

TOWN OF PITTSFORD, VERMONT

AUDIT REPORT

JUNE 30, 2018

TOWN OF PITTSFORD, VERMONT
 AUDIT REPORT
 TABLE OF CONTENTS
 JUNE 30, 2018

	<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 - Highway Fund	Exhibit G 26-27
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Village Fund	Exhibit H 28
Proprietary Funds:	
Statement of Fund Net Position	Exhibit I 29
Statement of Revenues, Expenses and Changes in Fund Net Position	Exhibit J 30
Statement of Cash Flows	Exhibit K 31

TOWN OF PITTSFORD, VERMONT
 AUDIT REPORT
 TABLE OF CONTENTS
 JUNE 30, 2018

		<u>Page #</u>
Fiduciary Funds:		
Statement of Fiduciary Net Position	Exhibit L	32
Statement of Changes in Fiduciary Net Position	Exhibit M	33
Notes to the Financial Statements		34-62
Required Supplementary Information:		
Schedule of Proportionate Share of the Net Pension Liability - VMERS Defined Benefit Plan	Schedule 1	63
Schedule of Contributions - VMERS Defined Benefit Plan	Schedule 2	64
Other Information:		
Combining Balance Sheet - Non-Major Governmental Funds	Schedule 3	65
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds	Schedule 4	66
Combining Balance Sheet - Non-Major Special Revenue Funds	Schedule 5	67
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Non-Major Special Revenue Funds	Schedule 6	68
Combining Balance Sheet - Non-Major Capital Projects Funds	Schedule 7	69
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Non-Major Capital Projects Funds	Schedule 8	70
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		71-72

Sullivan, Powers & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

77 Barre Street
P.O. Box 947
Montpelier, VT 05601
802/223-2352
www.sullivanpowers.com

Fred Duplessis, CPA
Richard J. Brigham, CPA
Chad A. Hewitt, CPA
Wendy C. Gilwee, CPA
VT Lic. #92-000180

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, 2018, 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-type activities, each major fund, and the aggregate remaining fund information of the Town of Pittsford, Vermont as of June 30, 2018 and the respective changes in financial position, and, where applicable, cash flows 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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.

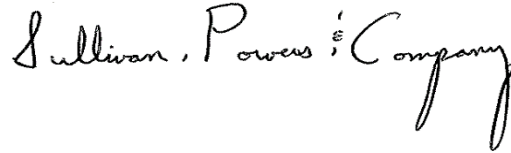
Other Information

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 14, 2019 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 14, 2019
Montpelier, Vermont
VT Lic. #92-000180

A handwritten signature in black ink that reads "Sullivan, Powers & Company". The signature is written in a cursive style with a small "P" and "C" that are slightly larger than the other letters. The ampersand is also clearly visible.

TOWN OF PITTSFORD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

The Town of Pittsford (the "Town") herein sets forth an overview and analysis of its financial operations for the fiscal year ended June 30, 2018.

Financial Highlights

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources on June 30, 2018 by \$13,788,427 (*net position*). Of this amount, \$897,310 (*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 \$228,657. Of this amount, net position attributable to governmental activities increased by \$237,583. Net position attributable to business-type activities decreased by \$8,926.
- The General Fund had a current year surplus of \$48,336 Increasing its fund balance to \$69,840.
- The Highway Fund had a current year deficit of \$15,509 reducing its fund balance to \$64,683.

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	
	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017
Current and Other Assets	\$ 1,846,898	\$ 1,745,609	\$ 408,124	\$ 415,922	\$ 2,255,022	\$ 2,161,531
Capital Assets	7,004,906	6,952,006	9,220,842	9,362,332	16,225,748	16,314,338
Total Assets	<u>8,851,804</u>	<u>8,697,615</u>	<u>9,628,966</u>	<u>9,778,254</u>	<u>18,480,770</u>	<u>18,475,869</u>
Deferred Outflows of Resources	89,798	115,427	16,397	21,026	106,195	136,453
Current Liabilities	102,743	96,433	32,665	58,399	135,408	154,832
Long-term Liabilities	461,685	600,710	4,162,460	4,282,883	4,624,145	4,883,593
Total Liabilities	<u>564,428</u>	<u>697,143</u>	<u>4,195,125</u>	<u>4,341,282</u>	<u>4,759,553</u>	<u>5,038,425</u>
Deferred Inflows of Resources	37,355	13,663	1,630	464	38,985	14,127
Net Position						
Net Investment in Capital Assets	6,834,906	6,681,696	5,107,857	5,126,521	11,942,763	11,808,217
Restricted	948,354	981,504	0	0	948,354	981,504
Unrestricted	556,559	439,036	340,751	331,013	897,310	770,049
Total Net Position	<u>\$ 8,339,819</u>	<u>\$ 8,102,236</u>	<u>\$ 5,448,608</u>	<u>\$ 5,457,534</u>	<u>\$ 13,788,427</u>	<u>\$ 13,559,770</u>

As stated above, Assets and Deferred Outflows of Resources exceeded Liabilities and Deferred Inflows of Resources by \$13,788,427 and \$13,559,770 as of June 30, 2018 and 2017, respectively.

The largest portion of the Town's net position (\$11,942,763) are in its investment in capital assets (87%). 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%, or \$948,354) 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 (6%, or \$897,310) 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	
	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017
Revenues						
Program Revenues						
Charges for services	\$ 200,150	\$ 192,156	\$ 699,309	\$ 659,256	\$ 899,459	\$ 851,412
Operating grants and contributions	150,656	151,090	0	20,000	150,656	171,090
Capital grants and contributions	150,119	394,016	0	2,000	150,119	396,016
General Revenues						
Property taxes	2,082,409	1,980,497	0	0	2,082,409	1,980,497
Interest & Penalties on Delinquent Taxes	36,771	32,667	0	0	36,771	32,667
General State Grants	92,361	78,196	0	0	92,361	78,196
Unrestricted investment earnings	18,092	16,880	3,597	3,177	21,689	20,057
Other revenues	1,942	1,235	0	0	1,942	1,235
Total Revenues	<u>2,732,500</u>	<u>2,846,737</u>	<u>702,906</u>	<u>684,433</u>	<u>3,435,406</u>	<u>3,531,170</u>
Expenses						
Governmental activities						
General Government	645,113	789,202	0	0	645,113	789,202
Highways & Streets	1,039,393	971,376	0	0	1,039,393	971,376
Public Safety	439,548	400,204	0	0	439,548	400,204
Sanitation	83,067	80,211	0	0	83,067	80,211
Culture and Recreation	287,678	191,279	0	0	287,678	191,279
Community Development	0	6,000	0	0	0	6,000
Interest on Long-term Debt	118	2,987	0	0	118	2,987
Business-type activities						
Water	0	0	372,347	387,408	372,347	387,408
Sewer	0	0	339,485	339,888	339,485	339,888
Total Expenses	<u>2,494,917</u>	<u>2,441,259</u>	<u>711,832</u>	<u>727,296</u>	<u>3,206,749</u>	<u>3,168,555</u>
Change in net position	237,583	405,478	(8,926)	(42,863)	228,657	362,615
Net position - Beginning of Year	<u>8,102,236</u>	<u>7,696,758</u>	<u>5,457,534</u>	<u>5,500,397</u>	<u>13,559,770</u>	<u>13,197,155</u>
Net position - End of Year	<u>\$8,339,819</u>	<u>\$8,102,236</u>	<u>\$ 5,448,608</u>	<u>\$5,457,534</u>	<u>\$ 13,788,427</u>	<u>\$ 13,559,770</u>

Governmental activities. Governmental activities increased the Town’s net position by \$237,583 in FY18. The primary reasons are due to having invested more in capital outlays than the amount of depreciation in this period and increasing reserves.

Business-type activities. Business-type activities decreased the Town’s net position by \$8,926. Specifically, the Water Fund had a current year surplus of \$12,741, whereas the Sewer Fund had a current year deficit of \$21,667. 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 \$12,741 in FY18. This surplus was derived primarily from satisfying extraordinary water demand from Omya. 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 \$513,350 on June 30, 2018.

The Sewer Fund had a GAAP basis net position decrease of \$21,667. This decrease was primarily the result of non-operating interest expenses of \$50,527 overtaking an operating surplus of \$32,985. User rates have increased twice in recent years and the Water & Sewer Commission is considering several ways in which to address a persistent structural deficit. 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 (\$172,599) on June 30, 2018.

Financial Analysis of Major Governmental Funds

The General Fund

The General Fund balance increased \$48,336 from \$21,504 at end of fiscal year 2017 to \$69,840 at the end of fiscal year 2018.

On the revenue side, fees and permit income exceeded the budget by \$3,281 and State Current Use Reimbursement revenues exceeded expectations by \$14,658. Investment interest beat the budgeted figure by \$4,661. In addition, the Town transferred \$7,807 in unused Planning Grant funds into the General Fund. The Town's Police Department collected \$8,513 more than budgeted in traffic fines and \$2,720 more than budgeted from the Omya truck detail. On the other hand, property tax revenues came in \$6,681 lower than expected and Transfer Station revenues were \$1,840 below budget.

On the expense side, the Town spent \$14,314 less than expected on administration, \$4,573 less than expected for BCA activities, \$2,454 less than budgeted on Municipal Plant and Equipment, \$2,578 less than budgeted for the Lister's office, \$6,406 less than expected on Transfer Station operations, \$9,621 less than budgeted on the Fire Department and \$2,437 less than budgeted on Animal Management. Finally, the Select Board opted not to make the budgeted \$35,000 transfer to the Water Fund for hydrants.

On the other hand, the Town spent \$4,727 more than budgeted on the Finance Department, owing largely to increased wages paid to the Town's new book-keeper. The Zoning and Planning Departments overspent by \$3,580 and \$2,302, respectively, mainly due to the legal fees associated with complex public hearing proceedings and the need to update the Town Plan. Overall, the Recreation Department spent \$14,927 more than budgeted. Police Department expenses came in at \$34,644 over budget.

The Highway Fund

The Highway Fund balance decreased \$15,509 from \$80,192 at the end of fiscal year 2017 to \$64,683 at the end of fiscal year 2018.

Revenues were \$31,099 less than budgeted, due to the later-than-expected completion of the box culvert installation on Fire Hill Road.

On the expense side, the Town spent \$63,474 less on paving than expected and a total of \$63,560 less than expected on the installation of the box culvert on Fire Hill Road (due, again, to a delay on the construction timetable). On the other hand, the Town spent \$17,329 more on Overtime than budgeted, \$13,208 more than expected on medical insurance and \$2,508 more than expected on Worker’s Compensation insurance. The Town spent \$21,654 more than budgeted for sodium chloride due to a tough winter. The Town spent \$9,800 more than budgeted on vehicle fuel, \$30,602 more than budgeted for outside maintenance and repairs and it paid \$23,676 for unbudgeted design engineering for a bridge to be erected on Fire Hill Road. The Town also spent an unbudgeted \$8,303 in Contract Services.

Other Funds

The Town has the following other reserve funds at June 30, 2018:

Committed for Village Fund – Sidewalks	\$ 20,530
Assigned for Reappraisal Expenses	124,332
Restricted for Land Records Preservation	53,011
Restricted for Veterans Memorial	1,441
Restricted for William Dennison Fund – Fire	98,379
Restricted for Well Drilling Fund	17,375
Restricted for Bridge Replacement	435,001
Assigned for Municipal Office Capital Improvements - Deficit	(10,937)
Committed for Fire Department Capital	284,285
Assigned for Patrol Car Fund - Deficit	(16,270)
Committed for Mower Replacement	14,174
Committed for Cemetery Development	44,276
Restricted for Highway Capital Fund	293,820
Restricted for Belcher Miracle Fund – Recreation	<u>2,019</u>
 Total Other Funds	 <u>\$1,361,436</u>

Restricted Net Position and Restricted Fund Balances

The restricted net position was \$948,354 on June 30, 2018. 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 \$31,689 on June 30, 2018. The General Fund has an unassigned amount of \$58,896, however, the Patrol Car Fund had an unassigned deficit of \$16,270, and the Municipal Office Fund had a unassigned deficit of \$10,937.

