governmental funds balance sheet. The governmental activities reports deferred inflows of resources from two sources; prepaid property taxes and deferred inflows related to the Town’s participation in the Vermont Municipal Employees Retirement System. The business-type activities and proprietary funds report deferred inflows of resources from one source; deferred inflows related to the Town’s participation in the Vermont Municipal Employees Retirement System. The governmental funds report deferred inflows of resources from three sources; prepaid property taxes, unavailable property taxes, penalties and interest and unavailable loans receivable. These amounts are deferred and recognized as an inflow of resources in the future periods to which the inflows are related or when the amounts become available.

**8. Capital Assets**

Capital assets are reported at actual cost or estimated historical cost based on appraisals or deflated current replacement cost if purchased or constructed. Contributed assets are recorded at their estimated fair value at the time received. Major outlays for capital assets and improvements are capitalized as constructed. Interest incurred during the construction phase for proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of any interest earned on the invested proceeds during the same period. Interest is not capitalized during the construction phase of capital assets used in governmental activities. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets’ lives are not capitalized. Infrastructure assets are reported starting with the fiscal year ended June 30, 2004. The Town has elected to not report major general infrastructure assets retroactively.

Depreciable capital assets reported in the government-wide and proprietary fund financial statements are depreciated in order that the cost of these assets will be charged to expenses over their estimated service lives, generally using the straight-line method of calculating depreciation.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Service Life</u>
Land	\$ 1,000	Not Depreciated
Buildings and Building Improvements	5,000	40-100 Years
Vehicles	5,000	5-20 Years
Computers	1,000	4-6 Years
Equipment	1,000	5-20 Years
Infrastructure	5,000	30-50 Years
Water and Wastewater Distribution and and Collection Systems	5,000	30-100 Years

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

**9. Compensated Absences**

It is the policy of the Town of Pittsford to permit employees to accumulate earned but unused vacation time up to forty-eight (48) hours and comp-time up to eighty (80) hours. No liability is reported for unpaid accumulated sick leave because it is not a vested benefit. Upon retirement, termination, or death, unused vacation time and comp-time is paid at current pay rates. The accrual for unused compensated absences is recorded in the government-wide and proprietary fund financial statements. The liability for unused compensated absences is not reported in Governmental Fund financial statements. Payment for unused compensated absences are recorded as expenditures in the year they are paid.

**10. Long-term Liabilities**

Long-term liabilities include bonds payable, capital leases payable and other obligations such as compensated absences and the Town's not pension liability. Long-term liabilities are reported in the government-wide and proprietary fund financial statements. Governmental Fund financial statements do not include any long-term liabilities as those funds use the current financial resources measurement focus and only include current liabilities on their balance sheets.

**11. 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 the government-wide and proprietary fund financial statements represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a grant, contract, or other binding agreement. Fund Balances of governmental funds are classified as nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors, or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Town's intended use of the resources); and unassigned.

**II. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND AND GOVERNMENT-WIDE STATEMENTS**

Governmental Fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting, while government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. These differences in the measurement focus and basis of accounting lead to differences between the governmental fund financial statements and the government-wide financial statements as follows:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas government-wide statements report revenues when they are earned. Long-term expense differences arise because governmental funds report expenditures (including interest) using the modified accrual basis of accounting, whereas government-wide statements report expenses using the accrual basis of accounting.

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

Capital-related differences arise because governmental funds report capital outlays as current period expenditures, whereas government-wide statements report depreciation as an expense. Further, governmental funds report the proceeds from the sale of capital assets as an other financing source, whereas government-wide statements report the gain or loss from the sale of capital assets as revenue or expense.

Long-term debt transaction differences arise because governmental funds report bond proceeds as other financing sources and principal payments as expenditures, whereas government-wide statements report those transactions as increases and decreases in liabilities, respectively.

Pension-related differences arise because governmental funds report the current year's required employer contributions as current period expenditures, whereas government-wide statements report those transactions as deferred outflows of resources. In addition, the accrual for the Town's proportionate share of the net pension liability is recorded in the government-wide financial statements along with the related deferred inflows and outflows of resources.

### **III. 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 amendments during the year.

#### **B. Budgeted Deficits**

The Town elected to budget expenditures in excess of revenues by \$75,000 in both the General Fund and the Highway Fund in order to utilize the prior years surpluses. These are reflected as a current year's budgeted deficiency of revenue over expenditures in Exhibits F and G.

#### **C. Excess of Expenditures Over Appropriations**

For the year ended June 30, 2015, expenditures in the General Fund and Highway Fund exceeded appropriations by \$27,586 and \$98,669, respectively. These were funded by excess revenues and available fund balance.

#### **D. Restatement of Net Position**

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 the reporting of the proportionate share of the net pension liability related to the Town's participation in the Vermont Municipal Employees' Retirement System (VMERS) as well as additional disclosures and required supplemental information.

As a result of adopting this new accounting principle, beginning net position of the Governmental Activities was reduced by \$34,430 resulting from the proportionate share of the net pension liability of \$53,489 at June 30, 2014 net of the deferred outflows of resources of \$19,059 of required contributions made during fiscal year 2014. The Governmental Activities net position has been restated from \$7,485,634 to \$7,451,204.

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

The beginning net position of the Business-type Activities was reduced by \$7,010 resulting from the proportionate share of the net pension liability of \$10,889 at June 30, 2014 net of the deferred outflows of resources of \$3,879 of required contributions made during fiscal year 2014. The Business-type Activities net position has been restated from \$5,492,750 to \$5,485,740.

