

TOWN OF PITTSFORD, VERMONT

AUDIT REPORT

JUNE 30, 2014

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

Board of Selectmen
Town of Pittsford
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, 2014 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.

Members of The American Institute and Vermont Society of Certified Public Accountants

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

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-activities, each major fund, and the aggregate remaining fund information of the Town of Pittsford, Vermont as of June 30, 2014 and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, the Highway Fund and the Village Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

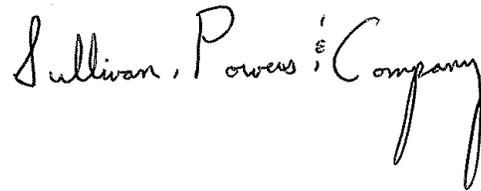
Other Information

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 January 29, 2015 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.

January 29, 2015
Montpelier, Vermont
VT Lic. #92-000180

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town of Pittsford (the "Town") herein sets forth an overview and analysis of its financial operations for the fiscal year ended June 30, 2014.

Financial Highlights

- Assets exceeded liabilities on June 30, 2014 by \$12,978,834 (*net position*). Of this amount, \$1,327,704 (*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 \$139,283. Of this amount, net position attributable to governmental activities increased by \$108,410. Net position attributable to business-type activities increased by \$30,873.
- The General Fund had a current year deficit of \$159,465 (\$100,000 of which was planned, to reduce the Fund balance and provide relief to taxpayers) reducing its fund balance to \$214,052. However, only \$133,709 of this amount was unassigned for future discretionary spending.
- The Highway Fund had a current year deficit of \$110,668 (\$68,500 of which was intended, to reduce the fund balance and provide relief to taxpayers) reducing its fund balance to \$322,145.

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 and liabilities 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 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	
	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013
Current and Other Assets	\$ 1,800,802	\$ 1,841,575	\$ 346,777	\$ 361,201	\$ 2,147,579	\$ 2,202,776
Capital Assets	6,487,381	6,317,316	9,801,754	9,761,817	16,289,135	16,079,133
Total Assets	<u>8,288,183</u>	<u>8,158,891</u>	<u>10,148,531</u>	<u>10,123,018</u>	<u>18,436,714</u>	<u>18,281,909</u>
Current Liabilities	108,659	66,786	32,612	97,004	141,271	163,790
Long-term Liabilities	686,040	708,242	4,623,169	4,564,137	5,309,209	5,272,379
Total Liabilities	<u>794,699</u>	<u>775,028</u>	<u>4,655,781</u>	<u>4,661,141</u>	<u>5,450,480</u>	<u>5,436,169</u>
Deferred Inflows of Resources	<u>7,850</u>	<u>6,639</u>	<u>0</u>	<u>0</u>	<u>7,850</u>	<u>6,639</u>
Net Position						
Net Investment in Capital Assets	5,977,381	5,722,316	5,191,011	5,202,529	11,168,392	10,924,845
Restricted	482,288	568,327	0	0	482,288	568,327
Unrestricted	<u>1,025,965</u>	<u>1,086,581</u>	<u>301,739</u>	<u>259,348</u>	<u>1,327,704</u>	<u>1,345,929</u>
Total Net Position	<u>\$ 7,485,634</u>	<u>\$ 7,377,224</u>	<u>\$ 5,492,750</u>	<u>\$ 5,461,877</u>	<u>\$ 12,978,384</u>	<u>\$ 12,839,101</u>

As stated above, assets exceeded liabilities by \$12,839,101 at the end of fiscal year 2013. Assets at the end of fiscal year 2014 exceeded liabilities by \$12,978,834.