Capital Assets

Governmental Capital Assets increased \$52,900 in FY18, net of depreciation. Major capital additions for the year were as follows:

- (a) Installation of a new generator at the Town Offices (\$18,000)
- (b) Purchase of a Kubota Tractor for Recreation Area (\$23,000)
- (c) Paving of the eastern end of Plains Road (\$130,000) and all of Stevens Road (\$85,000)
- (d) Purchase of pagers for the Fire Department (\$21,000)
- (e) Purchase of a 2018 Western Star dump truck (\$162,000)
- (f) Work in Progress on Fire Hill culvert project (\$105,000)

Business-Type Capital Assets decreased \$141,490 in FY18, net of depreciation. Major capital additions for the year were as follows:

- (a) Improved telemetry for Florence Well Station (\$10,000)
- (b) Installation of new doors on Water System springboxes (\$20,000)
- (c) Purchase of new blower motors at Wastewater Treatment Facility (\$28,000)

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, 2018, the Town's Highway Fund had a bond balance of \$170,000, 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 \$85,056.

The Town received proceeds from a capital lease of \$15,310 to purchase a police cruiser in 2017. The lease was paid off in 2018.

The combined Pittsford/Florence Water System and Sewer System had a bond balance (current plus noncurrent balance) of \$4,112,985 that was used for system improvements. The Water System had a bond balance of \$2,482,256 and the Sewer System had a bond balance totaling \$1,630,729.

Economic Factors and Next Year's Budgets and Rates

- The national economy continues its economic expansion, with repercussions at the State and local levels of government. The outlook for 2019 is one of increased economic activity and modestly increasing inflation, with uncertain outcomes from international trade conflicts.

The following factors were considered in the development of budgets for FY19:

- **General Fund:** The voters approved a 2019 General Fund budget of \$1,534,918 of which \$1,197,763 was to be raised by taxes. The budget is a \$63,740 (4.3%) increase over the prior year. Only 3.9 of this increase was funded by property taxes and the rest was from outside sources. The General Fund increased by approximately \$10,000 the payment to the BLSG Mosquito District, as Pittsford became a full member, eligible for adulticide treatments, and the first of four \$17,750 “buy-in” payments. There was a \$10,000 increase in the annual appropriation to the Fire Truck Replacement Fund, and the allocations to the Maclure Library and to Pittsford First Response were increased by \$10,000 and \$5,000, respectively.
- **Highway Fund:** The Voters approved a 2019 Highway Fund budget of \$1,494,175 of which \$967,475 was to be raised by taxes. The budget is a \$273,590 (22.4%) increase over the prior year. Only 6.2% of this increase was funded with property taxes and the rest was from outside sources. The major increases are \$25,000 additional to paving.

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 Segment 3 of Route 7, which runs north from Plains Road. The utility work that will be required in Segment 2 of Route 7 (the Village), now scheduled to occur no sooner than 2028, has been estimated to cost approximately \$4,000,000.

Requests for Information

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, 2018

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,643,497	\$ 0	\$ 1,643,497
Investments	2,019	0	2,019
Deposits with Insurance Company	1,700	0	1,700
Receivables (Net of Allowance for Uncollectibles)	181,800	317,855	499,655
Loans Receivable	57,600	5,950	63,550
Internal Balances	(76,025)	76,025	0
Prepaid Expenses	5,466	232	5,698
Inventories	30,841	8,062	38,903
Capital Assets:			
Land	103,699	68,355	172,054
Construction in Progress	141,208	65,508	206,716
Other Capital Assets, (Net of Accumulated Depreciation)	6,759,999	9,086,979	15,846,978
Total Assets	<u>8,851,804</u>	<u>9,628,966</u>	<u>18,480,770</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	<u>89,798</u>	<u>16,397</u>	<u>106,195</u>
Total Deferred Outflows of Resources	<u>89,798</u>	<u>16,397</u>	<u>106,195</u>
<u>LIABILITIES</u>			
Accounts Payable	41,413	12,559	53,972
Accrued Payroll and Benefits Payable	20,163	3,025	23,188
Due to Others	3,927	675	4,602
Unearned Revenue	9,725	0	9,725
Accrued Interest Payable	387	16,406	16,793
Due to First Response Capital Fiduciary Fund	27,128	0	27,128
Noncurrent Liabilities:			
Due within One Year	99,176	134,992	234,168
Due in More than One Year	362,509	4,027,468	4,389,977
Total Liabilities	<u>564,428</u>	<u>4,195,125</u>	<u>4,759,553</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Prepaid Property Taxes	30,169	0	30,169
Deferred Inflows of Resources Related to the Town's Participation in VMERS	<u>7,186</u>	<u>1,630</u>	<u>8,816</u>
Total Deferred Inflows of Resources	<u>37,355</u>	<u>1,630</u>	<u>38,985</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	6,834,906	5,107,857	11,942,763
Restricted For:			
Highways and Streets	793,504	0	793,504
Public Safety	98,379	0	98,379
Records Preservation	53,011	0	53,011
Other	3,460	0	3,460
Unrestricted	<u>556,559</u>	<u>340,751</u>	<u>897,310</u>
Total Net Position	<u>\$ 8,339,819</u>	<u>\$ 5,448,608</u>	<u>\$ 13,788,427</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, 2018

	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:							
Primary Government:							
Governmental Activities:							
General Government	\$ 645,113	\$ 51,038	\$ 17,334	\$ 0	\$ (576,741)	\$ 0	\$ (576,741)
Public Safety	439,548	51,994	7,442	21,000	(359,112)	0	(359,112)
Highways and Streets	1,039,393	954	125,880	129,119	(783,440)	0	(783,440)
Culture and Recreation	287,678	52,004	0	0	(235,674)	0	(235,674)
Sanitation	83,067	44,160	0	0	(38,907)	0	(38,907)
Interest on Long-term Debt	118	0	0	0	(118)	0	(118)
Total Governmental Activities	<u>2,494,917</u>	<u>200,150</u>	<u>150,656</u>	<u>150,119</u>	<u>(1,993,992)</u>	<u>0</u>	<u>(1,993,992)</u>
Business-type Activities:							
Water	372,347	377,366	0	0	0	5,019	5,019
Sewer	339,485	321,943	0	0	0	(17,542)	(17,542)
Total Business-type Activities	<u>711,832</u>	<u>699,309</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(12,523)</u>	<u>(12,523)</u>
Total	<u>\$ 3,206,749</u>	<u>\$ 899,459</u>	<u>\$ 150,656</u>	<u>\$ 150,119</u>	<u>(1,993,992)</u>	<u>(12,523)</u>	<u>(2,006,515)</u>
General Revenues:							
Property Taxes					2,082,409	0	2,082,409
Penalties and Interest on Delinquent Taxes					36,771	0	36,771
General State Grants					92,361	0	92,361
Unrestricted Investment Earnings					18,092	3,597	21,689
Other Revenues					1,942	0	1,942
Total General Revenues					<u>2,231,575</u>	<u>3,597</u>	<u>2,235,172</u>
Change in Net Position					237,583	(8,926)	228,657
Net Position - July 1, 2017					<u>8,102,236</u>	<u>5,457,534</u>	<u>13,559,770</u>
Net Position - June 30, 2018					<u>\$ 8,339,819</u>	<u>\$ 5,448,608</u>	<u>\$ 13,788,427</u>

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

TOWN OF PITTSFORD, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Highway Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 1,545,118	\$ 0	\$ 98,379	\$ 1,643,497
Investments	0	0	2,019	2,019
Due from Other Funds	0	61,117	1,294,599	1,355,716
Receivables (Net of Allowance for Uncollectibles)	177,486	0	4,314	181,800
Loans Receivable (Net of Allowance for Uncollectibles)	0	0	57,600	57,600
Deposits with Insurance Company	1,700	0	0	1,700
Prepaid Expenses	5,466	0	0	5,466
Inventory	906	29,935	0	30,841
	<u>\$ 1,730,676</u>	<u>\$ 91,052</u>	<u>\$ 1,456,911</u>	<u>\$ 3,278,639</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 13,364	\$ 21,695	\$ 6,354	\$ 41,413
Accrued Payroll and Benefits Payable	16,489	3,674	0	20,163
Due to Other Funds	1,431,662	0	27,207	1,458,869
Due to Others	2,927	1,000	0	3,927
Unearned Revenue	9,725	0	0	9,725
	<u>1,474,167</u>	<u>26,369</u>	<u>33,561</u>	<u>1,534,097</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Prepaid Property Taxes	30,169	0	0	30,169
Unavailable Property Taxes, Penalties and Interest	156,500	0	0	156,500
Unavailable Grant Income	0	0	4,314	4,314
Unavailable Loans Receivable	0	0	57,600	57,600
	<u>186,669</u>	<u>0</u>	<u>61,914</u>	<u>248,583</u>
<u>FUND BALANCES</u>				
Nonspendable	6,372	29,935	1,250	37,557
Restricted	0	34,748	899,796	934,544
Committed	0	0	363,265	363,265
Assigned	4,572	0	124,332	128,904
Unassigned/(Deficit)	58,896	0	(27,207)	31,689
	<u>69,840</u>	<u>64,683</u>	<u>1,361,436</u>	<u>1,495,959</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,730,676</u>	<u>\$ 91,052</u>	<u>\$ 1,456,911</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.				7,004,906
Other Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds.				218,414
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.				(462,072)
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.				82,612
Net Position of Governmental Activities				<u>\$ 8,339,819</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, 2018

	General Fund	Highway Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$ 1,146,474	\$ 910,935	\$ 17,000	\$ 2,074,409
Penalties and Interest on Delinquent Taxes	36,771	0	0	36,771
Intergovernmental	108,431	256,715	13,955	379,101
Charges for Services	131,494	7,863	0	139,357
Permits, Licenses and Fees	35,431	530	5,272	41,233
Fines and Forfeits	28,538	0	0	28,538
Loan Repayments	0	0	14,435	14,435
Investment Income	7,661	878	9,553	18,092
Donations	2,638	0	2,340	4,978
Other	4,875	425	0	5,300
Total Revenues	1,502,313	1,177,346	62,555	2,742,214
Expenditures:				
General Government	635,652	0	15,677	651,329
Public Safety	353,959	0	0	353,959
Highways and Streets	0	625,544	0	625,544
Culture and Recreation	274,429	0	0	274,429
Sanitation	81,789	0	0	81,789
Capital Outlay:				
General Government	1,024	0	18,110	19,134
Public Safety	19,095	0	0	19,095
Highways and Streets	0	344,451	160,242	504,693
Culture and Recreation	3,860	0	11,000	14,860
Debt Service:				
Principal	0	85,000	29,486	114,486
Interest	0	0	118	118
Total Expenditures	1,369,808	1,054,995	234,633	2,659,436
Excess/(Deficiency) of Revenues Over Expenditures	132,505	122,351	(172,078)	82,778
Other Financing Sources/(Uses):				
Transfers In	7,831	12,140	242,000	261,971
Transfers Out	(92,000)	(150,000)	(19,971)	(261,971)
Total Other Financing Sources/(Uses)	(84,169)	(137,860)	222,029	0
Net Change in Fund Balances	48,336	(15,509)	49,951	82,778
Fund Balances - July 1, 2017	21,504	80,192	1,311,485	1,413,181
Fund Balances - June 30, 2018	\$ 69,840	\$ 64,683	\$ 1,361,436	\$ 1,495,959

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, 2018

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)	\$	82,778
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$557,782) is allocated over their estimated useful lives and reported as depreciation expense (\$514,040). This is the amount by which capital outlays exceeded depreciation in the current period.		43,742
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.		9,158
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 (\$114,486) 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.		114,486
The issuance of loans receivable (\$0) consumes current financial resources of governmental funds, while the repayment of the principal of loans receivable (\$14,435) provides current financial resources to governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of loans receivable.		(14,435)
Governmental funds report employer pension contributions as expenditures (\$23,906). However, in the statement of activities, the cost of pension benefits earned net of employee contributions (\$35,691) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.		(11,785)
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.		6,284
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>7,355</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>237,583</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, 2018

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes:			
Taxes	\$ 1,152,868	\$ 1,146,474	\$ (6,394)
Interest on Delinquent Taxes	18,000	22,635	4,635
Penalty on Delinquent Taxes	21,000	14,136	(6,864)
Tax Sale Properties / Land	0	1,923	1,923
Other Revenue	0	19	19
Total Property Taxes	1,191,868	1,185,187	(6,681)
Fees and Permits:			
First Class Liquor Licenses	500	460	(40)
Second Class Liquor Licenses	500	350	(150)
Junk Yard Licenses	25	0	(25)
Marriage Licenses	800	1,020	220
Burial Permits	50	20	(30)
Town Computer Purchases	50	0	(50)
Certified Copy Fees	1,500	1,030	(470)
Recording Fees	17,000	20,394	3,394
Photocopy Fees	2,500	2,627	127
DMV Fees	300	204	(96)
Posting Permits	100	95	(5)
Site Plan Review/Zoning Fees	3,000	3,155	155
Fireworks Permit Fees	0	45	45
Fire Wardens Permit Fees	200	220	20
Miscellaneous Fees	200	386	186
Total Fees and Permits	26,725	30,006	3,281
Intergovernmental Revenues:			
State PILOT	46,000	46,867	867
Current Use Reimbursement	30,100	44,758	14,658
School Billing Fee - Act 68	9,700	9,683	(17)
Vermont Railroad Tax	100	736	636
Health and Safety Grant Revenue	0	539	539
Total Intergovernmental Revenues	85,900	102,583	16,683
Research Revenues:	400	277	(123)
Solid Waste:			
Annual User Permits	12,000	11,470	(530)
Garbage Bag Charges	34,000	32,690	(1,310)
Total Solid Waste	46,000	44,160	(1,840)
Miscellaneous Receipts:			
School Share of Election Costs	600	0	(600)
Maclure Library Phone Reimbursement	700	987	287
Donations	0	500	500