The beginning net position of the Water Fund was reduced by \$4,980 resulting from the proportionate share of the net pension liability of \$7,736 at June 30, 2014 net of the deferred outflows of resources of \$2,756 of required contributions made during fiscal year 2014. The Water Fund net position has been restated from \$3,738,540 to \$3,733,560.

The beginning net position of the Sewer Fund was reduced by \$2,030 resulting from the proportionate share of the net pension liability of \$3,153 at June 30, 2014 net of the deferred outflows of resources of \$1,123 of required contributions made during fiscal year 2014. The Sewer Fund net position has been restated from \$1,754,210 to \$1,752,180.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

The Town's cash and investments as of June 30, 2015 are comprised of the following:

Cash:

Deposits with Financial Institutions	\$1,391,343
Cash on Hand	<u>325</u>
Total Cash	<u>1,391,668</u>

Investments:

Certificate of Deposit, Lake Sunapee Bank, Interest at 1.144%, Due March 31, 2019	2,019
Certificate of Deposit, People's United Bank, Interest at 2.716%, Due September 21, 2020	28,628
Certificate of Deposit, Lake Sunapee Bank, Interest at .3%, July 31, 2015	<u>97,473</u>
Total Investments	<u>128,120</u>
Total Cash and Investments	<u>\$1,519,788</u>

Investments are limited to insured bank deposits, U.S. Treasury or agency securities, money market funds and equity mutual funds that are registered to do business in Vermont and are regulated by the FDIC and or SIPC.

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

The Town does not have an investment policy that addresses custodial credit risk, credit risk, interest rate risk or concentration of credit risk.

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 table below shows the custodial credit risk of the Town's cash and certificates of deposit.

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured by FDIC	\$ 295,251	\$ 355,123
Uninsured, Collateralized by Irrevocable Stand-by Letter of Credit by the Federal Home Loan Bank of Boston	<u>1,224,212</u>	<u>1,223,459</u>
Total	<u>\$1,519,463</u>	<u>\$1,578,582</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	\$1,391,343
Investments – Certificate of Deposits	<u>128,120</u>
Total	<u>\$1,519,463</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market 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 of changes in market interest rates. The Town does not have policy to limit its exposure to interest rate risk. The certificates of deposit are not subject to the interest rate risk disclosure requirements.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The certificates of deposit are exempt from the credit risk analysis.



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

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 has no limit on the amount that they may invest with any one issuer, however, the Town tries to diversify to seek the maximum FDIC coverage at each financial institution. The Town does not have any investment in any one issuer that represent more than 5% of total investments.

**B. Receivables**

Receivables at June 30, 2015, as reported in the statement of net position, net of applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-type Activities	Total
Delinquent Taxes	\$ 114,267	\$ 0	\$ 114,267
Penalties and Interest	20,183	999	21,182
Billed Services	1,800	8,301	10,101
Unbilled Services	0	322,409	322,409
Grants Receivable	17,504	0	17,504
Miscellaneous	7,326	4,613	11,939
Allowance for Doubtful Accounts	(1,000)	0	(1,000)
	\$ 160,080	\$ 336,322	\$ 496,402

**C. Loans Receivable**

Loans receivable at June 30, 2015 are as follows:

Loans Receivable, Twenty-One (21) Loans to Residents for Well Drilling, Principal Due Quarterly Over Ten (10) Years, Interest At 0%. Maximum Loan Amount is \$6,000, Secured by Liens on Properties. Repayment of the Income from the Loans will be Used to Pay the Well Drilling Loan Program Bond Described in Note IV. I.	<u>\$103,400</u>
Total Loans Receivable	<u>\$103,400</u>

An analysis of the change in loans receivable is as follows:

<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2015</u>
<u>\$125,150</u>	<u>\$ 0</u>	<u>\$ 21,750</u>	<u>\$103,400</u>

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

**D. Capital Assets**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 103,699	\$ 0	\$ 0	\$ 103,699
Construction in Progress	36,478	8,162	0	44,640
Total Capital Assets, Not Being Depreciated	<u>140,177</u>	<u>8,162</u>	<u>0</u>	<u>148,339</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	987,915	0	0	987,915
Vehicles	2,277,231	37,459	204,847	2,109,843
Computers	30,601	6,294	14,714	22,181
Equipment	374,925	51,349	0	426,274
Infrastructure	5,965,098	343,820	102,679	6,206,239
Totals	<u>9,635,770</u>	<u>438,922</u>	<u>322,240</u>	<u>9,752,452</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	331,808	19,695	0	351,503
Vehicles	896,091	111,608	177,159	830,540
Computers	17,698	4,784	14,714	7,768
Equipment	224,675	24,214	0	248,889
Infrastructure	1,818,294	289,648	57,587	2,050,355
Totals	<u>3,288,566</u>	<u>449,949</u>	<u>249,460</u>	<u>3,489,055</u>
Total Capital Assets, Being Depreciated	<u>6,347,204</u>	<u>(11,027)</u>	<u>72,780</u>	<u>6,263,397</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,487,381</u>	<u>\$ (2,865)</u>	<u>\$ 72,780</u>	<u>\$ 6,411,736</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 68,355	\$ 0	\$ 0	\$ 68,355
Construction in Progress	62,930	2,250	22,000	43,180
Total Capital Assets, Not Being Depreciated	<u>131,285</u>	<u>2,250</u>	<u>22,000</u>	<u>111,535</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	2,657,326	3,986	0	2,661,312
Distribution and Collection Systems	8,799,789	3,887	0	8,803,676
Vehicles	0	54,562	0	54,562
Totals	<u>11,457,115</u>	<u>62,435</u>	<u>0</u>	<u>11,519,550</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	432,212	53,054	0	485,266
Distribution and Collection Systems	1,354,434	136,725	0	1,491,159
Vehicles	0	5,603	0	5,603
Totals	<u>1,786,646</u>	<u>195,382</u>	<u>0</u>	<u>1,982,028</u>
Total Capital Assets, Being Depreciated	<u>9,670,469</u>	<u>(132,947)</u>	<u>0</u>	<u>9,537,522</u>
Business-type Activities Capital Assets, Net	<u>\$ 9,801,754</u>	<u>\$ (130,697)</u>	<u>\$ 22,000</u>	<u>\$ 9,649,057</u>