The largest portion of the Town's net position are in its investment in capital assets (86.0%). These assets are used to provide services to its citizens (e.g. land, buildings, equipment, infrastructure). Therefore these assets are not available for future spending. A portion (3.7%, or \$482,288) 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 (10.3%, or \$1,327,704) 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	
	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013
Revenues						
Program Revenues						
Charges for services	\$ 175,878	\$ 179,508	\$ 644,711	\$ 687,796	820,589	\$ 867,304
Operating grants and contributions	287,374	183,749	0	0	287,374	183,749
Capital grants and contributions	5,454	54,134	131,640	406,179	137,094	460,313
General Revenues						
Property taxes	1,677,770	1,851,218	0	0	1,677,770	1,851,218
Interest & Penalties on Delinquent Taxes	27,633	29,729	0	0	27,633	29,729
General State Grants	72,472	70,374	0	0	72,472	70,374
Unrestricted investment earnings	21,325	23,623	1,980	2,298	23,305	25,921
Other revenues	16,364	5,407	0	0	16,364	5,407
Total Revenues	<u>2,284,270</u>	<u>2,397,742</u>	<u>778,331</u>	<u>1,096,273</u>	<u>3,062,601</u>	<u>3,494,015</u>
Expenses						
Governmental activities						
General Government	600,920	576,109	0	0	600,920	576,109
Highways & Streets	884,752	755,463	0	0	884,752	755,463
Public Safety	365,128	347,534	0	0	365,128	347,534
Sanitation	84,748	83,298	0	0	84,748	83,298
Culture and Recreation	220,262	204,355	0	0	220,262	204,355
Community Development	11,800	4,791	0	0	11,800	4,791
Interest on Long-term Debt	8,250	28,047	0	0	8,250	28,047
Business-type activities						
Water	0	0	396,185	356,670	396,185	356,670
Sewer	0	0	351,273	333,567	351,273	333,567
Total Expenses	<u>2,175,860</u>	<u>1,999,597</u>	<u>747,458</u>	<u>690,237</u>	<u>2,923,318</u>	<u>2,689,834</u>
Transfers	0	0	0	0	0	0
Change in net position	108,410	398,145	30,873	406,036	139,283	804,181
Net position - Beginning of Year	<u>7,377,224</u>	<u>6,979,079</u>	<u>5,461,877</u>	<u>5,055,841</u>	<u>12,839,101</u>	<u>12,034,920</u>
Net position - End of Year	<u>\$7,485,634</u>	<u>\$ 7,377,224</u>	<u>\$ 5,492,750</u>	<u>\$ 5,461,877</u>	<u>\$ 12,978,384</u>	<u>\$ 12,839,101</u>

Governmental activities. Governmental activities increased the Town’s net position by \$108,410 in FY14. The primary reasons are due to having invested more in capital outlays than the amount of depreciation in this period.

Business-type activities. Business-type activities increased the Town’s net position by \$30,873. Specifically, the Water Fund had a current year surplus of \$113,034, whereas the Sewer Fund had a current year deficit of \$82,161. The water surplus was due largely to grant revenue received to support the now-completed USDA-funded water system expansion project. The sewer deficit was due to rates being inadequate to support both operational costs and debt service obligations.

The Pittsford Water Fund had a GAAP basis asset net position increase of \$113,034 in FY14. This surplus was derived primarily from an operating surplus of \$75,676. The Town merged with Fire District No. 1 and took on some former customers of Proctor Water in a modest water system expansion project, which received USDA grant and loan funding totaling \$260,000. Additionally, the Agency of Transportation is planning to upgrade U.S. Route 7, in segments, through the Town of Pittsford. The impact on the Pittsford Water System's infrastructure will be financially significant. Unrestricted net position (resources available to meet future obligations) were \$464,806 on June 30, 2014, however, \$250,027 is designated for capital related items.

The Sewer Fund had a GAAP basis net position decrease of \$82,161. This decrease was primarily the result of an operating loss of \$26,940 plus non-operating interest expenses of \$60,529. Historically low user rates have increased twice in recent years and now appear to be adequate beginning in fiscal year 2015. Additionally, the Agency of Transportation is planning to upgrade U.S. Route 7 through the Town of Pittsford. The impact on the Pittsford Sewer System's infrastructure will be financially significant. Unrestricted net position (resources available to meet future obligations) were a negative balance of (\$163,067) on June 30, 2014. The Town has raised the sewer user rate in fiscal year 2015.

Financial Analysis of Major Governmental Funds

The General Fund

The General Fund balance decreased \$159,465 from \$373,517 at the end of fiscal year 2013 to \$214,052 at the end of fiscal year 2014. \$75,000 of this fund balance is assigned to reduce property taxes raised in 2015, leaving \$133,709 as unassigned fund balance.