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, 2018

	Budget	Actual	Variance Favorable/ (Unfavorable)
Miscellaneous Receipts/(Cont'd):			
Investment Interest	\$ 3,000	\$ 7,661	\$ 4,661
Water Administration Fee	9,000	9,000	0
Sewer Administration Fee	7,000	7,000	0
Green Mountain Passport	0	70	70
Transfer From Planning Fund	0	7,807	7,807
	<u>20,300</u>	<u>33,025</u>	<u>12,725</u>
Total Miscellaneous Receipts			
Recreation:			
Annual Family Permits	2,500	1,665	(835)
Daily Gate Passes	2,500	3,905	1,405
Tennis Court Permits	200	345	145
Group Picnic Charges	3,500	1,930	(1,570)
School Programs	2,500	4,275	1,775
Ice Out Charges	600	0	(600)
Trail Run Revenue	0	4,737	4,737
Belcher-Mericle Interest	35	23	(12)
Miscellaneous Donations	1,000	54	(946)
Pittsford Day Revenues	2,500	0	(2,500)
5K Race Revenue	0	501	501
Youth League Registration	3,500	2,020	(1,480)
Girls Softball Registration	500	325	(175)
Youth League Donations	2,200	1,640	(560)
Shoot Out Donations	0	150	150
Day Camp Registrations	12,500	13,060	560
Summer Programs	3,500	2,376	(1,124)
Fall Programs	5,000	5,775	775
Winter Programs	5,000	4,569	(431)
Spring Programs	3,450	1,842	(1,608)
Misc. Revenue	0	2,835	2,835
	<u>50,985</u>	<u>52,027</u>	<u>1,042</u>
Total Recreation			
Animal Management Fees:			
Dog Licenses	6,000	4,743	(1,257)
Other Animal Revenue	100	0	(100)
	<u>6,100</u>	<u>4,743</u>	<u>(1,357)</u>
Total Animal Management Fees			
Police:			
Traffic Fines	20,000	28,513	8,513
Serving Court Papers	0	117	117
Insurance Reports	150	150	0
Parking Ticket Revenue	250	25	(225)
Miscellaneous Revenue	500	2,934	2,434
Contract Services	0	200	200
Grant Revenue	5,000	5,848	848
OMYA Truck Detail Revenue	17,000	19,720	2,720
	<u>42,900</u>	<u>57,507</u>	<u>14,607</u>
Total Police			

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, 2018

	Budget	Actual	Variance Favorable/ (Unfavorable)
Fire Department:			
Knox Lock Box	\$ 0	\$ 335	\$ 335
Nickwackett Hose Co. Donation	0	294	294
Total Fire Department	0	629	629
Total Revenues	1,471,178	1,510,144	38,966
Expenditures:			
Legislation:			
Selectmen Services	6,000	6,100	(100)
Public Officials Insurance	3,900	4,009	(109)
Selectmen Expenses	1,000	1,492	(492)
Secretary/Clerk	2,100	1,876	224
Recording Secretary	3,100	3,268	(168)
FICA/Medicare	1,300	840	460
Total Legislation	17,400	17,585	(185)
Management:			
Town Manager	85,000	87,550	(2,550)
Secretary	40,900	35,470	5,430
Overtime	250	8	242
FICA/Medicare	11,200	9,757	1,443
Retirement Insurance	8,000	7,413	587
Medical Insurance	20,000	26,163	(6,163)
Dental Insurance	1,400	1,212	188
Life Insurance	1,250	1,232	18
Workers' Compensation Insurance	580	568	12
Property Insurance	2,950	2,390	560
General Liability Insurance	900	1,326	(426)
Employment Practices	5,120	5,194	(74)
Unemployment Insurance	350	191	159
Mileage Reimbursement	1,500	1,223	277
Training	1,500	831	669
Health and Safety Expense	2,000	1,941	59
Car Allowance	5,000	5,000	0
Total Management	187,900	187,469	431
Elections:			
Ballot Clerks	1,500	1,310	190
FICA/Medicare	200	99	101
Notices, Warnings, Ads	200	0	200
Ballots and Supplies	1,200	979	221
Ballot Machine Setup	2,000	559	1,441
Total Elections	5,100	2,947	2,153
Finance:			
Clerk and Treasurer	62,000	62,253	(253)
Overtime	500	775	(275)

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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Finance/(Cont'd):			
Assistant Clerk and Treasurer	\$ 40,000	\$ 36,619	\$ 3,381
Bookkeeper	19,500	25,397	(5,897)
FICA/Medicare	9,300	9,388	(88)
Retirement Insurance	4,200	5,020	(820)
Medical Insurance	15,200	16,990	(1,790)
Dental Insurance	900	841	59
Life Insurance	1,300	1,187	113
Workers' Compensation Insurance	580	557	23
Unemployment Insurance	300	162	138
Mileage Reimbursement	600	438	162
State Dues - Clerks Association	150	55	95
Training Fees	1,000	575	425
Total Finance	<u>155,530</u>	<u>160,257</u>	<u>(4,727)</u>
Administration:			
Office Supplies	15,000	13,998	1,002
Computer Supplies	7,000	2,628	4,372
Computer Contracts	15,000	11,694	3,306
Website Maintenance/Expenses	2,500	1,845	655
Newsletter Printing and Postage	5,000	4,566	434
Postage - General	4,500	1,533	2,967
Tax Bills and Postage	1,000	1,967	(967)
Town Report Coordinator	1,400	1,400	0
Town Report Printing	3,800	3,345	455
Town Report Postage	1,200	736	464
Tax Collector Expense	200	0	200
CPA Audit	28,000	25,912	2,088
Legal Fees and Tax Collection	2,500	3,162	(662)
Total Administration	<u>87,100</u>	<u>72,786</u>	<u>14,314</u>
Agencies:			
VLCT Dues	4,400	4,390	10
Rutland Economic Development Corporation	500	500	0
Rutland Regional Planning Commission	950	925	25
Total Agencies	<u>5,850</u>	<u>5,815</u>	<u>35</u>
Zoning:			
Zoning Administrator	12,750	9,672	3,078
Zoning Clerical	400	1,400	(1,000)
FICA/Medicare	1,050	847	203
Mileage Reimbursement	200	28	172
Zoning Hearings	750	1,608	(858)
Zoning Expense	1,000	1,366	(366)
Legal Fees - Zoning	2,500	7,309	(4,809)
Total Zoning	<u>18,650</u>	<u>22,230</u>	<u>(3,580)</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, 2018

	Budget	Actual	Variance Favorable/ (Unfavorable)
Planning Commission:			
Planning Commission Stipends	\$ 3,500	\$ 2,875	\$ 625
Planning Commission Clerical	1,800	2,593	(793)
FICA/Medicare	300	418	(118)
Mileage Reimbursement	300	0	300
Planning Grant Expense	400	0	400
Town Plan	2,000	1,401	599
Legal Fees	1,000	4,315	(3,315)
Total Planning Commission	9,300	11,602	(2,302)
Board of Civil Authority:			
Board of Civil Authority - Labor	2,500	743	1,757
Clerical	700	250	450
FICA/Medicare	200	76	124
Supplies	1,600	8	1,592
Legal Fees	500	0	500
Miscellaneous	150	0	150
Total Board of Civil Authority	5,650	1,077	4,573
Municipal Plant and Equipment:			
Labor - Custodians	0	3,500	(3,500)
FICA/Medicare - Custodians	250	264	(14)
Building Maintenance Supplies	2,500	1,734	766
Heating Fuel	2,200	1,886	314
Municipal Building Fund Transfer	7,000	7,000	0
Cemetery Development Fund Transfer	2,000	2,000	0
Contracts - Facilities	7,000	4,539	2,461
Copier Maintenance	5,500	7,242	(1,742)
Fire/Security Alarm Maintenance	750	275	475
Telephones	4,500	3,845	655
Maclure Library Phones	700	982	(282)
Labor and Equipment Use by Highway	250	0	250
New Equipment for Building	500	520	(20)
Building Repairs/Maintenance	5,000	1,843	3,157
Utilities	3,500	3,566	(66)
Total Municipal Plant and Equipment	41,650	39,196	2,454
Fire Warden:			
Fire Warden Fees	100	65	35
Burn Permit Expense	200	0	200
FICA/Medicare	50	5	45
Mileage Expenses	900	295	605
Total Fire Warden	1,250	365	885

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, 2018

	Budget	Actual	Variance Favorable/ (Unfavorable)
Miscellaneous:			
Marriage License Fees	\$ 700	\$ 850	\$ (150)
Memorial Day Flags	800	1,116	(316)
Pittsford Pride	0	43	(43)
Tax Abatement Costs	500	1,506	(1,006)
Ads/Special Meetings	100	325	(225)
Contracted Services	2,000	3,776	(1,776)
Legal Fees	400	7,112	(6,712)
Total Miscellaneous	4,500	14,728	(10,228)
Listers:			
Listers' Services	21,600	21,600	0
Listers' Secretary	14,000	13,112	888
FICA/Medicare	2,800	2,656	144
Insurance - Workers' Compensation	290	139	151
Unemployment Insurance	200	54	146
Listers' Mileage Reimbursement	800	215	585
Training Fees	500	135	365
Listers' Expenses	1,500	1,211	289
Property Map Changes	2,400	2,390	10
Total Listers	44,090	41,512	2,578
Special Appropriations:			
Rutland Community Services	3,020	3,020	0
Tax Transfer - First Response	20,000	20,000	0
Rutland National Resource Conservation	250	250	0
Visiting Nurse/Hospice	4,931	4,931	0
Rutland County Humane Society	1,000	1,000	0
Vermont Green-Up Day Expenses	200	200	0
Benn-Rut Opport. Council	925	925	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 Education	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	0	100
Child First Advocacy	1,500	1,500	0
Rutland Regional Chamber / Killington	3,000	3,000	0
Maclure Library	83,500	83,500	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
NeighborWorks of West Vermont	500	500	0
Total Special Appropriations	152,188	152,088	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, 2018

	Budget	Actual	Variance Favorable/ (Unfavorable)
Health Officer:			
Health Officer Labor	\$ 1,000	\$ 1,477	\$ (477)
FICA/Medicare	100	110	(10)
Mileage	50	0	50
Mosquito Control	15,000	15,150	(150)
Total Health Officer	16,150	16,737	(587)
Solid Waste Management:			
Labor - Facility	22,200	19,869	2,331
Labor - Highway	1,000	0	1,000
FICA/Medicare	1,700	1,545	155
Insurance - Workers' Compensation	3,125	3,742	(617)
Labor - Contract	1,000	295	705
New Equipment	300	0	300
Supplies	1,200	1,305	(105)
Telephone	400	414	(14)
Insurance - Property and Liability	220	187	33
Unemployment Insurance	100	87	13
Portalet Contract	1,500	1,593	(93)
Contracts/Material	0	199	(199)
Waste Removal Fees	39,500	38,614	886
RCSWD Surcharge	5,600	5,634	(34)
Tire Disposal Fees	50	110	(60)
State Franchise Tax	1,900	1,693	207
Container Rental/Purchase	5,200	4,448	752
Labor and Equipment Use by Highway	500	376	124
Utilities	2,200	1,405	795
Equipment Maintenance	500	0	500
Miscellaneous	0	273	(273)
Total Solid Waste Management	88,195	81,789	6,406
Fire Hydrant Expense			
Transfer to Water Department	35,000	0	35,000
Total Fire Hydrant Expense	35,000	0	35,000
Constables:			
Wages - Local Services	101,000	124,164	(23,164)
Wages - OMYA Truck Detail	0	9,272	(9,272)
Wages - Overtime	0	323	(323)
Clerical	3,500	2,279	1,221
FICA/Medicare	9,000	10,343	(1,343)
Retirement Insurance	3,200	2,882	318
Medical Insurance	15,000	16,810	(1,810)
Dental Insurance	850	792	58
Life Insurance	600	557	43
New Equipment	2,500	2,220	280
Contracted Services	1,500	3,022	(1,522)
Supplies	2,000	533	1,467
Uniforms	0	430	(430)
Telephone	500	939	(439)