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

Depreciation was charged as follows:

Governmental Activities:		Business-type Activities:	
General Government	\$ 16,482	Water	\$ 107,004
Public Safety	72,364	Sewer	<u>88,378</u>
Highways and Streets	353,081		
Sanitation	1,278		
Culture and Recreation	<u>6,744</u>		
Total Depreciation Expense - Governmental Activities		Total Depreciation Expense - Business-type Activities	
	\$ <u>449,949</u>		\$ <u>195,382</u>

**E. Interfund Balances and Activity**

The composition of due to/from other funds at June 30, 2015 is as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 0	\$ 1,270,442
Highway Fund	193,092	0
Non-Major Governmental Funds	1,023,391	11,239
Water Fund	315,840	0
Sewer Fund	0	269,640
First Response Capital Agency Fund	<u>18,998</u>	<u>0</u>
Total	\$ <u>1,551,321</u>	\$ <u>1,551,321</u>

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

Transfer From	Transfer To	Amount	Purpose
General Fund	Municipal Office Fund	\$ 7,000	Annual Funding
General Fund	Fire Department Fund	62,500	Annual Funding
General Fund	Patrol Car Fund	7,000	Annual Funding
General Fund	Mower Replacement Fund	2,000	Annual Funding
General Fund	Cemetery Development Fund	2,000	Annual Funding
Highway Fund	Bridge Reserve Fund	50,000	Annual Funding
Highway Fund	Highway Capital Fund	105,000	Annual Funding
Belcher Mericle Fund	General Fund	<u>23</u>	Recreation Subsidy
Total		\$ <u>235,523</u>	

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

**F. Deferred Outflows of Resources**

Deferred outflows of resources in the Governmental Activities consists of \$245 resulting from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$20,460 of required employer pension contributions made subsequent to the measurement date for a total of \$20,705, as further described in Note V.A.

Deferred outflows of resources in the Business-type Activities consists of \$49 resulting from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$4,165 of required employer pension contributions made subsequent to the measurement date for a total of \$4,214, as further described in Note V.A.

Deferred outflows of resources in the Water Fund consists of \$35 resulting from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$2,959 of required employer pension contributions made subsequent to the measurement date for a total of \$2,994, as further described in Note V.A.

Deferred outflows of resources in the Sewer Fund consists of \$14 resulting from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$1,206 of required employer pension contributions made subsequent to the measurement date for a total of \$1,220, as further described in Note V.A.

**G. Unearned Revenue**

Unearned revenue in the General Fund consists of \$8,168 of recreation fees and \$390 of grant revenue received in advance. The recreation fees will be earned at the recreation program occurs and the grant revenue will be earned as grant expenditures occur. Total unearned revenue in the General Fund is \$8,558.

Unearned revenue in the Water Fund consists of \$3,094 of fees received in advance.

**H. Deferred Inflows of Resources**

Deferred inflows of resources in the Governmental Activities consists of \$10,903 of prepaid property taxes and \$41,583 resulting from the difference between the projected and actual investment earnings related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS), as further described in Note V.A. Total deferred inflows of resources in the Governmental Activities is \$52,486.

Deferred inflows of resources in the Business-type Activities consists of \$8,465 resulting from the difference between the projected and actual investment earnings related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS), as further described in Note V.A.

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

Deferred inflows of resources in the General Fund consists of \$122,545 of delinquent property taxes, penalties and interest on those taxes that was not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. It also includes \$10,903 of prepaid property taxes. Total deferred inflows of resources in the General Fund is \$133,448.

Deferred inflows of resources in the Well Drilling Fund consists of \$103,400 of loans receivable not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities.

Deferred inflows of resources in the Water Fund and Sewer Fund consists of \$6,014 and 2,451, respectively, resulting from the difference between the projected and actual investment earnings related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS), as further described in Note V.A.

### **I. Long-term Liabilities**

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

General obligation bonds are direct obligations and pledge the full faith and credit of the Town. New bonds generally are issued as 10 to 20 year bonds.

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

Net Pension Liability – The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside to pay current employees, retirees, and beneficiaries. The accrual for the Town's share of the net pension liability is recorded in the government-wide financial statements and proprietary fund financial statements.

Compensated Absences – It is the policy of the Town to permit employees to accumulate earned but unused benefits. The accrual for unused compensated absences time, based on current pay rates, is recorded in the government-wide financial statements and proprietary fund financial statements.