On the revenue side, this Fund purposely received \$100,000 less than projected expenses in order to reduce the fund balance and to provide relief to taxpayers. In addition, property tax revenues fell short of expectations by \$29,204. Recording fees fell \$5,290 short of the target. Garbage bag revenues fell short by \$12,193. In the police department, traffic fines and COPS grant revenues were \$5,094 and \$22,636 below budgeted levels, respectively. Partially offsetting these revenue shortfalls were revenues from State PILOT and Current Use payments, which together amounted to revenues of \$22,283 more than expected.

On the expense side, owing to an unbudgeted increase in compensation for the Town Manager, this item saw an overage of \$11,190. An employee's addition of a family member to their health plan caused an overrun of \$6,516. The Fire Department spent \$52,625 more than budgeted, as a result of re-roofing the Fire House building (an overrun of \$33,171), an unusually high expenses for worker's compensation coverage (an \$10,655 cost overrun) and a truck maintenance overrun of \$6,943. The Recreation Department overspent its budget by \$16,966, which was partially funded with excess revenues. Capital improvements was the factor. Partially offsetting these expense overruns were the expenditure of \$20,889 less than budgeted for computer supplies and computer contracts; the Planning Commission spending \$4,089 less than anticipated; the Listers's office spending \$9,631 less than budgeted and the Transfer Station spending \$11,455 less than budgeted.

The Highway Fund

The Highway Fund balance decreased \$110,668 from \$432,813 at the end of fiscal year 2013 to \$322,145 at the end of fiscal year 2014.

On the revenue side, the Town purposely underfunded this fund by \$68,500 in order to reduce the fund balance and to provide relief to taxpayers. The Town did receive an unbudgeted State grant for \$77,980 for a culvert project, but fell short by \$19,983 in providing services to other funds.

On the expense side, the Highway Department spent \$109,343 more than budgeted. General expenses were over budget by \$36,115 primarily due to higher salaries due to last years harsh winter. Winter maintenance costs exceeded the budgeted figure by \$37,159. There was an unbudgeted expense of \$20,150 related to a VTrans Structures Grant, which will be paid off in the following fiscal year and an unbudgeted culvert project totaling \$74,478. Partially offsetting these expense overruns are savings from maintenance on Class 2 and Class 3 roads—between those two areas, the Highway Department spent approximately \$41,000 less than expected. The Highway Fund also saved \$20,786 in interest costs due to a bond refinancing.

Other Funds

The Town has the following other reserve funds at June 30, 2014:

Committed for Village Fund – Sidewalks	\$ 10,818
Assigned for Reappraisal Expenses	180,048
Restricted for State Planning Grants	7,721
Restricted for Land Records Preservation	33,201
Restricted for Veterans Memorial	732
Restricted for William Dennison Fund – Fire	97,181
Restricted for Well Drilling Fund	11,828
Assigned for Bridge Replacement	254,339
Assigned for Municipal Office Capital Improvements	8,776
Assigned for Fire Department Capital	45,842
Assigned for Patrol Car Fund	16,047
Assigned for Mower Replacement	14,625
Assigned for Cemetery Development	35,116
Assigned for Highway Capital Fund	161,431
Restricted for Belcher Miracle Fund – Recreation	<u>2,019</u>
 Total Other Funds	 <u>\$879,724</u>

Restricted Net Position and Reserved Fund Balances

The restricted net position was \$482,288 on June 30, 2014. 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 \$133,709 on June 30, 2014. All of these funds are available to address planned or unexpected expenses in the General Fund.

Capital Assets

Governmental Capital Assets increased \$170,065 in FY14, net of depreciation. Major capital additions for the year were as follows:

- Firetec 1998E-One Ladder with Pump
- New Roof on Fire Station
- Resurfacing Tennis and Basketball Courts
- Sangamon Road Paving
- West Creek Road Paving
- Windy Hill Road Paving
- Plains Road Paving
- Meadow Lake Drive Culvert Replacement
- Began Sidewalk Replacement Project Engineering

Business-Type Capital Assets increased \$39,937 in FY14, net of depreciation. Major capital additions for the year were as follows:

- Completion of Corn Hill and Orchard Hill water system expansion

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, 2014, the Town's Highway Fund had a bond balance of \$510,000, the proceeds of which were used for highway improvements.