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, 2018

	Budget	Actual	Variance Favorable/ (Unfavorable)
Constables/(Cont'd):			
Insurance - Property/Liability	\$ 4,020	\$ 4,047	\$ (27)
Insurance - Workers' Compensation	7,920	11,171	(3,251)
Insurance - Car	1,050	1,085	(35)
Unemployment Insurance	325	228	97
Mileage Reimbursement	450	862	(412)
Legal and Administration	300	50	250
Patrol Car - Fuel and Maintenance	10,000	9,489	511
Patrol Car Replace Fund	10,000	10,000	0
Equipment Maintenance	500	0	500
Communications	3,500	2,478	1,022
Safety Equipment Grant	5,000	4,028	972
Training Fees	1,000	375	625
Miscellaneous	300	280	20
Total Constables	184,015	218,659	(34,644)
Fire Department:			
Firemen Expenses	35,000	34,450	550
FICA/Medicare	2,500	2,635	(135)
Building Fuel	6,000	6,009	(9)
Vehicle Fuel	3,000	2,489	511
Small Tools	1,000	1,015	(15)
Hose & Fittings	1,000	3,639	(2,639)
Protective Equipment	15,000	9,097	5,903
Supplies	1,200	1,617	(417)
Insurance - Workers' Compensation	16,150	(6,943)	23,093
Insurance - Vehicles	3,830	4,639	(809)
Insurance - General Liability	580	936	(356)
Insurance - Accident	950	2,757	(1,807)
Insurance - Property	1,740	1,356	384
Telephone	800	1,240	(440)
Communications	2,500	4,751	(2,251)
Fire Alarm System	400	248	152
Dispatching Service	2,500	375	2,125
Building Maintenance	10,000	8,137	1,863
Truck Maintenance	12,000	13,911	(1,911)
Equipment Maintenance	1,500	1,525	(25)
Ladder Truck Certificate	1,200	0	1,200
New Equipment	1,000	14,969	(13,969)
Utilities	2,500	2,963	(463)
Training Fees	1,500	1,956	(456)
Mutual Aid Association Fees	1,000	1,200	(200)
FEMA	0	258	(258)
Vehicle Replacement Fund	70,000	70,000	0
Total Fire Department	194,850	185,229	9,621

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, 2018

	Budget	Actual	Variance Favorable/ (Unfavorable)
Recreation Programs:			
Lifeguards	\$ 21,000	\$ 23,294	\$ (2,294)
Management	44,300	45,203	(903)
Overtime	4,000	6,802	(2,802)
Grounds Management	10,700	10,842	(142)
Day Camp Labor	8,500	9,423	(923)
FICA/Medicare	7,000	7,244	(244)
Insurance - Retirement	2,200	2,042	158
Insurance - Medical	20,000	23,400	(3,400)
Insurance - Dental	1,600	1,399	201
Insurance - Life	600	560	40
Insurance - Workers' Compensation	5,440	7,193	(1,753)
Insurance - Property / Liability	860	471	389
Insurance - Vehicle	230	236	(6)
Insurance - General Liability	500	266	234
Insurance - Unemployment	350	206	144
Mileage Reimbursement	50	182	(132)
Supplies - Recreation Area General	2,000	2,437	(437)
Supplies - Day Camp	2,500	2,307	193
Spring Programs	3,000	1,876	1,124
Summer Programs	3,000	2,074	926
Mower Maintenance & Fuel	1,500	2,347	(847)
Fall Programs	3,500	4,439	(939)
Winter Programs	5,000	1,898	3,102
Mower Replacement Fund	3,000	3,000	0
Training	250	0	250
Pavilion Rental Deposit	0	50	(50)
League Fees/Coaches, Umpires	1,500	1,205	295
Supplies - Youth League	2,000	1,622	378
Trail Run Expenses	0	2,085	(2,085)
Summer Softball Expense	1,000	411	589
Pittsford Day Celebration	13,000	15,715	(2,715)
5K Race	0	619	(619)
State League Membership	250	0	250
Telephone	400	472	(72)
Communications	800	707	93
Donation Expenses	1,000	3,850	(2,850)
Rubbish Removal Contract	800	720	80
Other Contract Services	250	168	82
Advertising	200	219	(19)
Portalet Contract	500	675	(175)
Ballfield Maintenance	1,000	752	248
Signs Replacement	100	0	100
Equipment Rentals	1,000	0	1,000
Labor and Equipment Use by Highway	500	3,423	(2,923)
Labor and Equipment Use by Water	500	87	413
Utilities	850	817	33
Pool Water Tests	200	135	65
Trails and Bridging Maintenance	750	245	505
Green up Day Expense	200	0	200
Capital Improvements	4,000	3,689	311
Total Recreation Programs	181,880	196,807	(14,927)

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, 2018

	Budget	Actual	Variance Favorable/ (Unfavorable)
Animal Management:			
Animal Control	\$ 1,000	\$ 556	\$ 444
FICA/Medicare	200	43	157
Mileage Reimbursement	500	215	285
Supplies	500	302	198
Contract Services	300	107	193
Insurance - Property/Liability	20	17	3
Insurance - Workers' Compensation	160	789	(629)
Legal - Animal Control	200	0	200
Animal Census	1,200	0	1,200
Vet/Humane Shelter Fees	200	0	200
Rabies Fees To State	2,600	2,464	136
Postage	50	0	50
	6,930	4,493	2,437
Total Animal Management			
Debt Service and Fixed Charges:			
Rutland County Tax	28,000	28,437	(437)
	28,000	28,437	(437)
Total Debt Service and Fixed Charges			
Total Expenditures	1,471,178	1,461,808	9,370
Excess of Revenues Over Expenditures	\$ 0	48,336	\$ 48,336
Fund Balance - July 1, 2017		21,504	
Fund Balance - June 30, 2018		\$ 69,840	

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
HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes	\$ 910,935	\$ 910,935	\$ 0
State Aid	126,000	125,880	(120)
Grant Revenue	100,000	130,835	30,835
Overload Permits	600	530	(70)
Investment Income	3,000	878	(2,122)
Interfund Charges for Services	4,750	2,380	(2,370)
Interfund Sale of Fuel	6,300	5,483	(817)
Transfer from Other Funds	69,000	12,141	(56,859)
Miscellaneous Revenue	0	424	424
Total Revenues	1,220,585	1,189,486	(31,099)
Expenditures:			
General:			
Labor - Vacation and Services	150,000	153,625	(3,625)
Labor - Overtime	7,000	18,098	(11,098)
Mileage Reimbursement	300	83	217
FICA/Medicare	14,000	15,300	(1,300)
Insurance - Retirement	8,200	8,048	152
Insurance - Medical	45,000	58,208	(13,208)
Insurance - Dental	3,800	3,403	397
Insurance - Life	3,200	3,298	(98)
Insurance - Workers' Compensation	20,040	22,548	(2,508)
Insurance - General Liability	1,300	1,472	(172)
Insurance - Property	2,520	2,077	443
Insurance - Vehicle	5,480	5,607	(127)
Insurance - Unemployment	300	215	85
Insurance - Bridges	2,470	2,352	118
Legal and Administrative	2,000	0	2,000
Small Tool Purchases	300	491	(191)
E-911 Expenses	300	0	300
Communications	900	455	445
Telephone	1,700	1,968	(268)
Heating Fuel	1,700	2,913	(1,213)
Training Fees	200	30	170
Equipment Rentals	5,000	8,244	(3,244)
Uniform Rentals	4,000	2,212	1,788
Highway Capital Reserve	100,000	100,000	0
Bridge Replacement Reserve	50,000	50,000	0
Labor / Equipment Use by Water	1,000	0	1,000
Advertising/Postage	600	0	600
Utilities	5,100	4,325	775
Supplies	5,900	4,916	984
Computer Equipment	0	983	(983)
New Equipment Purchases	2,500	308	2,192
Contracted Services	0	8,303	(8,303)
Cold Patch and Hot Mix	2,200	4,101	(1,901)
Building Expenses	2,500	1,968	532
Signs & Posts	3,000	1,711	1,289
Culverts & Bands	8,000	8,650	(650)
Guardrails	6,000	0	6,000
Paving	277,700	214,226	63,474
Crack Sealing	8,000	7,200	800
Gravel / Stone	19,000	15,188	3,812
Liquid Magnesium	15,000	11,411	3,589
Total General	786,210	743,937	42,273

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
HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Maintenance:			
Labor	\$ 33,000	\$ 32,647	\$ 353
Overtime	2,000	8,231	(6,231)
Sodium Chloride	79,000	100,654	(21,654)
Sand	12,000	12,890	(890)
Cold Patch	<u>500</u>	<u>0</u>	<u>500</u>
Total Maintenance	<u>126,500</u>	<u>154,422</u>	<u>(27,922)</u>
Highway Vehicles:			
Supplies	3,000	5,573	(2,573)
Vehicle Fuel	22,000	31,800	(9,800)
In-Shop Repairs and Maintenance	16,000	11,545	4,455
Outside Maintenance and Repairs	<u>13,000</u>	<u>43,602</u>	<u>(30,602)</u>
Total Highway Vehicles	<u>54,000</u>	<u>92,520</u>	<u>(38,520)</u>
Special Projects:			
Fire Hill Road Culvert Project	169,000	105,440	63,560
Fire Hill Road Bridge Project	<u>0</u>	<u>23,676</u>	<u>(23,676)</u>
Total Special Projects	<u>169,000</u>	<u>129,116</u>	<u>39,884</u>
Debt Service:			
Principal	<u>84,875</u>	<u>85,000</u>	<u>(125)</u>
Total Debt Service	<u>84,875</u>	<u>85,000</u>	<u>(125)</u>
Total Expenditures	<u>1,220,585</u>	<u>1,204,995</u>	<u>15,590</u>
Excess/(Deficiency) of Revenues Over Expenditures	\$ <u>0</u>	(15,509)	\$ <u>(15,509)</u>
Fund Balance - July 1, 2017		<u>80,192</u>	
Fund Balance - June 30, 2018		\$ <u>64,683</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
 VILLAGE FUND
 FOR THE YEAR ENDED JUNE 30, 2018

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes	\$ 17,000	\$ 17,000	\$ 0
Interest Income	<u>0</u>	<u>162</u>	<u>162</u>
Total Revenues	<u>17,000</u>	<u>17,162</u>	<u>162</u>
Expenditures:			
Village Street Lights	<u>17,000</u>	<u>14,352</u>	<u>2,648</u>
Total Expenditures	<u>17,000</u>	<u>14,352</u>	<u>2,648</u>
Excess of Revenues Over Expenditures	\$ <u>0</u>	2,810	\$ <u>2,810</u>
Fund Balance - July 1, 2017		<u>17,720</u>	
Fund Balance - June 30, 2018		<u>\$ 20,530</u>	