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

Long-term Liabilities outstanding as of June 30, 2015 were as follows:

	<u>Beginning Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2015</u>
<b>Governmental Activities:</b>				
Bond Payable – Vermont Municipal Bond Bank – Highway Improvements, Principal Payments of \$85,000 Due Annually on December 1, Interest at 5.0226% Due Semi-Annually on June 1 and December 1, Due December, 2019	\$510,000	\$ 0	\$ 85,000	\$425,000
Bond Payable – State of Vermont Special Environmental Revolving Fund, Water Drilling Loan Program, Authorized to \$200,000, 0% Interest, \$14,176 Due Annually, Due December 1, 2023	<u>141,760</u>	<u>0</u>	<u>14,176</u>	<u>127,584</u>
Total Governmental Activities	<u>\$651,760</u>	<u>\$ 0</u>	<u>\$ 99,176</u>	<u>\$552,584</u>
	<u>Beginning Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2015</u>
<b>Business-type Activities:</b>				
<b>Water Fund:</b>				
Bond Payable – Vermont Municipal Bond Bank – Pittsford Water System Improvements, Principal Payments Ranging from \$2,667 to \$17,426 Due Annually on December 1, Interest Ranging from 5.7% to 7.65% Due Semi-Annually on June 1 and December 1, Due December, 2018	\$ 75,016	\$ 0	\$12,761	\$62,255

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

	<u>Beginning Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2015</u>
Bond Payable – Vermont Municipal Bond Bank, Florence Water System Improvements, Principal Payments Ranging from \$584 to \$3,673 Due Annually on December 1, Interest Ranging from 5.8% to 7.654% Due Semi-Annually on June 1 and December 1, Due December, 2018	\$ 15,845	\$ 0	\$ 2,702	\$ 13,143
Bond Payable – USDA Rural Development, Water System Improvements, Principal and Interest Payments Due Semi-Annually of \$58,318, Interest at 3.5%, Due October, 2050	2,463,910	0	36,853	2,427,057
Note Payable – State of Vermont Special Environmental Revolving Fund, Water Planning Loan, 0% Interest, This Note was Forgiven in its Entirety During the Year	22,000	0	22,000	0
Bond Payable – USDA Rural Development, System Improvements Principal and Interest Payments Due Semi-annually of \$3,187, Interest at 2.75%, Due November 15, 2053	152,913	0	2,183	150,730
Bond Payable – Vermont Municipal Bond Bank, Water Supply Improvements Authorized to \$10,000, 0% Interest, \$2,000 Due Annually Beginning December 1, 2019	<u>0</u>	<u>1,005</u>	<u>0</u>	<u>1,005</u>
Total Water Fund	<u>2,729,684</u>	<u>1,005</u>	<u>76,499</u>	<u>2,654,190</u>

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

	Beginning Balance <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2015</u>
Sewer Fund:				
Bond Payable – State of Vermont Special Environmental Revolving Fund, Pollution Control Loan, Sewer Line Upgrades, Authorized to \$62,550, 0% Interest, \$12,510 Due Annually Beginning October 1, 2015, Due October 1, 2019	\$ 44,717	\$ 0	\$ 0	\$ 44,717
Bond Payable – Vermont Municipal Bond Bank, Sewer System Improvements Refunding Bond, Annual Principal Payments Ranging from \$17,647 to \$36,707, Interest at 3.93% Due Semi-Annually on June 1 and December 1, Due December 2031	485,702	0	19,061	466,641
Bond Payable – Vermont Municipal Bond Bank, Sewer System Improvements Refunding Bond, Annual Principal Payments Ranging from \$5,430 to \$11,294, Interest at 3.93% Due Semi-Annually on June 1 and December 1, Due December, 2031	149,447	0	5,865	143,582
Bond Payable – USDA Rural Development, Sewer System Improvements, Semi-Annual Principal and Interest Payments of \$30,541, Interest at 2.75%, Due August 1, 2042	<u>1,201,193</u>	<u>0</u>	<u>28,246</u>	<u>1,172,947</u>
Total Sewer Fund	<u>1,881,059</u>	<u>0</u>	<u>53,172</u>	<u>1,827,887</u>
Total Business-type Activities	<u>\$4,610,743</u>	<u>\$ 1,005</u>	<u>\$ 129,671</u>	<u>\$4,482,077</u>



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

Changes in all long-term liabilities during the year were as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities</b>					
Bonds Payable	\$ 651,760	\$ 0	\$ 99,176	\$ 552,584	\$ 99,176
Compensated Absences	34,280	0	48	34,232	0
Net Pension Liability	<u>53,488</u>	<u>0</u>	<u>40,004</u>	<u>13,484</u>	<u>0</u>
Total Governmental Activities Long-term Liabilities	<u>739,528</u>	<u>0</u>	<u>139,228</u>	<u>600,300</u>	<u>\$ 99,176</u>
<b>Business-type Activities</b>					
General Obligation Bonds Payable	4,610,743	1,005	129,671	4,482,077	124,458
Compensated Absences	12,426	178	0	12,604	0
Net Pension Liability	<u>10,889</u>	<u>0</u>	<u>8,144</u>	<u>2,745</u>	<u>0</u>
Total Business-type Activities Long-term Liabilities	<u>\$ 4,634,058</u>	<u>\$ 1,183</u>	<u>\$ 137,815</u>	<u>\$ 4,497,426</u>	<u>\$ 124,458</u>

Compensated Absences are paid by the applicable fund where the employee is charged.

Maturities are estimated as follows:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 99,176	\$ 12,057	\$ 124,458	\$ 143,365
2017	99,176	3,544	128,941	138,882
2018	99,176	0	133,637	133,387
2019	99,176	3,876	133,236	129,357
2020	99,176	2,301	109,411	124,980
2021-2025	56,704	0	598,069	568,490
2026-2030	0	0	703,661	462,188
2031-2035	0	0	672,672	345,713
2036-2040	0	0	672,552	247,908
2041-2045	0	0	624,700	142,714
2046-2050	0	0	559,756	53,620
2050-2053	<u>0</u>	<u>0</u>	<u>20,984</u>	<u>1,165</u>
Total	<u>\$ 552,584</u>	<u>\$ 21,778</u>	<u>\$ 4,482,077</u>	<u>\$ 2,491,769</u>

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

**J. 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.

Amounts constrained to stabilization will be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. However, stabilization is regarded as a specified purpose only if the circumstances or conditions that signal the need for stabilization (a) are identified in sufficient detail and (b) are not expected to occur routinely. The Town does not have any stabilization agreements.