The Town also borrowed an additional \$54,402 during 2014 from the State of Vermont Environmental Revolving Loan Fund (authorized to \$200,000) to issue loans to Pittsford homeowners to drill water wells, bringing the total debt on this project to \$141,760.

The combined Pittsford/Florence Water System had a bond balance (current plus noncurrent balance) of \$2,729,684 that was used for system improvements. The Sewer System had a bond balance (current plus noncurrent balances) totaling \$1,881,059, with all of the proceeds used to upgrade the wastewater treatment plant, sewage collection system and to obtain engineering services for other improvements.

Economic Factors and Next Year's Budgets and Rates

- The national economy continues a slow "recovery" from recession, with repercussions at the State and local levels of government. The outlook for 2015 is one of cautious optimism, with signs of increased economic activity.

The following factors were considered in the development of budgets for FY15:

- **General Fund:** The budget for FY15 factors in the use of \$75,000 in surplus funds to further reduce the fund balance and to provide property tax relief.
- **Highway Fund:** The budget for FY15 factors in the use of \$75,000 in surplus funds to further reduce the fund balance and provide property tax relief. In anticipation of the need for funding for the Phase II repair of the Kendall Hill Road Bridge and other bridge repair/replacement projects, the Select Board has maintained the amount budgeted annually for bridge repairs at \$50,000. The Town now puts into a Highway Capital Reserve Fund \$105,000 annually to cover the expected cost of new trucks and equipment. A substantial sum has also been budgeted for maintenance/repairs to the steel supports of the Iron Master and Depot Hill bridges, based upon recommendations from the State.
- **Water Fund:** With the merger of Fire District No. 1 into the Town, there will be 33 new rate-payers added to the system, beginning on October 7, 2013.
- **Sewer Fund:** Effective July 1, 2014, sewer rates were raised again to address a chronic annual operating deficit and pay increased debt service obligations.

The following factors will influence budgets in future fiscal years:

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

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,333,055	\$ 0	\$ 1,333,055
Investments	99,200	0	99,200
Receivables (Net of Allowance for Uncollectibles)	173,792	349,747	523,539
Loans Receivable	125,150	0	125,150
Internal Balances	8,964	(8,964)	0
Prepaid Expenses	5,107	0	5,107
Inventories	55,534	5,994	61,528
Capital Assets:			
Land	103,699	68,355	172,054
Construction in Progress	36,478	62,930	99,408
Other Capital Assets, (Net of Accumulated Depreciation)	<u>6,347,204</u>	<u>9,670,469</u>	<u>16,017,673</u>
Total Assets	<u>8,288,183</u>	<u>10,148,531</u>	<u>18,436,714</u>
<u>LIABILITIES</u>			
Accounts Payable	41,151	7,544	48,695
Accrued Payroll and Benefits Payable	16,969	2,629	19,598
Unearned Revenue	7,897	2,804	10,701
Accrued Interest Payable	2,293	19,635	21,928
Due to Taxpayers	17,031	0	17,031
Due to Fiduciary Fund	23,318	0	23,318
Noncurrent Liabilities:			
Due within One Year	105,000	107,672	212,672
Due in More than One Year	<u>581,040</u>	<u>4,515,497</u>	<u>5,096,537</u>
Total Liabilities	<u>794,699</u>	<u>4,655,781</u>	<u>5,450,480</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Prepaid Property Taxes	<u>7,850</u>	<u>0</u>	<u>7,850</u>
Total Deferred Inflows of Resources	<u>7,850</u>	<u>0</u>	<u>7,850</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	5,977,381	5,191,011	11,168,392
Restricted	482,288	0	482,288
Unrestricted	<u>1,025,965</u>	<u>301,739</u>	<u>1,327,704</u>
Total Net Position	<u>\$ 7,485,634</u>	<u>\$ 5,492,750</u>	<u>\$ 12,978,384</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, 2014