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	Water Fund	Sewer Fund	Total
<u>ASSETS</u>			
Current Assets:			
Receivables	\$ 169,724	\$ 148,131	\$ 317,855
Loan Receivable - Current Portion	0	1,700	1,700
Due from Other Funds	367,284	0	367,284
Inventory	6,357	1,705	8,062
Prepaid Expenses	232	0	232
Total Current Assets	<u>543,597</u>	<u>151,536</u>	<u>695,133</u>
Noncurrent Assets:			
Loan Receivable - Non-current Portion	0	4,250	4,250
Capital Assets:			
Land	66,855	1,500	68,355
Construction in Progress	64,025	1,483	65,508
Vehicles	94,435	0	94,435
Buildings and Building Improvements	60,372	2,643,752	2,704,124
Distribution and Collection Systems	7,050,051	1,811,768	8,861,819
Less: Accumulated Depreciation	<u>(1,592,865)</u>	<u>(980,534)</u>	<u>(2,573,399)</u>
Total Noncurrent Assets	<u>5,742,873</u>	<u>3,482,219</u>	<u>9,225,092</u>
Total Assets	<u>6,286,470</u>	<u>3,633,755</u>	<u>9,920,225</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	<u>12,383</u>	<u>4,014</u>	<u>16,397</u>
Total Deferred Outflows of Resources	<u>12,383</u>	<u>4,014</u>	<u>16,397</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	5,223	7,336	12,559
Accrued Payroll and Benefits Payable	1,849	1,176	3,025
Due to Other Funds	0	291,259	291,259
Due to Water Customers	675	0	675
Accrued Interest Payable	2,258	14,148	16,406
General Obligation Bonds Payable - Current Portion	<u>65,464</u>	<u>69,528</u>	<u>134,992</u>
Total Current Liabilities	<u>75,469</u>	<u>383,447</u>	<u>458,916</u>
Noncurrent Liabilities:			
Compensated Absences Payable	8,349	6,443	14,792
Net Pension Liability	23,248	11,435	34,683
General Obligation Bonds Payable - Noncurrent Portion	<u>2,416,792</u>	<u>1,561,201</u>	<u>3,977,993</u>
Total Noncurrent Liabilities	<u>2,448,389</u>	<u>1,579,079</u>	<u>4,027,468</u>
Total Liabilities	<u>2,523,858</u>	<u>1,962,526</u>	<u>4,486,384</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources Related to the Town's Participation in VMERS	<u>1,028</u>	<u>602</u>	<u>1,630</u>
Total Deferred Inflows of Resources	<u>1,028</u>	<u>602</u>	<u>1,630</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	3,260,617	1,847,240	5,107,857
Unrestricted/(Deficit)	<u>513,350</u>	<u>(172,599)</u>	<u>340,751</u>
Total Net Position	<u>\$ 3,773,967</u>	<u>\$ 1,674,641</u>	<u>\$ 5,448,608</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, 2018

	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	\$ 368,666	\$ 280,573	\$ 649,239
Penalties & Interest	4,162	5,067	9,229
Contract - Otter Valley	0	33,161	33,161
Other Income	4,538	3,142	7,680
Total Operating Revenues	<u>377,366</u>	<u>321,943</u>	<u>699,309</u>
Operating Expenses:			
Labor and Stipends	80,297	68,657	148,954
FICA/Medicare	6,776	4,758	11,534
Insurances - Medical, Dental & Life	20,555	13,189	33,744
Retirement	6,914	4,857	11,771
Insurance - Workers' Compensation / Unemployment	6,263	6,821	13,084
Insurance - General Liability/Property/Vehicle	2,699	1,962	4,661
Supplies	5,138	14,666	19,804
Postage/Billing Program	661	661	1,322
Advertising/Dues and Subscriptions	495	0	495
Telephone/Communications	2,397	3,631	6,028
Uniform Rentals	1,700	1,688	3,388
Training	0	405	405
Engineering	4,873	0	4,873
Lease	1,000	0	1,000
Property Tax	1,210	0	1,210
Contracts	4,698	7,403	12,101
Vermont Permit Renewals	3,222	255	3,477
Administration	9,000	7,000	16,000
Interfund Services Expenses	1,401	41	1,442
Utilities	7,921	21,634	29,555
Testing	1,210	2,737	3,947
Sludge/Refuse Removal	0	28,204	28,204
Maintenance	2,420	2,758	5,178
Mileage Reimbursement	6	2,284	2,290
Vehicle Fuel and Maintenance	5,183	0	5,183
Small Equipment Purchases	3,233	1,305	4,538
Depreciation	110,778	88,407	199,185
Otter Valley Contract Expenses	0	5,397	5,397
Other	50	238	288
Total Operating Expenses	<u>290,100</u>	<u>288,958</u>	<u>579,058</u>
Operating Income	<u>87,266</u>	<u>32,985</u>	<u>120,251</u>
Non-Operating Revenues/(Expenses):			
Investment Income	2,972	625	3,597
Interest Expense	<u>(82,247)</u>	<u>(50,527)</u>	<u>(132,774)</u>
Total Non-Operating Revenues/(Expenses)	<u>(79,275)</u>	<u>(49,902)</u>	<u>(129,177)</u>
Net Income Before Transfers	<u>7,991</u>	<u>(16,917)</u>	<u>(8,926)</u>
Transfers:			
Transfers In	4,750	0	4,750
Transfers Out	<u>0</u>	<u>(4,750)</u>	<u>(4,750)</u>
Total Transfers	<u>4,750</u>	<u>(4,750)</u>	<u>0</u>
Change in Net Position	12,741	(21,667)	(8,926)
Net Position - July 1, 2017	<u>3,761,226</u>	<u>1,696,308</u>	<u>5,457,534</u>
Net Position - June 30, 2018	<u>\$ 3,773,967</u>	<u>\$ 1,674,641</u>	<u>\$ 5,448,608</u>

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, 2018

	Water Fund	Sewer Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 361,642	\$ 316,647	\$ 678,289
Payments for Goods and Services	(42,864)	(96,037)	(138,901)
Payment for Interfund Services	(10,401)	(7,041)	(17,442)
Payments for Wages and Benefits	<u>(117,580)</u>	<u>(93,573)</u>	<u>(211,153)</u>
Net Cash Provided by Operating Activities	<u>190,797</u>	<u>119,996</u>	<u>310,793</u>
Cash Flows From Noncapital Financing Activities:			
(Increase)/Decrease in Due from Other Funds	7,404	0	7,404
Increase/(Decrease) in Due to Other Funds	0	20,252	20,252
Interest Paid on Interfund Balances	0	(2,450)	(2,450)
Repayment of Loans Receivable	0	1,275	1,275
Transfers Received/(Paid) from/(to) Other Funds	<u>4,750</u>	<u>(4,750)</u>	<u>0</u>
Net Cash Provided by Noncapital Financing Activities	<u>12,154</u>	<u>14,327</u>	<u>26,481</u>
Cash Flows From Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(68,273)	(18,814)	(87,087)
Proceeds of Long-Term Debt	7,245	0	7,245
Principal Paid on General Obligation Bonds Payable	(62,488)	(67,583)	(130,071)
Interest Paid on General Obligation Bonds Payable	<u>(82,407)</u>	<u>(48,551)</u>	<u>(130,958)</u>
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(205,923)</u>	<u>(134,948)</u>	<u>(340,871)</u>
Cash Flows From Investing Activities:			
Receipt of Interest and Dividends	<u>2,972</u>	<u>625</u>	<u>3,597</u>
Net Cash Provided by Investing Activities	<u>2,972</u>	<u>625</u>	<u>3,597</u>
Net Increase in Cash	0	0	0
Cash - July 1, 2017	<u>0</u>	<u>0</u>	<u>0</u>
Cash - June 30, 2018	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	87,266	32,985	120,251
Depreciation	110,778	88,407	199,185
(Increase)/Decrease in Receivables	(16,399)	(5,296)	(21,695)
(Increase)/Decrease in Inventory	941	(379)	562
(Increase)/Decrease in Deferred Outflows of Resources Related to the Town's Participation in VMERS	1,528	3,101	4,629
Increase/(Decrease) in Accounts Payable	4,311	(430)	3,881
Increase/(Decrease) in Accrued Payroll and Benefits Payable	(382)	118	(264)
Increase/(Decrease) in Unearned Revenue	675	0	675
Increase/(Decrease) in Compensated Absences Payable	196	869	1,065
Increase/(Decrease) in Net Pension Liability	1,162	176	1,338
Increase/(Decrease) in Deferred Inflows of Resources Related to the Town's Participation in VMERS	<u>721</u>	<u>445</u>	<u>1,166</u>
Net Cash Provided by Operating Activities	<u>\$ 190,797</u>	<u>\$ 119,996</u>	<u>\$ 310,793</u>

\$29,392 of capital assets are included in accounts payable as of June 30, 2017.

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	Private-Purpose Trust Fund Bowen Walker Fund	Agency Fund First Response Capital Fund
<u>ASSETS</u>		
Investments	\$ 28,628	\$ 0
Due from Other Funds	0	27,128
Total Assets	28,628	27,128
<u>LIABILITIES</u>		
Due to Others	0	27,128
Total Liabilities	0	27,128
<u>NET POSITION</u>		
Net Position:		
Restricted	28,628	0
Total Net Position	\$ 28,628	\$ 0

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, 2018

	Private-Purpose Trust Fund
	Bowen Walker Fund
Additions:	
Investment Income	\$ <u>328</u>
Total Additions	<u>328</u>
Deductions:	
Miscellaneous	<u>328</u>
Total Deductions	<u>328</u>
Change in Net Position	0
Net Position - June 30, 2017	<u>28,628</u>
Net Position - June 30, 2018	<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, 2018

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 activity of the Town of Pittsford, Vermont. The financial reporting entity consists of the primary government; organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. The primary government is financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board; a governing board appointed by a higher level of government; or a jointly appointed board. Based on these criteria, there are no other entities that should be combined with the financial statements of the Town.

B. Basis of Presentation

The accounts of the Town are organized and operated on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, 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, 2018

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.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Additionally, the Town reports the following fund types:

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

Agency Fund – This fund accounts for resources held by the Town in a purely custodial capacity for other governments, private organizations or individuals.

C. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide, proprietary and fiduciary fund 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, proprietary and fiduciary 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.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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.

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.

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

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 and 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. 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 from/to other funds balances.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

2. Investments

The Town invests in investments as allowed by State statute. Investments with readily determinable fair values are reported at their fair values. 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.

4. Internal Balances

Activity between funds that are representative of lending/borrowing arrangements that are outstanding at the end of the fiscal year are referred to as “advances from/to other funds”. All other outstanding balances between funds are reported as “due from/to other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

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.

TOWN OF PITTSFORD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018

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. These amounts are deferred and recognized as an outflow of resources in the future periods to which the outflows are related.

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. 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 acquisition 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 fiscal year ended June 30, 2004. The Town has elected to not report major general infrastructure assets retroactively.

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:

	Capitalization Threshold	Estimated Service Life
Land	\$ 1,000	Not Depreciated
Vehicles	5,000	5-20 Years
Computers	1,000	4-6 Years
Equipment	1,000	5-20 Years
Buildings and Building Improvements	5,000	40-100 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, 2018

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 the 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 and other obligations such as compensated absences and the Town's net 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 statements 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 Selectboard'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, 2018

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 other financing sources, 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 proceeds of long-term debt 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.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

The Town's cash, cash equivalents and investments as of June 30, 2018 consisted of the following:

Cash and Cash Equivalents:	
Deposits with Financial Institutions	\$1,544,793
Certificate of Deposit	98,379
Cash on Hand	<u>325</u>
Total Cash and Cash Equivalents	<u>1,643,497</u>
Investments:	
Certificates of Deposit	<u>30,647</u>
Total Cash, Cash Equivalents and Investments	<u>\$1,674,144</u>

The Town has three (3) certificates of deposit at Lake Sunapee Bank ranging from \$2,019 to \$98,380 with interest rates ranging from 0.3% to 1.144%. One of the certificates of deposit matures monthly and the other two by fiscal year 2021.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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 counterparty (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 its exposure to custodial credit risk. The following table 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	\$ 379,026	\$ 379,026
Uninsured, Collateralized by Irrevocable Stand-by Letter of Credit by the Federal Home Loan Bank of Boston	<u>1,294,793</u>	<u>1,376,369</u>
Total	<u>\$1,673,819</u>	<u>\$1,755,395</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	\$1,544,793
Cash Equivalents – Certificates of Deposit	98,379
Investments – Certificates of Deposit	<u>30,647</u>
Total	<u>\$1,673,819</u>

Interest Rate Risk

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

Credit Risk

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

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Concentration of Credit Risk

Concentration of credit risk is the risk that a large percentage of the Town's investments are held within one security. The Town does not have any limitations on the amount that can be invested in any one issuer. The Town's certificates of deposit are not subject to concentration of credit risk disclosure.