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:

Major Funds

General Fund:

Nonspendable Prepaid Expenses	\$ 3,398
Nonspendable Inventory	<u>236</u>
Total General Fund	<u>3,634</u>

Highway Fund:

Nonspendable Inventory	<u>47,076</u>
Total Major Funds	<u>50,710</u>

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

Non-Major Funds

Permanent Fund:	
Nonspendable Belcher Mericle Fund Principal	\$ <u>1,250</u>
Total Nonspendable Fund Balances	\$ <u>51,960</u>

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

Major Funds

General Fund:	
Restricted for Police Department Expenses by Donations (Source of Revenue is Donations)	\$ <u>624</u>
Highway Fund:	
Restricted for Highway Fund Expenditures by Statute (Source of Revenue is Restricted Taxes and Grant Revenue)	<u>183,248</u>

Non-Major Funds

Special Revenue Funds:	
Restricted for Planning Expenditures by Grants	7,779
Restricted for Records Preservation by Statute	37,471
Restricted for Veterans Memorial by Donations	737
Restricted for William Dennison Fund by Trust Agreement	97,473
Restricted for Well Drilling Fund Debt Service by Debt Agreement	<u>19,604</u>
Total Special Revenue Funds	<u>163,064</u>
Capital Projects Funds:	
Restricted for Bridge Reserve by Statute	306,447
Restricted for Highway Capital Fund by Statute	<u>274,153</u>
Total Capital Projects Funds	<u>580,600</u>
Permanent Fund:	
Restricted for Belcher Mericle Fund by Trust Agreement – Expendable Portion	<u>769</u>
Total Non-Major Funds	<u>744,433</u>
Total Restricted Fund Balances	<u>\$928,305</u>

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

The fund balance in the following fund is committed as follows:

Non-Major Funds

Special Revenue Fund:

Committed for Village Expenses by the Voters \$ 11,273

Total Committed Fund Balances \$ 11,273

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

Non-Major Funds

Special Revenue Funds:

Assigned for Reappraisal Expenses (Source of Revenue is Grant Revenue) \$ 193,909

Capital Projects Funds:

Assigned for Municipal Office Building 11,367

Assigned for Fire Department 104,734

Assigned for Mower Replacement 16,743

Assigned for Cemetery Development 37,388

Total Capital Projects Funds 170,232

Total Assigned Fund Balances \$ 364,141

The unassigned deficit of \$11,239 in the Patrol Car Fund will be funded with future transfers from the General Fund.

**K. Restricted and Designated Net Position**

The restricted net position of the Town as of June 30, 2015 consisted of the following:

Governmental Activities:

Restricted for Police Department Expenses \$ 624

Restricted for Highway Fund Expenditures 183,248

Restricted for Planning Expenditures 7,779

Restricted for Records Preservation 37,471

Restricted for Veterans Memorial 737

Restricted for William Dennison Fund – Fire Department Expenses 97,473

Restricted for Bridge Reserve Expenditures 306,447

Restricted for Highway Capital Expenditures 274,153

Restricted for Belcher Mericle Fund – Recreation 2,019

Total Governmental Activities \$ 909,951

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

The designated net position of the Town's Proprietary Funds as of June 30, 2015 consisted of the following:

Water Fund:	
Designated for Water Operations	\$230,305
Designated for Water Capital – Improvements	230,035
Designated for Water Capital – Truck	<u>17,204</u>
Total Water Fund	<u>477,544</u>
Sewer Fund:	
Designated for Sewer Capital	73,156
Amount Designated in Excess of Amounts Available	<u>(73,156)</u>
Total Sewer Fund	<u>0</u>
Total Business-type Activities	<u>\$477,544</u>

The \$143,117 unrestricted deficit in the Sewer Fund will be funded by future operational surpluses.

**V. OTHER INFORMATION**

**A. PENSION PLANS**

**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 PITTSFORD, 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 pension liability of \$9,126,613. As of June 30, 2015, the Town's proportionate share of this was 0.1778% resulting in a liability of \$16,229. 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 entities, actuarially determined. As of June 30, 2014, the Town's proportion of 0.1778% was an increase of 0.0010% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Town recognized pension expense of \$24,544.

As of June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportional share of contributions	\$ 295	\$ 0
Difference between projected and actual earnings on pension plan investments		50,048
Town's required employer contributions made subsequent to the measurement date	24,624	
	\$ 24,919	\$ 50,048

The deferred outflows of resources resulting from the Town's required employer contributions in the amount of \$24,624 made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending <u>June 30</u>	
2016	\$ 9,951
2017	9,951
2018	9,951
2019	9,950
2020	9,950
Total	\$49,753

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

**Summary of System Provisions**

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

Creditable Service – Service as a member plus purchased service.

Average Final Compensation (AFC) – Group A – Average annual compensation during highest five (5) consecutive years.

**Service Retirement Allowance:**

Eligibility – Group A – The earlier of age 65 with five (5) years of service or age 55 with thirty-five (35) years of service.

Amount – Group A – 1.4% of AFC times service.

Maximum benefit is 60% of AFC for Group A. 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 A.

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

**Vested Retirement Allowance:**

Eligibility – Five (5) years of service.

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 A, 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.

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

Optional Benefit and Death after Retirement – For Group A, 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 2% for Group A.

Member Contributions – Group A – 2.5% effective July 1, 2000 (decreased from 3.0%)

Employer Contributions – Group A – 4.0%

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%	

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 1.5% per annum for Group A members.



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

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.

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.