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs:							
Governmental Activities:							
General Government	\$ 600,920	\$ 49,040	\$ 13,917	\$ 0	(537,963)	\$ 0	\$ (537,963)
Highways & Streets	884,752	18,749	223,520	0	(642,483)	0	(642,483)
Public Safety	365,128	12,656	49,937	5,454	(297,081)	0	(297,081)
Sanitation	84,748	47,826	0	0	(36,922)	0	(36,922)
Culture and Recreation	220,262	47,607	0	0	(172,655)	0	(172,655)
Community Development	11,800	0	0	0	(11,800)	0	(11,800)
Interest on Long-term Debt	8,250	0	0	0	(8,250)	0	(8,250)
Total Governmental Activities	<u>2,175,860</u>	<u>175,878</u>	<u>287,374</u>	<u>5,454</u>	<u>(1,707,154)</u>	<u>0</u>	<u>(1,707,154)</u>
Business-Type Activities:							
Water	396,185	380,907	0	121,585	0	106,307	106,307
Sewer	351,273	263,804	0	10,055	0	(77,414)	(77,414)
Total Business-Type Activities	<u>747,458</u>	<u>644,711</u>	<u>0</u>	<u>131,640</u>	<u>0</u>	<u>28,893</u>	<u>28,893</u>
Total	<u>\$ 2,923,318</u>	<u>\$ 820,589</u>	<u>\$ 287,374</u>	<u>\$ 137,094</u>	<u>(1,707,154)</u>	<u>28,893</u>	<u>(1,678,261)</u>
General Revenues:							
Property Taxes					1,677,770	0	1,677,770
Interest and Penalties on Delinquent Taxes					27,633	0	27,633
General State Grants					72,472	0	72,472
Unrestricted Investment Earnings					21,325	1,980	23,305
Other Revenues					16,284	0	16,284
Gain on Sale of Equipment					80	0	80
Total General Revenues					<u>1,815,564</u>	<u>1,980</u>	<u>1,817,544</u>
Change in Net Position					108,410	30,873	139,283
Net Position - July 1, 2013					<u>7,377,224</u>	<u>5,461,877</u>	<u>12,839,101</u>
Net Position - June 30, 2014					<u>\$ 7,485,634</u>	<u>\$ 5,492,750</u>	<u>\$ 12,978,384</u>

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

TOWN OF PITTSFORD, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General Fund	Highway Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash	\$ 1,333,055	\$ 0	\$ 0	\$ 1,333,055
Investments	0	0	99,200	99,200
Receivables (Net of Allowance for Uncollectibles)	153,776	20,016	0	173,792
Due from Other Funds	0	291,971	782,253	1,074,224
Loans Receivable	0	0	125,150	125,150
Prepaid Expenses	5,107	0	0	5,107
Inventory	236	55,298	0	55,534
	<u>\$ 1,492,174</u>	<u>\$ 367,285</u>	<u>\$ 1,006,603</u>	<u>\$ 2,866,062</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 16,645	\$ 22,777	\$ 1,729	\$ 41,151
Accrued Payroll and Benefits Payable	13,895	3,074	0	16,969
Due to Other Funds	1,088,578	0	0	1,088,578
Due to Taxpayers	17,031	0	0	17,031
Unearned Revenue	7,897	0	0	7,897
	<u>1,144,046</u>	<u>25,851</u>	<u>1,729</u>	<u>1,171,626</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Prepaid Property Taxes	7,850	0	0	7,850
Unavailable Property Taxes, Penalties and Interest	126,226	0	0	126,226
Unavailable Grant Revenue	0	19,289	0	19,289
Unavailable Loans Receivable	0	0	125,150	125,150
	<u>134,076</u>	<u>19,289</u>	<u>125,150</u>	<u>278,515</u>
<u>FUND BALANCES</u>				
Nonspendable	5,343	55,298	1,250	61,891
Restricted	0	266,847	151,432	418,279
Committed	0	0	10,818	10,818
Assigned	75,000	0	716,224	791,224
Unassigned	133,709	0	0	133,709
	<u>214,052</u>	<u>322,145</u>	<u>879,724</u>	<u>1,415,921</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,492,174</u>	<u>\$ 367,285</u>	<u>\$ 1,006,603</u>	
 Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:				
Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds.				6,487,381
Other Assets are not Available to Pay for Current-Period Expenditures, and, Therefore, are Deferred in the Funds.				270,665
Long-Term and Accrued Liabilities are not Due or Payable in the Current Period and, Therefore, are Not Reported in the Funds.				(688,333)
Net Position of Governmental Activities				<u>\$ 7,485,634</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, 2014