B. Receivables

Receivables as of June 30, 2018, 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 Receivable	\$ 143,203	\$ 0	\$ 143,203
Penalties and Interest Receivable	27,790	1,887	29,677
Grants Receivable	4,853	0	4,853
Accounts Receivable	9,154	1,548	10,702
Billed Services	1,800	314,420	316,220
Allowance for Doubtful Accounts - Taxes	(5,000)	0	(5,000)
Total	\$ 181,800	\$ 317,855	\$ 499,655

C. Loans Receivable

Loans receivable as of June 30, 2018 are as follows:

Governmental Activities:

Well Drilling Fund:

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.	\$63,600
Less: Allowance for Doubtful Accounts	<u>(6,000)</u>
Total Governmental Loans Receivable	<u>57,600</u>

Business-Type Activities:

Sewer Fund:

Loan Receivable, One (1) Loan to a Local Business for the Installation of a Grease Trap, Original Loan of \$8,500, \$425 Due Quarterly for Five Years, Interest at 0%, Due September, 2021, Secured by Lien on Property.	<u>5,950</u>
Total Loans Receivable	<u>\$63,550</u>

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

An analysis of the change in Governmental Activities/Well Drilling Fund loans receivable is as follows:

<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2018</u>
\$ <u>78,035</u>	\$ <u>0</u>	\$ <u>14,435</u>	\$ <u>63,600</u>

An analysis of the change in Business-type Activities/Sewer Fund loans receivable is as follows:

<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2018</u>
\$ <u>7,225</u>	\$ <u>0</u>	\$ <u>1,275</u>	\$ <u>5,950</u>

D. Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 103,699	\$ 0	\$ 0	\$ 103,699
Construction in Progress	6,700	134,508	0	141,208
Total Capital Assets, Not Being Depreciated	<u>110,399</u>	<u>134,508</u>	<u>0</u>	<u>244,907</u>
Capital Assets, Being Depreciated:				
Vehicles	2,161,398	185,438	146,051	2,200,785
Computers	30,010	3,216	0	33,226
Equipment	459,801	61,732	7,162	514,371
Buildings and Building Improvements	1,002,015	4,975	0	1,006,990
Infrastructure	7,326,309	214,226	150,735	7,389,800
Totals	<u>10,979,533</u>	<u>469,587</u>	<u>303,948</u>	<u>11,145,172</u>
Less Accumulated Depreciation for:				
Vehicles	912,423	112,694	124,041	901,076
Computers	14,998	4,684	0	19,682
Equipment	282,617	29,174	3,859	307,932
Buildings and Building Improvements	392,420	20,813	0	413,233
Infrastructure	2,535,468	346,675	138,893	2,743,250
Totals	<u>4,137,926</u>	<u>514,040</u>	<u>266,793</u>	<u>4,385,173</u>
Total Capital Assets, Being Depreciated	<u>6,841,607</u>	<u>(44,453)</u>	<u>37,155</u>	<u>6,759,999</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,952,006</u>	<u>\$ 90,055</u>	<u>\$ 37,155</u>	<u>\$ 7,004,906</u>

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 68,355	\$ 0	\$ 0	\$ 68,355
Construction in Progress	70,125	23,791	28,408	65,508
Total Capital Assets, Not Being Depreciated	138,480	23,791	28,408	133,863
Capital Assets, Being Depreciated:				
Vehicles	94,435	0	0	94,435
Buildings and Building Improvements	2,661,312	42,812	0	2,704,124
Distribution and Collection Systems	8,842,319	19,500	0	8,861,819
Totals	11,598,066	62,312	0	11,660,378
Less Accumulated Depreciation for:				
Vehicles	19,927	8,461	0	28,388
Buildings and Building Improvements	599,646	58,577	0	658,223
Distribution and Collection Systems	1,754,641	132,147	0	1,886,788
Totals	2,374,214	199,185	0	2,573,399
Total Capital Assets, Being Depreciated	9,223,852	(136,873)	0	9,086,979
Business-type Activities Capital Assets, Net	\$ 9,362,332	\$ (113,082)	\$ 28,408	\$ 9,220,842

Depreciation was charged as follows:

Governmental Activities:		Business-type Activities:	
General Government	\$ 16,168	Water	\$ 110,778
Public Safety	81,161	Sewer	<u>88,407</u>
Highways and Streets	407,616		
Culture and Recreation	7,817		
Sanitation	<u>1,278</u>		
Total Depreciation Expense - Governmental Activities	\$ 514,040	Total Depreciation Expense - Business-type Activities	\$ 199,185

E. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2018 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 0	\$ 1,431,662
Highway Fund	61,117	0
Non-Major Governmental Funds	1,294,599	27,207
Water Fund	367,284	0
Sewer Fund	0	291,259
Agency Fund	<u>27,128</u>	<u>0</u>
Total	\$ 1,750,128	\$ 1,750,128

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Interfund transfers during the year ended June 30, 2018 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Municipal Office Fund	\$ 7,000	Appropriation
General Fund	Fire Department Fund	70,000	Appropriation
General Fund	Patrol Car Fund	10,000	Appropriation
General Fund	Mower Replacement Fund	3,000	Appropriation
General Fund	Cemetery Development Fund	2,000	Appropriation
Highway Fund	Bridge Reserve Fund	50,000	Appropriation
Highway Fund	Highway Capital Fund	100,000	Appropriation
State Planning Grants Fund	General Fund	7,808	Move Fund Balance to General Fund
Belcher Mericle Fund	General Fund	23	Transfer Earnings
Bridge Reserve Fund	Highway Fund	<u>12,140</u>	Fund Local Grant Match
Total		<u>\$ 261,971</u>	

In addition, the Sewer Fund transferred \$4,750 to the Water Fund for its annual use of its utility truck.

F. Deferred Outflows of Resources

Deferred outflows of resources in the Governmental Activities consists of \$2,454 from the difference between the expected and actual experience, \$35,295 from changes in assumptions, \$28,082 from the difference between the projected and actual investment earnings, \$61 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 \$23,906 of required employer pension contributions subsequent to the measurement date, as further described in Note V.A. Total deferred outflows of resources in the Governmental Activities is \$89,798.

Deferred outflows of resources in the Business-type Activities consists of \$448 from the difference between the expected and actual experience, \$6,445 from changes in assumptions, \$5,126 from the difference between the projected and actual investment earnings, \$12 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 \$4,366 of required employer pension contributions subsequent to the measurement date, as further described in Note V.A. Total deferred outflows of resources in the Business-type Activities is \$16,397.

Deferred outflows of resources in the Water Fund consists of \$338 from the difference between the expected and actual experience, \$4,867 from changes in assumptions, \$3,872 from the difference between the projected and actual investment earnings, \$9 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 \$3,297 of required employer pension contributions subsequent to the measurement date, as further described in Note V.A. Total deferred outflows of resources in the Water Fund is \$12,383.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Deferred outflows of resources in the Sewer Fund consists of \$110 from the difference between the expected and actual experience, \$1,578 from changes in assumptions, \$1,254 from the difference between the projected and actual investment earnings, \$3 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 \$1,069 of required employer pension contributions subsequent to the measurement date, as further described in Note V.A. Total deferred outflows of resources in the Sewer Fund is \$4,014.

G. Unearned Revenue

Unearned revenue in the General Fund consists of \$9,725 of recreation fees received in advance.

H. Deferred Inflows of Resources

Deferred inflows of resources in the Governmental Activities consists of \$30,169 of prepaid property taxes, \$4,023 from the difference between the expected and actual experience and \$3,163 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), as further described in Note V.A. Total deferred inflows of resources in the Governmental Activities is \$37,355.

Deferred inflows of resources in the Business-type Activities consists of \$913 from the difference between the expected and actual experience and \$717 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), as further described in Note V.A. Total deferred inflows of resources in the Business-type Activities is \$1,630.

Deferred inflows of resources in the General Fund consists of \$156,500 of delinquent property taxes, penalties and interest on those taxes not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. It also includes \$30,169 of prepaid property taxes. Total deferred inflows of resources in the General Fund is \$186,669.

Deferred inflows of resources in the Non-Major Governmental Funds consists of \$57,600 of loans receivable and \$4,314 of grant receivables not collected within sixty (60) days after year end as these would not be available to liquidate current liabilities. Total deferred inflows of resources in the non-major Governmental Funds is \$61,914.

Deferred inflows of resources in the Water Fund consists of \$576 from the difference between the expected and actual experience and \$452 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), as further described in Note V.A. Total deferred inflows of resources in the Water Fund is \$1,028.

Deferred inflows of resources in the Sewer Fund consists of \$337 from the difference between the expected and actual experience and \$265 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), as further described in Note V.A. Total deferred inflows of resources in the Sewer Fund is \$602.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

I. Long-term Liabilities

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 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. Refunding bonds are issued for various terms based on the debt service of the debt refunded.

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.

The United States Department of Agriculture (USDA) offers a number of low interest loan programs for various purposes. The Town has borrowed money from the USDA for water and sewer system improvements.

The State of Vermont offers a number of no-interest revolving loan programs to utilize for predetermined purposes. The Town has borrowed money from the State of Vermont Special Environmental Revolving Fund for sewer projects and to fund water drilling loan programs.

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.

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.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Long-term liabilities outstanding as of June 30, 2018 were as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Highway Improvements, Principal Payments of \$85,000 Payable on December 1 Annually, Interest at 5.02% Payable on June 1 and December 1, Due December, 2019	\$255,000	\$ 0	\$ 85,000	\$170,000
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water Drilling Loan Program, Principal Payments of \$14,176 Payable on December 1 Annually, 0% Interest, Due December, 2023	99,232	0	14,176	85,056
Capital Lease Payable – Ally Financial, Police Vehicle, Principal and Interest Payments of \$5,769 Due on December 1 Annually, Interest at 6.39%, Due December 1, 2019, However Paid Off in October, 2017	<u>15,310</u>	<u>0</u>	<u>15,310</u>	<u>0</u>
Total Governmental Activities	<u>\$369,542</u>	<u>\$ 0</u>	<u>\$114,486</u>	<u>\$255,056</u>

Business-type Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Pittsford Water System Improvements, Principal Payments Ranging from \$2,667 to \$17,426 Payable on December 1 Annually, Interest Ranging from 5.7% to 7.7% Payable on June 1 and December 1, Due December, 2018	\$ 33,546	\$ 0	\$ 16,120	\$ 17,426
Bond Payable, Vermont Municipal Bond Bank, Florence Water System Improvements, Principal Payments Ranging from \$584 to \$3,673 Payable on December 1 Annually, Interest Ranging from 5.7% to 7.7% Payable on June 1 and December 1, Due December, 2018	7,076 (49)	0	3,402	3,674

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, USDA Rural Development, Water System Improvements, Principal and Interest Payments of \$58,318 Payable on June 23 and December 23, Interest at 3.25%, Due June, 2050	\$2,349,691	\$ 0	\$ 40,595	\$2,309,096
Bond Payable, USDA Rural Development, System Improvements, Principal and Interest Payments of \$3,187 Payable on May 15 and November 15, Interest at 2.75%, Due November, 2053	146,180	0	2,370	143,810
Bond Payable, Vermont Municipal Bond Bank, Water Supply Improvements Authorized to \$10,000, Principal Payments of \$2,000 Payable on December 1 Annually Beginning December, 2019, Due December, 2023	1,005	7,245	0	8,250
Bond Payable, State of Vermont Special Environmental Revolving Fund, Pollution Control Loan, Sewer Line Upgrades, Principal Payments of \$8,944 Payable on October 1 Annually, 0% Interest, Due October, 2019	26,831	0	8,944	17,887
Bond Payable, Vermont Municipal Bond Bank, Sewer System Improvements, Principal Payments Ranging from \$17,647 to \$36,707 Payable on December 1 Annually, Interest at 3.93% Payable on June 1 and December 1, Due December, 2031	426,242	0	21,398	404,844
Bond Payable, Vermont Municipal Bond Bank, Sewer System Improvements, Principal Payments Ranging from \$5,430 to \$11,294 Payable on December 1 Annually, Interest at 3.93% Payable on June 1 and December 1, Due December, 2031	131,151	0	6,584	124,567

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, USDA Rural Development, Sewer System Improvements, Principal and Interest Payments of \$30,541 Payable on February 1 and August 1, Interest at 2.75%, Due August, 2042	\$ <u>1,114,089</u>	\$ <u>0</u>	\$ <u>30,658</u>	\$ <u>1,083,431</u>
Total Business-type Activities	\$ <u>4,235,811</u>	\$ <u>7,245</u>	\$ <u>130,071</u>	\$ <u>4,112,985</u>

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
General Obligation Bonds Payable	\$ 354,232	\$ 0	\$ 99,176	\$ 255,056	\$ 99,176
Capital Lease Payable	15,310	0	15,310	0	0
Compensated Absences Payable	47,986	0	6,055	41,931	0
Net Pension Liability	<u>183,182</u>	<u>0</u>	<u>18,484</u>	<u>164,698</u>	<u>0</u>
Total Governmental Activities					
Long-term Liabilities	\$ <u>600,710</u>	\$ <u>0</u>	\$ <u>139,025</u>	\$ <u>461,685</u>	\$ <u>99,176</u>
Business-type Activities					
General Obligation Bonds Payable	\$ 4,235,811	\$ 7,245	\$ 130,071	\$ 4,112,985	\$ 134,992
Compensated Absences Payable	13,727	1,065	0	14,792	0
Net Pension Liability	<u>33,345</u>	<u>1,338</u>	<u>0</u>	<u>34,683</u>	<u>0</u>
Total Business-type Activities					
Long-term Liabilities	\$ <u>4,282,883</u>	\$ <u>9,648</u>	\$ <u>130,071</u>	\$ <u>4,162,460</u>	\$ <u>134,992</u>

Compensated absences and required contributions to the pension plans are paid by the applicable fund where the employee is charged.