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

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>
\$136,728	\$16,229	\$(84,864)

**Additional Information**

Additional information regarding the State of Vermont Municipal Employees' Retirement System, including the details of the Fiduciary Net Position, is available upon request from the State of Vermont.

**Deferred Compensation Plan**

The Town also offers its employees a deferred compensation plan through the International City/County Management Association's "ICMA" Retirement Corporation in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. All of the investments are self-directed by each employee.

The Town also makes matching contributions to two (2) employee's IRA accounts provided by an insurance company. The Town's expense for the year ended June 30, 2015 was \$1,020.

**B. RISK MANAGEMENT**

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

The Town of Pittsford 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.

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

**C. PROPERTY TAXES**

The Town is responsible for assessing and collecting its own property taxes, as well as education property taxes for the State of Vermont. Property taxes are collected three (3) times per year. During the tax year ended June 30, 2015, taxes were due and payable on August 10, 2014, September 10, 2014 and November 10, 2014. The Town assesses an 8% penalty on delinquent taxes and interest is charged at one percent (1%) per month after the taxes become delinquent on November 11, 2014. Unpaid taxes become an enforceable lien on the property and such properties are subject to tax sale. The tax rates for 2015 were as follows:

	<u>Residential</u>	<u>Non-Residential</u>
Education	1.4292	1.4033
Local Agreement	.0021	.0021
General Town	.2292	.2292
Village	.0412	.0412
Highway	<u>.2356</u>	<u>.2356</u>
Total Tax Rate/per \$100 of Assessed Valuation	<u>1.9373</u>	<u>1.9114</u>

**D. OTHER COMMITMENTS**

The Town participates in a number of federally assisted and state grant programs that are subject to audits by the grantors or their representatives. Accordingly, compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

The Town of Pittsford voters have approved borrowing up to \$200,000 from the State of Vermont Special Environmental Loan Fund to be used to issue no interest (0%) well drilling loans for residents who can no longer get water from the Town of Proctor. The terms of the loans are for ten (10) years with a maximum loan amount of \$6,000. As of June 30, 2015, the Town has drawn \$141,760 of this amount and repaid \$14,176 leaving a balance owed of \$127,584.

The Town is participating member in the Rutland Solid Waste District (RSWD). The Town could be subject to a portion the District's debt if they experience financial difficulties.

**E. CONCENTRATION OF REVENUE**

The Town receives a major portion of its revenue from OMYA, Inc. For the year ended June 30, 2015, the Town received 20.4% of its total property taxes and 17.5% of total water sales from OMYA, Inc.

TOWN OF PITTSFORD, 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		0.1778%
Town's Proportionate Share of the Net Pension Liability	\$	16,229
Town's Covered Employee Payroll	\$	615,601
Proportionate Share of the Net Pension Liability as a Percentage of Covered - Employee Payroll		2.6363%
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.

See Disclaimer in Accompanying Independent Auditor's Report.

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

		2015
Contractually Required Contribution (Actuarially Determined)	\$	24,624
Contributions in Relation to the Actuarially Determined Contributions		24,624
Contribution Excess/(Deficiency)	\$	0
Covered - Employee Payroll	\$	615,601
Contributions as a Percentage of Covered - Employee Payroll		4.000%

**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 PITTSFORD, VERMONT  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Belcher Mericle Fund	Total
<u>ASSETS</u>				
Investments	\$ 97,473	\$ 0	\$ 2,019	\$ 99,492
Due from Other Funds	272,559	750,832	0	1,023,391
Loans Receivable	<u>103,400</u>	<u>0</u>	<u>0</u>	<u>103,400</u>
Total Assets	<u>\$ 473,432</u>	<u>\$ 750,832</u>	<u>\$ 2,019</u>	<u>\$ 1,226,283</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,786	\$ 0	\$ 0	\$ 1,786
Due to Other Funds	<u>0</u>	<u>11,239</u>	<u>0</u>	<u>11,239</u>
Total Liabilities	<u>1,786</u>	<u>11,239</u>	<u>0</u>	<u>13,025</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Loans Receivable	<u>103,400</u>	<u>0</u>	<u>0</u>	<u>103,400</u>
Total Deferred Inflows of Resources	<u>103,400</u>	<u>0</u>	<u>0</u>	<u>103,400</u>
<u>FUND BALANCES</u>				
Nonspendable	0	0	1,250	1,250
Restricted	163,064	580,600	769	744,433
Committed	11,273	0	0	11,273
Assigned	193,909	170,232	0	364,141
Unassigned/(Deficit)	<u>0</u>	<u>(11,239)</u>	<u>0</u>	<u>(11,239)</u>
Total Fund Balances	<u>368,246</u>	<u>739,593</u>	<u>2,019</u>	<u>1,109,858</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 473,432</u>	<u>\$ 750,832</u>	<u>\$ 2,019</u>	<u>\$ 1,226,283</u>