	General Fund	Highway Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$ 812,764	\$ 822,171	\$ 19,010	\$ 1,653,945
Interest and Penalties on Delinquent Taxes	27,633	0	0	27,633
Intergovernmental	136,752	204,231	13,917	354,900
Investment Income	11,814	3,495	6,016	21,325
Loan Repayments	0	0	11,800	11,800
Permits, Fees and Fines	115,352	635	4,777	120,764
Charges for Services	38,033	12,858	0	50,891
Other	8,662	5,256	0	13,918
Total Revenues	1,151,010	1,048,646	55,520	2,255,176
Expenditures:				
Current:				
General Government	574,873	0	20,224	595,097
Highways and Streets	0	543,798	0	543,798
Public Safety	299,038	0	0	299,038
Sanitation	83,470	0	0	83,470
Culture and Recreation	215,548	0	0	215,548
Community Development		0	24,000	24,000
Capital Outlay:				
General Government	2,277	0	0	2,277
Highways and Streets	0	376,928	0	376,928
Public Safety	42,365	0	160,640	203,005
Culture and Recreation	12,418	0	0	12,418
Debt Service:				
Principal	0	85,000	0	85,000
Interest	0	8,588	0	8,588
Total Expenditures	1,229,989	1,014,314	204,864	2,449,167
Excess/(Deficiency) of Revenues Over Expenditures	(78,979)	34,332	(149,344)	(193,991)
Other Financing Sources/(Uses):				
Proceeds of Long-Term Debt	0	0	54,402	54,402
Proceeds from the Sale of Equipment	0	0	80	80
Transfers In	14	0	225,500	225,514
Transfers Out	(80,500)	(145,000)	(14)	(225,514)
Total Other Financing Sources/ (Uses)	(80,486)	(145,000)	279,968	54,482
Net Change in Fund Balances	(159,465)	(110,668)	130,624	(139,509)
Fund Balances - July 1, 2013	373,517	432,813	749,100	1,555,430
Fund Balances - June 30, 2014	\$ 214,052	\$ 322,145	\$ 879,724	\$ 1,415,921

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, 2014

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)	\$	(139,509)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$594,628) is allocated over their estimated useful lives and reported as depreciation expense (\$424,563). This is the amount by which capital outlays exceeded depreciation in the current period.		170,065
The issuance of long-term debt (\$54,402) (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$85,000) 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.		30,598
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 increase in deferred revenue over last year.		55,314
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>(8,058)</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>108,410</u></u>

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Property Taxes:			
Taxes	\$ 835,613	\$ 812,764	\$ (22,849)
Interest on Delinquent Taxes	16,000	15,923	(77)
Penalty on Delinquent Taxes	18,000	11,710	(6,290)
Other Revenue	0	12	12
Total Property Taxes	869,613	840,409	(29,204)
Fees and Permits:			
First Class Liquor Licenses	300	690	390
Second Class Liquor Licenses	250	420	170
Junk Yard Licenses	50	0	(50)
Marriage Licenses	900	855	(45)
Burial Permits	0	35	35
Town Computer Purchases	100	0	(100)
Certified Copy Fees	1,200	860	(340)
Recording Fees	24,000	18,710	(5,290)
Photocopy Fees	3,000	2,829	(171)
DMV Fees	500	213	(287)
Posting Permits	450	80	(370)
Site Plan Review/Zoning Fees	4,000	2,645	(1,355)
Fire Wardens Permit Fees	200	200	0
Miscellaneous Fees	800	970	170
Total Fees and Permits	35,750	28,507	(7,243)
Intergovernmental Revenues:			
State PILOT	25,000	41,052	16,052
Current Use Reimbursement	25,000	31,231	6,231
School Billing Fee - Act 68	9,300	8,889	(411)
Vermont Railroad Tax	800	189	(611)
Health and Safety Revenue	4,100	0	(4,100)
Total Intergovernmental Revenues	64,200	81,361	17,161
Fee/Charge For Services:			
Research Revenue	400	340	(60)
Sales of Ordinances	0	10	10
Total Fee/Charge For Services	400	350	(50)
Solid Waste:			
Annual User Permits	12,000	12,344	344
Garbage Bag Charges	47,000	34,807	(12,193)
Recycling Income	4,000	456	(3,544)
Total Solid Waste	63,000	47,607	(15,393)