The change in the net pension liability is allocated to the function where the employee is charged.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Debt service requirements to maturity are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 99,176	\$ 3,876	\$ 134,992	\$ 126,004
2020	99,176	2,301	125,600	124,980
2021	14,176	0	111,977	121,385
2022	14,176	0	115,669	117,669
2023	14,176	0	119,486	113,828
2024-2028	14,176	0	659,316	506,833
2029-2033	0	0	726,056	389,472
2034-2038	0	0	633,205	287,255
2039-2043	0	0	705,338	184,231
2044-2048	0	0	526,623	88,427
2049-2053	0	0	245,576	11,530
2054-2058	0	0	9,147	251
Total	\$ <u>255,056</u>	\$ <u>6,177</u>	\$ <u>4,112,985</u>	\$ <u>2,071,865</u>

The Town refinanced the highway improvements bond. The savings is being applied to interest payments and will result in a refund of interest.

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

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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	\$ 5,466
Nonspendable Inventory	<u>906</u>
Total General Fund	<u>6,372</u>

Highway Fund:

Nonspendable Inventory	<u>29,935</u>
------------------------	---------------

Non-Major Funds

Permanent Fund:

Nonspendable Belcher Mericle Fund Principal	<u>1,250</u>
Total Nonspendable Fund Balances	<u>\$37,557</u>

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

Major Funds

Highway Fund:

Restricted for Highway Expenditures by Statute (Source of Revenue is Highway Property Taxes and State Highway Aid)	<u>\$ 34,748</u>
--	------------------

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Non-Major Funds

Special Revenue Funds:

Restricted for Records Preservation Expenses by Statute (Source of Revenue is Restoration Fees)	\$ 53,011
Restricted for Veterans Memorial Expenses by Donations (Source of Revenue is Donations)	1,441
Restricted for William Dennison Expenses by Trust Agreement (Source of Revenue is Donations)	98,379
Restricted for Well Drilling Debt Service by Debt Agreement (Source of Revenue is Debt Proceeds)	<u>17,375</u>
Total Special Revenue Funds	<u>170,206</u>

Capital Projects Funds:

Restricted for Highway Expenditures by Statute (Source of Revenue is Highway Property Taxes) – Designated for Bridge Expenditures	435,001
Restricted for Highway Expenditures by Statute (Source of Revenue is Highway Property Taxes) – Designated for Highway Capital Expenditures	<u>293,820</u>
Total Capital Projects Funds	<u>728,821</u>

Permanent Fund:

Restricted for Belcher Mericle Expenses by Trust Agreement – Expendable Portion	<u>769</u>
--	------------

Total Non-Major Funds	<u>899,796</u>
Total Restricted Fund Balances	<u>\$934,544</u>

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

Non-Major Funds

Special Revenue Funds:

Committed for Village Expenses by the Voters	\$ <u>20,530</u>
--	------------------

Capital Projects Funds:

Committed for Fire Department Expenses by the Voters	284,285
Committed for Mower Replacement Expenses by the Voters	14,174
Committed for Cemetery Development Expenses by the Voters	<u>44,276</u>

Total Capital Projects Funds	<u>342,735</u>
Total Committed Fund Balances	<u>\$363,265</u>

TOWN OF PITTSFORD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018

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

General Fund

Assigned for Trail Expenses	\$ <u>4,572</u>
-----------------------------	-----------------

Non-Major Funds

Special Revenue Funds:

Assigned for Reappraisal Expenses	124,332
-----------------------------------	---------

Total Assigned Fund Balances	\$ <u>128,904</u>
------------------------------	-------------------

The unassigned deficit of \$10,937 in the Municipal Office Fund will be funded with future transfers from the General Fund.

The unassigned deficit of \$16,270 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, 2018 consisted of the following:

Governmental Activities:

Inventories Restricted for Highway Use by Statute	\$ 29,935
Restricted for Highway Expenditures by Statute	763,569
Restricted for Records Preservation Expenses by Statute	53,011
Restricted for Veterans Memorial Expenses by Donations	1,441
Restricted for William Dennison Expenses by Trust Agreement	98,379
Restricted for Belcher Mericle Expenses by Trust Agreement	
– Non-Expendable Portion	1,250
Restricted for Belcher Mericle Expenses by Trust Agreement	
– Expendable Portion	<u>769</u>

Total Governmental Activities	\$ <u>948,354</u>
-------------------------------	-------------------

The designated net position of the Town as of June 30, 2018 consisted of the following:

Business-type Activities:

Water Fund:

Designated for Water Operations	\$ 224,614
Designated for Water Capital – Improvements	279,077
Designated for Water Capital – Vehicle	<u>9,659</u>

Total Water Fund	<u>513,350</u>
------------------	----------------

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Sewer Fund:	
Designated for Sewer Capital – Improvements	\$ 89,772
Designated in Excess of Unrestricted Net Position	<u>(89,772)</u>
Total Sewer Fund	<u> 0</u>
Total Business-type Activities	<u>\$ 513,350</u>

The unrestricted deficit in the Sewer Fund of \$172,599 will be funded in future years with additional revenues.

V. OTHER INFORMATION

A. PENSION PLAN

Defined Benefit Plans

The Vermont Municipal Employees' Retirement System (VMERS)

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, 2018, the retirement system consisted of 423 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, 2018

Pension Liability, Pension Expense and Deferred Outflows of Resources

As of June 30, 2017, the measurement date selected by the State of Vermont, VMERS was funded at 83.64% and had a plan fiduciary net position of \$619,510,342 and a total pension liability of \$740,665,894 resulting in a net position liability of \$121,155,552. As of June 30, 2018, the Town's proportionate share of this was 0.1646% resulting in a net pension liability of \$199,381. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. As of June 30, 2017, the Town's proportion of 0.1646% was a decrease of 0.0037 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Town recognized pension expense of \$47,190.

As of June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,901	\$ 4,936
Changes in assumptions	41,740	0
Difference between projected and actual investment earnings	33,208	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	74	3,880
Town's required employer contributions made subsequent to the measurement date	28,272	0
	\$ 106,195	\$ 8,816

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of \$28,272 will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Year Ending <u>June 30</u>	
2019	\$24,908
2020	36,414
2021	9,817
2022	<u>(2,032)</u>
Total	<u>\$69,107</u>

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 the 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.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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.

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%.

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

Investment Rate of Return: 7.50%, net of pension plan investment expenses, including inflation, a decrease from 7.95% in the prior year.

Salary increases: 5% per year.

Mortality – The mortality tables were updated for the current year from variations of RP-2000 with static projection to variations of RP-2014 with generational improvement:

Death in Active Service: Group A – 98% of RP-2014 blended 60% Blue Collar Employee, 40% Healthy Employee with generational projection using Scale SSA-2017.

Healthy Post-Retirement: Group A – 98% of RP-2014 blended 60% Blue Collar Annuitant, 40% Healthy Annuitant with generational projection using Scale SSA-2017.

Disabled Post-Retirement: Group A – RP-2014 Disabled Mortality Table with generational projection using Scale SSA-2017.

Spouse's Age: Females three years younger than males.

Cost-of-Living Adjustments: Assumed to occur on January 1 following one year of retirement at the rate of 1.15% per annum for Group A members (beginning at normal retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Group A who receive a disability retirement benefit). The January 1, 2018 COLA is assumed to be 0.75% for all groups.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Actuarial Cost Method: Entry age actuarial cost method. Entry age is the age at date of employment or, if date is unknown, current age minus years of service. Normal cost and actuarial accrued liability are calculated on an individual basis and are allocated by salary, with normal cost determined using the plan of benefits applicable to each participant.

Actuarial Value of Assets: 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 market value of assets by more than 20%.

Inflation: 2.50%, a decrease from 3% in the prior year.

Long-term Expected Rate of Return:

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Equity	16%	6.07%
Non-US Equity	16%	7.42%
Global Equity	9%	6.85%
Real Estate	8%	4.62%
Private Markets	15%	7.80%
Hedge Funds	8%	3.95%
Risk Parity	4%	4.84%

Discount Rate – The discount rate used to measure the total pension liability was 7.50%, a decrease from 7.95% in the prior year. In accordance with paragraph 29 of GASB 68, professional judgement was applied to determine that the System's projected fiduciary net position exceeds projected benefit payments for current active and inactive members for all years. The analysis was based on the expectation that employers will continue to contribute at the rates set by the Board, which exceed the actuarially determined contribution, which is comprised on an employer normal cost payment and a payment to reduce the unfunded liability to zero by June 30, 2038. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.50%) or one percent higher (8.50%):

<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
\$355,981	\$199,381	\$69,506

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, 2018 was \$1,020.

B. RISK MANAGEMENT

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

The Town is also a member of the Vermont League of Cities and Towns Employment Resource and Benefits Trust. The Trust is a nonprofit corporation formed to provide unemployment coverage and other employment benefits for Vermont municipalities and is owned by the participating members. The agreement does not permit the Trust to make additional assessments to its members. The Town has only elected unemployment coverage with the Trust.

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018, taxes were due and payable on August 10, 2017, September 10, 2017 and November 13, 2017. The Town assesses a 2% penalty on delinquent taxes when the account is delinquent for 10 days and then another 6% for accounts greater than 10 days delinquent and interest is charged at one percent (1%) per month after the taxes become delinquent on November 11, 2017. Unpaid taxes become an enforceable lien on the property and such properties are subject to tax sale. The tax rates for 2018 were as follows:

	<u>Residential</u>	<u>Non-Residential</u>
Town	.3223	.3223
Highway	.2546	.2546
Local Agreement	.0025	.0025
Education	<u>1.4512</u>	<u>1.5095</u>
 Total	 <u>2.0306</u>	 <u>2.0889</u>

A separate tax rate of .0398 was billed to taxpayers who lived within the Village limits.

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, 2018, the Town has drawn \$141,760 of this amount and repaid \$56,704 leaving a balance owed of \$85,056.

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 the District experiences financial problems.

E. CONCENTRATION OF REVENUE

The Town receives a major portion of its revenue from OMYA, Inc. For the year ended June 30, 2018, the Town received 22.7% of its total property taxes and 27.22% 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, 2018

	2018	2017	2016	2015
Total Plan Net Pension Liability	\$ 121,155,552	\$ 128,696,167	\$ 77,095,810	\$ 9,126,613
Town's Proportion of the Net Pension Liability	0.1646%	0.1683%	0.1762%	0.1778%
Town's Proportionate Share of the Net Pension Liability	\$ 199,381	\$ 216,527	\$ 135,812	\$ 16,229
Town's Covered Employee Payroll	\$ 706,788	\$ 671,880	\$ 639,266	\$ 615,601
Town's Proportionate Share of the Net Pension Liability as a Percentage of Town's Covered Employee Payroll	28.2094%	32.2270%	21.2450%	2.6363%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.64%	80.95%	87.42%	98.32%

Notes to Schedule

Benefit Changes: None.

Changes in Assumptions and Methods: The following changes were effective for the June 30, 2017 valuation date:

- Assumed inflation was lowered from 3.0% to 2.5%.
- The investment return assumption was lowered from 7.95% to 7.50%.
- Assumed COLA increases were lowered from 1.50% to 1.15% for Group A members and from 1.80% to 1.3% for Group B, C and D members.
- The mortality tables were updated from variations of RP-2000 with static projection to variations of RP-2014 with generational improvement.

Fiscal year 2015 was the first year of implementation, therefore, only four years are shown.

TOWN OF PITTSFORD, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 VMERS DEFINED BENEFIT PLAN
 FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017	2016	2015
Contractually Required Contribution (Actuarially Determined)	\$ 28,272	\$ 26,875	\$ 25,571	\$ 24,624
Contributions in Relation to the Actuarially Determined Contributions	<u>28,272</u>	<u>26,875</u>	<u>25,571</u>	<u>24,624</u>
Contribution Excess/(Deficiency)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Town's Covered Employee Payroll	\$ 706,788	\$ 671,880	\$ 639,266	\$ 615,601
Contributions as a Percentage of Town's Covered Employee Payroll	4.000%	4.000%	4.000%	4.000%

Notes to Schedule

Valuation Date: June 30, 2017

Fiscal year 2015 was the first year of implementation, therefore, only four years are shown.