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TOWN OF PITTSFORD, VERMONT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Belcher Mericle Fund	Total
Revenues:				
Property Taxes	\$ 19,981	\$ 0	\$ 0	\$ 19,981
Intergovernmental	13,568	0	0	13,568
Investment Income	2,532	4,915	23	7,470
Loan Repayments	21,750	0	0	21,750
Permits, Fees and Fines	4,088	0	0	4,088
Other	0	85	0	85
	<u>61,919</u>	<u>5,000</u>	<u>23</u>	<u>66,942</u>
Total Revenues				
Expenditures:				
General Government	21,026	0	0	21,026
Public Safety	0	1,031	0	1,031
Capital Outlay:				
General Government	0	4,500	0	4,500
Public Safety	0	61,756	0	61,756
Debt Service:				
Principal	14,176	0	0	14,176
	<u>35,202</u>	<u>67,287</u>	<u>0</u>	<u>102,489</u>
Total Expenditures				
Excess/(Deficiency) of Revenues Over Expenditures	<u>26,717</u>	<u>(62,287)</u>	<u>23</u>	<u>(35,547)</u>
Other Financing Sources/(Uses):				
Proceeds from Sale of Equipment	0	30,204	0	30,204
Transfers In	0	235,500	0	235,500
Transfers Out	0	0	(23)	(23)
	<u>0</u>	<u>265,704</u>	<u>(23)</u>	<u>265,681</u>
Total Other Financing Sources/(Uses)				
Net Change in Fund Balances	26,717	203,417	0	230,134
Fund Balances - July 1, 2014	<u>341,529</u>	<u>536,176</u>	<u>2,019</u>	<u>879,724</u>
Fund Balances - June 30, 2015	<u>\$ 368,246</u>	<u>\$ 739,593</u>	<u>\$ 2,019</u>	<u>\$ 1,109,858</u>

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TOWN OF PITTSFORD, VERMONT  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2015

	Village Fund	Reappraisal Fund	State Planning Grants Fund	Land Records Preservation Fund	Veterans Memorial Fund	William Dennison Fund	Well Drilling Fund	Total
<u>ASSETS</u>								
Investments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 97,473	\$ 0	\$ 97,473
Due from Other Funds	13,059	193,909	7,779	37,471	737	0	19,604	272,559
Loans Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>103,400</u>	<u>103,400</u>
Total Assets	<u>\$ 13,059</u>	<u>\$ 193,909</u>	<u>\$ 7,779</u>	<u>\$ 37,471</u>	<u>\$ 737</u>	<u>\$ 97,473</u>	<u>\$ 123,004</u>	<u>\$ 473,432</u>
<u>LIABILITIES</u>								
Accounts Payable	<u>\$ 1,786</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,786</u>
Total Liabilities	<u>1,786</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,786</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>								
Unavailable Loans Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>103,400</u>	<u>103,400</u>
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>103,400</u>	<u>103,400</u>
<u>FUND BALANCES</u>								
Restricted	0	0	7,779	37,471	737	97,473	19,604	163,064
Committed	11,273	0	0	0	0	0	0	11,273
Assigned	<u>0</u>	<u>193,909</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>193,909</u>
Total Fund Balances	<u>11,273</u>	<u>193,909</u>	<u>7,779</u>	<u>37,471</u>	<u>737</u>	<u>97,473</u>	<u>19,604</u>	<u>368,246</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 13,059</u>	<u>\$ 193,909</u>	<u>\$ 7,779</u>	<u>\$ 37,471</u>	<u>\$ 737</u>	<u>\$ 97,473</u>	<u>\$ 123,004</u>	<u>\$ 473,432</u>

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TOWN OF PITTSFORD, VERMONT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015

	Village Fund	Reappraisal Fund	State Planning Grants Fund	Land Records Preservation Fund	Veterans Memorial Fund	William Dennison Fund	Well Drilling Fund	Total
Revenues:								
Property Taxes	\$ 19,981	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,981
Intergovernmental	0	13,568	0	0	0	0	0	13,568
Investment Income	412	1,381	58	265	5	292	119	2,532
Loan Repayments	0	0	0	0	0	0	21,750	21,750
Permits, Fees and Fines	0	0	0	4,005	0	0	83	4,088
<b>Total Revenues</b>	<b><u>20,393</u></b>	<b><u>14,949</u></b>	<b><u>58</u></b>	<b><u>4,270</u></b>	<b><u>5</u></b>	<b><u>292</u></b>	<b><u>21,952</u></b>	<b><u>61,919</u></b>
Expenditures:								
General Government	19,938	1,088	0	0	0	0	0	21,026
Debt Service:								
Principal	0	0	0	0	0	0	14,176	14,176
<b>Total Expenditures</b>	<b><u>19,938</u></b>	<b><u>1,088</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>14,176</u></b>	<b><u>35,202</u></b>
Net Change in Fund Balances	455	13,861	58	4,270	5	292	7,776	26,717
Fund Balance - July 1, 2014	<u>10,818</u>	<u>180,048</u>	<u>7,721</u>	<u>33,201</u>	<u>732</u>	<u>97,181</u>	<u>11,828</u>	<u>341,529</u>
Fund Balance - June 30, 2015	<u><u>\$ 11,273</u></u>	<u><u>\$ 193,909</u></u>	<u><u>\$ 7,779</u></u>	<u><u>\$ 37,471</u></u>	<u><u>\$ 737</u></u>	<u><u>\$ 97,473</u></u>	<u><u>\$ 19,604</u></u>	<u><u>\$ 368,246</u></u>

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TOWN OF PITTSFORD, VERMONT  
 COMBINING BALANCE SHEET  
 NON-MAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2015

	Bridge Reserve Fund	Municipal Office Fund	Fire Department Fund	Patrol Car Fund	Mower Replacement Fund	Cemetery Development Fund	Highway Capital Fund	Total
<u>ASSETS</u>								
Due from Other Funds	\$ 306,447	\$ 11,367	\$ 104,734	\$ 0	\$ 16,743	\$ 37,388	\$ 274,153	\$ 750,832
Total Assets	<u>\$ 306,447</u>	<u>\$ 11,367</u>	<u>\$ 104,734</u>	<u>\$ 0</u>	<u>\$ 16,743</u>	<u>\$ 37,388</u>	<u>\$ 274,153</u>	<u>\$ 750,832</u>
<u>LIABILITIES</u>								
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 11,239	\$ 0	\$ 0	\$ 0	\$ 11,239
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,239</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,239</u>
<u>FUND BALANCES</u>								
Restricted	306,447	0	0	0	0	0	274,153	580,600
Assigned	0	11,367	104,734	0	16,743	37,388	0	170,232
Unassigned/(Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(11,239)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(11,239)</u>
Total Fund Balances/(Deficit)	<u>306,447</u>	<u>11,367</u>	<u>104,734</u>	<u>(11,239)</u>	<u>16,743</u>	<u>37,388</u>	<u>274,153</u>	<u>739,593</u>
Total Liabilities and Fund Balances	<u>\$ 306,447</u>	<u>\$ 11,367</u>	<u>\$ 104,734</u>	<u>\$ 0</u>	<u>\$ 16,743</u>	<u>\$ 37,388</u>	<u>\$ 274,153</u>	<u>\$ 750,832</u>