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
Miscellaneous Receipts:			
School Share of Election Costs	\$ 600	\$ 600	\$ 0
Energy Award/Rebate	0	3,020	3,020
Lister's Education	0	398	398
Maclure Library Phone Reimbursement	0	418	418
Investment Interest	8,900	11,814	2,914
Water Administration Fee	7,600	7,600	0
Sewer Administration Fee	6,500	6,500	0
Green Mountain Passport	30	36	6
	<u>23,630</u>	<u>30,386</u>	<u>6,756</u>
Total Miscellaneous Receipts			
Recreation:			
Annual Family Permits	3,000	1,996	(1,004)
Daily Gate Passes	2,500	1,415	(1,085)
Tennis Court Permits	150	90	(60)
Memorial Contributions	0	1,110	1,110
Group Picnic Charges	3,000	2,420	(580)
Amusement Park Tickets	0	451	451
School Programs	2,500	2,230	(270)
CVPS-Line Pole Rent	25	0	(25)
Belcher-Mericle Interest	35	14	(21)
Disc Golf Donations	0	20	20
Recreation Area Donations	1,000	227	(773)
Youth League Registration	3,000	2,700	(300)
Girls Softball Registration	400	510	110
Youth League Donations	3,000	1,780	(1,220)
Shoot Out Donations	0	1,700	1,700
Day Camp Registrations	11,000	9,742	(1,258)
Miscellaneous Revenue	0	8	8
Summer Programs	2,500	4,548	2,048
Fall Programs	2,500	9,639	7,139
Winter Programs	4,500	4,624	124
Spring Programs	4,000	2,616	(1,384)
	<u>43,110</u>	<u>47,840</u>	<u>4,730</u>
Total Recreation			
Animal Management Fees:			
Dog Licenses	6,500	6,417	(83)
Other Animal Revenue	100	100	0
	<u>6,600</u>	<u>6,517</u>	<u>(83)</u>
Total Animal Management Fees			
Police:			
Traffic Fines	16,000	10,906	(5,094)
Insurance Reports	0	110	110
Miscellaneous Revenue	500	455	(45)
Safety Grant Revenue	0	5,773	5,773
OMYA Truck Detail Revenue	0	1,800	1,800
COPS Grant 2011	65,000	42,364	(22,636)
	<u>81,500</u>	<u>61,408</u>	<u>(20,092)</u>
Total Police			

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
Fire Department:			
Donations	\$ 0	\$ 25	\$ 25
Fire Department Reimbursements	0	1,160	1,160
Grant Revenue	0	5,454	5,454
Total Fire Department	0	6,639	6,639
Total Revenue	1,187,803	1,151,024	(36,779)
Expenditures:			
Legislation:			
Selectmen Services	6,000	6,037	(37)
Public Officials Insurance	4,800	3,230	1,570
Selectmen Expenses	600	374	226
Secretary/Clerk	1,350	1,612	(262)
Recording Secretary	2,800	2,538	262
FICA/Medicare	750	868	(118)
Total Legislation	16,300	14,659	1,641
Management:			
Town Manager	66,000	77,190	(11,190)
Secretary	38,760	36,622	2,138
Bookkeeper	12,300	12,300	0
FICA/Medicare	8,760	9,765	(1,005)
Retirement Insurance	4,300	5,635	(1,335)
Medical Insurance	13,500	20,016	(6,516)
Dental Insurance	1,950	1,208	742
Life Insurance	1,150	1,189	(39)
Workers Compensation Insurance	530	376	154
Property Insurance	1,400	1,958	(558)
General Liability Insurance	3,800	1,953	1,847
Employment Practices	2,600	2,030	570
Unemployment Insurance	350	256	94
Mileage Reimbursement	1,600	1,605	(5)
Training	1,500	1,395	105
Town Service Fund	100	0	100
Health and Safety Expense	300	300	0
Car Allowance	0	2,365	(2,365)
Total Management	158,900	176,163	(17,263)
Elections:			
Ballot Clerks	1,800	859	941
FICA/Medicare	140	20	120
Notices, Warnings, Ads	200	0	200
Ballots and Supplies	1,000	1,365	(365)
Ballot Machine Setup	1,500	683	817
Total Elections	4,640	2,927	1,713