TOWN OF PITTSFORD, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2018

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Belcher Mericle Fund	Total
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 98,379	\$ 0	\$ 0	\$ 98,379
Investments	0	0	2,019	2,019
Due from Other Funds	217,802	1,076,797	0	1,294,599
Receivables	0	4,314	0	4,314
Loans Receivable	<u>57,600</u>	<u>0</u>	<u>0</u>	<u>57,600</u>
Total Assets	<u>\$ 373,781</u>	<u>\$ 1,081,111</u>	<u>\$ 2,019</u>	<u>\$ 1,456,911</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,113	\$ 5,241	\$ 0	\$ 6,354
Due to Other Funds	<u>0</u>	<u>27,207</u>	<u>0</u>	<u>27,207</u>
Total Liabilities	<u>1,113</u>	<u>32,448</u>	<u>0</u>	<u>33,561</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Grant Income	0	4,314	0	4,314
Unavailable Loans Receivable	<u>57,600</u>	<u>0</u>	<u>0</u>	<u>57,600</u>
Total Deferred Inflows of Resources	<u>57,600</u>	<u>4,314</u>	<u>0</u>	<u>61,914</u>
<u>FUND BALANCES</u>				
Nonspendable	0	0	1,250	1,250
Restricted	170,206	728,821	769	899,796
Committed	20,530	342,735	0	363,265
Assigned	124,332	0	0	124,332
Unassigned/(Deficit)	<u>0</u>	<u>(27,207)</u>	<u>0</u>	<u>(27,207)</u>
Total Fund Balances	<u>315,068</u>	<u>1,044,349</u>	<u>2,019</u>	<u>1,361,436</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 373,781</u>	<u>\$ 1,081,111</u>	<u>\$ 2,019</u>	<u>\$ 1,456,911</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF PITTSFORD, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Belcher Mericle Fund	Total
Revenues:				
Property Taxes	\$ 17,000	\$ 0	\$ 0	\$ 17,000
Intergovernmental	13,955	0	0	13,955
Permits, Licenses and Fees	5,272	0	0	5,272
Loan Repayments	14,435	0	0	14,435
Investment Income	1,964	7,566	23	9,553
Donations	2,340	0	0	2,340
Total Revenues	<u>54,966</u>	<u>7,566</u>	<u>23</u>	<u>62,555</u>
Expenditures:				
General Government	15,677	0	0	15,677
Capital Outlay:				
General Government	0	18,110	0	18,110
Highways and Streets	0	160,242	0	160,242
Culture and Recreation	0	11,000	0	11,000
Debt Service:				
Principal	14,176	15,310	0	29,486
Interest	0	118	0	118
Total Expenditures	<u>29,853</u>	<u>204,780</u>	<u>0</u>	<u>234,633</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>25,113</u>	<u>(197,214)</u>	<u>23</u>	<u>(172,078)</u>
Other Financing Sources/(Uses):				
Transfers In	0	242,000	0	242,000
Transfer Out	(7,808)	(12,140)	(23)	(19,971)
Total Other Financing Sources/(Uses)	<u>(7,808)</u>	<u>229,860</u>	<u>(23)</u>	<u>222,029</u>
Net Change in Fund Balances	17,305	32,646	0	49,951
Fund Balances - July 1, 2017	<u>297,763</u>	<u>1,011,703</u>	<u>2,019</u>	<u>1,311,485</u>
Fund Balances - June 30, 2018	<u>\$ 315,068</u>	<u>\$ 1,044,349</u>	<u>\$ 2,019</u>	<u>\$ 1,361,436</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF PITTSFORD, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	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>								
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 98,379	\$ 0	\$ 98,379
Due from Other Funds	21,643	124,332	0	53,011	1,441	0	17,375	217,802
Loans Receivable (Net of Allowance for Uncollectibles)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>57,600</u>	<u>57,600</u>
Total Assets	<u>\$ 21,643</u>	<u>\$ 124,332</u>	<u>\$ 0</u>	<u>\$ 53,011</u>	<u>\$ 1,441</u>	<u>\$ 98,379</u>	<u>\$ 74,975</u>	<u>\$ 373,781</u>
<u>LIABILITIES</u>								
Accounts Payable	<u>\$ 1,113</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,113</u>
Total Liabilities	<u>1,113</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,113</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>57,600</u>	<u>57,600</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>57,600</u>	<u>57,600</u>
<u>FUND BALANCES</u>								
Restricted	0	0	0	53,011	1,441	98,379	17,375	170,206
Committed	20,530	0	0	0	0	0	0	20,530
Assigned	<u>0</u>	<u>124,332</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>124,332</u>
Total Fund Balances	<u>20,530</u>	<u>124,332</u>	<u>0</u>	<u>53,011</u>	<u>1,441</u>	<u>98,379</u>	<u>17,375</u>	<u>315,068</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 21,643</u>	<u>\$ 124,332</u>	<u>\$ 0</u>	<u>\$ 53,011</u>	<u>\$ 1,441</u>	<u>\$ 98,379</u>	<u>\$ 74,975</u>	<u>\$ 373,781</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF PITTSFORD, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	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	\$ 17,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,000
Intergovernmental	0	13,955	0	0	0	0	0	13,955
Permits, Licenses and Fees	0	0	0	5,272	0	0	0	5,272
Loan Repayments	0	0	0	0	0	0	14,435	14,435
Investment Income/(Loss)	162	792	0	352	11	539	108	1,964
Donations	0	0	0	0	2,340	0	0	2,340
Total Revenues	<u>17,162</u>	<u>14,747</u>	<u>0</u>	<u>5,624</u>	<u>2,351</u>	<u>539</u>	<u>14,543</u>	<u>54,966</u>
Expenditures:								
General Government	14,352	0	87	0	1,238	0	0	15,677
Debt Service:								
Principal	0	0	0	0	0	0	14,176	14,176
Total Expenditures	<u>14,352</u>	<u>0</u>	<u>87</u>	<u>0</u>	<u>1,238</u>	<u>0</u>	<u>14,176</u>	<u>29,853</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>2,810</u>	<u>14,747</u>	<u>(87)</u>	<u>5,624</u>	<u>1,113</u>	<u>539</u>	<u>367</u>	<u>25,113</u>
Other Financing Sources/(Uses):								
Transfers Out	0	0	(7,808)	0	0	0	0	(7,808)
Total Other Financing Sources/(Uses)	<u>0</u>	<u>0</u>	<u>(7,808)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(7,808)</u>
Net Change in Fund Balances	<u>2,810</u>	<u>14,747</u>	<u>(7,895)</u>	<u>5,624</u>	<u>1,113</u>	<u>539</u>	<u>367</u>	<u>17,305</u>
Fund Balances - July 1, 2017	<u>17,720</u>	<u>109,585</u>	<u>7,895</u>	<u>47,387</u>	<u>328</u>	<u>97,840</u>	<u>17,008</u>	<u>297,763</u>
Fund Balances - June 30, 2018	<u>\$ 20,530</u>	<u>\$ 124,332</u>	<u>\$ 0</u>	<u>\$ 53,011</u>	<u>\$ 1,441</u>	<u>\$ 98,379</u>	<u>\$ 17,375</u>	<u>\$ 315,068</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF PITTSFORD, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2018

	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	\$ 435,001	\$ 0	\$ 284,285	\$ 0	\$ 14,174	\$ 44,276	\$ 299,061	\$ 1,076,797
Receivables	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,314</u>	<u>4,314</u>
Total Assets	<u>\$ 435,001</u>	<u>\$ 0</u>	<u>\$ 284,285</u>	<u>\$ 0</u>	<u>\$ 14,174</u>	<u>\$ 44,276</u>	<u>\$ 303,375</u>	<u>\$ 1,081,111</u>
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,241	\$ 5,241
Due to Other Funds	<u>0</u>	<u>10,937</u>	<u>0</u>	<u>16,270</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,207</u>
Total Liabilities	<u>0</u>	<u>10,937</u>	<u>0</u>	<u>16,270</u>	<u>0</u>	<u>0</u>	<u>5,241</u>	<u>32,448</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>								
Unavailable Grant Income	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>4,314</u>	\$ <u>4,314</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>4,314</u>	<u>4,314</u>
Fund Balances/(Deficit):								
Restricted	435,001	0	0	0	0	0	293,820	728,821
Committed	0	0	284,285	0	14,174	44,276	0	342,735
Unassigned/(Deficit)	<u>0</u>	<u>(10,937)</u>	<u>0</u>	<u>(16,270)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(27,207)</u>
Total Fund Balances/(Deficit)	<u>435,001</u>	<u>(10,937)</u>	<u>284,285</u>	<u>(16,270)</u>	<u>14,174</u>	<u>44,276</u>	<u>293,820</u>	<u>1,044,349</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 435,001</u>	<u>\$ 0</u>	<u>\$ 284,285</u>	<u>\$ 0</u>	<u>\$ 14,174</u>	<u>\$ 44,276</u>	<u>\$ 303,375</u>	<u>\$ 1,081,111</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF PITTSFORD, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NON-MAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Bridge Reserve Fund	Municipal Office Fund	Fire Department Fund	Patrol Car Fund	Mower Replacement Fund	Cemetery Development Fund	Highway Capital Fund	Total
Revenues:								
Investment Income/(Loss)	\$ 2,946	\$ 7	\$ 1,752	\$ 0	\$ 146	\$ 301	\$ 2,414	\$ 7,566
Total Revenues	<u>2,946</u>	<u>7</u>	<u>1,752</u>	<u>0</u>	<u>146</u>	<u>301</u>	<u>2,414</u>	<u>7,566</u>
Expenditures:								
Capital Outlay:								
General Government	0	18,110	0	0	0	0	0	18,110
Highways and Streets	0	0	0	0	0	0	160,242	160,242
Culture and Recreation	0	0	0	0	11,000	0	0	11,000
Debt Service:								
Principal	0	0	0	15,310	0	0	0	15,310
Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>118</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>118</u>
Total Expenditures	<u>0</u>	<u>18,110</u>	<u>0</u>	<u>15,428</u>	<u>11,000</u>	<u>0</u>	<u>160,242</u>	<u>204,780</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>2,946</u>	<u>(18,103)</u>	<u>1,752</u>	<u>(15,428)</u>	<u>(10,854)</u>	<u>301</u>	<u>(157,828)</u>	<u>(197,214)</u>
Other Financing Sources/(Uses):								
Transfers In	50,000	7,000	70,000	10,000	3,000	2,000	100,000	242,000
Transfers Out	<u>(12,140)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(12,140)</u>
Total Other Financing Sources/(Uses)	<u>37,860</u>	<u>7,000</u>	<u>70,000</u>	<u>10,000</u>	<u>3,000</u>	<u>2,000</u>	<u>100,000</u>	<u>229,860</u>
Net Change in Fund Balances	40,806	(11,103)	71,752	(5,428)	(7,854)	2,301	(57,828)	32,646
Fund Balances/(Deficit) - July 1, 2017	<u>394,195</u>	<u>166</u>	<u>212,533</u>	<u>(10,842)</u>	<u>22,028</u>	<u>41,975</u>	<u>351,648</u>	<u>1,011,703</u>
Fund Balances/(Deficit) - June 30, 2018	<u>\$ 435,001</u>	<u>\$ (10,937)</u>	<u>\$ 284,285</u>	<u>\$ (16,270)</u>	<u>\$ 14,174</u>	<u>\$ 44,276</u>	<u>\$ 293,820</u>	<u>\$ 1,044,349</u>

See Disclaimer in Accompanying Independent Auditor's Report.

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

77 Barre Street
P.O. Box 947
Montpelier, VT 05601
802/223-2352
www.sullivanpowers.com

Fred Duplessis, CPA
Richard J. Brigham, CPA
Chad A. Hewitt, CPA
Wendy C. Gilwee, CPA
VT Lic. #92-000180

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, 2018, 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 14, 2019.

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.

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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weaknesses, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

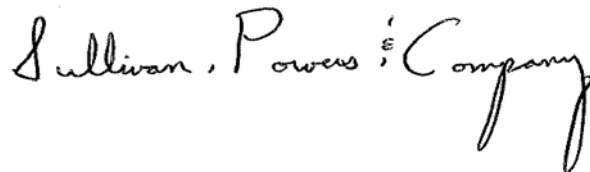
As part of obtaining reasonable assurance about whether the Town of Pittsford, Vermont's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a 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".

However, we have noted certain other matters that we reported in a separate letter to the management of the Town of Pittsford, Vermont dated February 14, 2019.

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 14, 2019
Montpelier, Vermont
VT Lic. #92-000180

A handwritten signature in black ink that reads "Sullivan, Powers & Company". The signature is written in a cursive style with a large, stylized 'S' and 'C'.