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TOWN OF PITTSFORD, VERMONT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NON-MAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015

	Bridge Reserve Fund	Municipal Office Fund	Fire Department Fund	Patrol Car Fund	Mower Replacement Fund	Cemetery Development Fund	Highway Capital Fund	Total
<b>Revenues:</b>								
Investment Income	\$ 2,108	\$ 91	\$ 689	\$ 0	\$ 118	\$ 272	\$ 1,637	\$ 4,915
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>85</u>	<u>85</u>
Total Revenues	<u>2,108</u>	<u>91</u>	<u>689</u>	<u>0</u>	<u>118</u>	<u>272</u>	<u>1,722</u>	<u>5,000</u>
<b>Expenditures:</b>								
Public Safety	0	0	0	1,031	0	0	0	1,031
Capital Outlay:								
General Government	0	4,500	0	0	0	0	0	4,500
Public Safety	<u>0</u>	<u>0</u>	<u>24,297</u>	<u>37,459</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>61,756</u>
Total Expenditures	<u>0</u>	<u>4,500</u>	<u>24,297</u>	<u>38,490</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>67,287</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>2,108</u>	<u>(4,409)</u>	<u>(23,608)</u>	<u>(38,490)</u>	<u>118</u>	<u>272</u>	<u>1,722</u>	<u>(62,287)</u>
<b>Other Financing Sources:</b>								
Proceeds from Sale of Equipment	0	0	20,000	4,204	0	0	6,000	30,204
Transfers In	<u>50,000</u>	<u>7,000</u>	<u>62,500</u>	<u>7,000</u>	<u>2,000</u>	<u>2,000</u>	<u>105,000</u>	<u>235,500</u>
Total Other Financing Sources	<u>50,000</u>	<u>7,000</u>	<u>82,500</u>	<u>11,204</u>	<u>2,000</u>	<u>2,000</u>	<u>111,000</u>	<u>265,704</u>
Net Change in Fund Balances	52,108	2,591	58,892	(27,286)	2,118	2,272	112,722	203,417
Fund Balance - July 1, 2014	<u>254,339</u>	<u>8,776</u>	<u>45,842</u>	<u>16,047</u>	<u>14,625</u>	<u>35,116</u>	<u>161,431</u>	<u>536,176</u>
Fund Balance/(Deficit) - June 30, 2015	<u>\$ 306,447</u>	<u>\$ 11,367</u>	<u>\$ 104,734</u>	<u>\$ (11,239)</u>	<u>\$ 16,743</u>	<u>\$ 37,388</u>	<u>\$ 274,153</u>	<u>\$ 739,593</u>

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"

Board of Selectmen  
Town of Pittsford, Vermont  
P.O. Box 10, Plains Road  
Pittsford, Vermont 05763-0010

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pittsford, 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 Pittsford, Vermont's basic financial statements, and have issued our report thereon dated February 11, 2016.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Town of Pittsford, 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 Pittsford, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Pittsford, Vermont's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Deficiencies in Internal Control, we identified a certain deficiency in internal control that we consider to be a material weakness.

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 Pittsford, Vermont's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Deficiencies in Internal Control as Item 2015-1 to be a material weakness.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Town of Pittsford, 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 Pittsford, Vermont in a separate letter dated February 11, 2016.

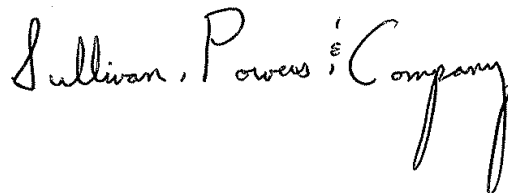
### ***Town of Pittsford, Vermont's Response to the Deficiency in Internal Control***

The Town of Pittsford, Vermont's response to the deficiency in internal control identified in our audit is included with the accompanying Schedule of Findings and Deficiencies in Internal Control. The Town of Pittsford, 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 Pittsford, 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 Pittsford, Vermont's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

February 11, 2016  
Montpelier, Vermont  
VT Lic. #92-000180



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

Deficiencies in Internal Control:

Material Weakness:

2015-1 Reconciliation of Balance Sheet Accounts

*Criteria:*

Internal controls should be in place to provide for the reconciliation of all balance sheet accounts to supporting documentation on a monthly basis in order to detect and correct errors in account balances.

*Condition:*

A number of balance sheet accounts such as receivables, due from/(to) other funds, property, plant and equipment, accounts payable, accrued interest payable, bond payable, unearned revenue, accumulated depreciation, and transfers were not reconciled to the actual balances at year end which resulted in various adjustments to revenue and expenses.

*Cause:*

Unknown.

*Effect:*

The Town's account balances were incorrect.

*Recommendation:*

We recommend that all balance sheet accounts be reconciled to supporting documentation at least monthly in order to detect and correct errors.

The town plans to reconcile all accounts on a timely basis.

Denise Mahoney  
Helen McKinlay