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
Finance:			
Clerk and Treasurer	\$ 62,500	\$ 58,679	\$ 3,821
Assistant Clerk and Treasurer	36,500	38,905	(2,405)
FICA/Medicare	7,850	7,104	746
Retirement Insurance	3,900	4,031	(131)
Medical Insurance	14,450	16,072	(1,622)
Dental Insurance	960	838	122
Life Insurance	2,200	1,207	993
Workers Compensation Insurance	1,060	376	684
Unemployment Insurance	350	256	94
Mileage Reimbursement	700	129	571
State Dues - Clerks Association	70	75	(5)
Training Fees	800	610	190
Cash Short/Over	0	114	(114)
Total Finance	131,340	128,396	2,944
Administration:			
Office Supplies	12,900	14,556	(1,656)
Computer Supplies	13,000	1,792	11,208
Computer Contracts	21,000	11,319	9,681
Website Maintenance/Expenses	1,200	823	377
Newsletter Printing and Postage	5,000	5,009	(9)
Postage - General	5,000	3,253	1,747
Tax Bills and Postage	800	0	800
Town Report Coordinator	1,600	1,400	200
Town Report Printing	3,900	2,912	988
Town Report Postage	900	1,037	(137)
Tax Collector Expense	200	0	200
CPA Audit	24,000	25,524	(1,524)
Legal Fees and Tax Collection	4,000	2,099	1,901
Total Administration	93,500	69,724	23,776
Agencies:			
VLCT Dues	3,820	3,826	(6)
Rutland Economic Development Corporation	500	374	126
Rutland Regional Planning Commission	850	875	(25)
Total Agencies	5,170	5,075	95
Zoning:			
Zoning Administrator	11,000	10,384	616
Zoning Board	500	0	500
Zoning Clerical	700	270	430
FICA/Medicare	850	806	44
Mileage Reimbursement	250	121	129
Zoning Hearings	1,400	430	970
Zoning Expense	2,200	426	1,774
Legal Fees - Zoning	3,500	4,824	(1,324)
Total Zoning	20,400	17,261	3,139

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
Planning Commission:			
Planning Commission Stipends	\$ 2,500	\$ 2,160	\$ 340
Planning Commission Clerical	1,300	1,175	125
FICA/Medicare	0	255	(255)
Mileage Reimbursement	0	151	(151)
Planning Grant Expense	400	390	10
Town Plan	2,000	480	1,520
Legal Fees	2,500	0	2,500
Transportation	5,000	5,000	0
Total Planning Commission	13,700	9,611	4,089
Board of Civil Authority:			
Board of Civil Authority	1,500	0	1,500
Clerical	500	225	275
FICA/Medicare	50	17	33
Supplies	50	0	50
Legal Fees	500	0	500
Miscellaneous	150	0	150
Total Board of Civil Authority	2,750	242	2,508
Municipal Plant and Equipment:			
FICA/Medicare - Custodians	0	184	(184)
Building Maintenance Supplies	2,500	2,447	53
Heating Fuel	3,500	3,564	(64)
Municipal Building Fund Transfer	7,000	7,000	0
Cemetery Development Fund Transfer	2,000	2,000	0
Contracts - Facilities	6,000	6,009	(9)
Copier Maintenance	3,500	6,220	(2,720)
Fire/Security Alarm Maintenance	1,500	514	986
Communications	100	0	100
Telephones	3,000	3,264	(264)
Maclure Library Phones	600	418	182
Modem Online Telephone	800	695	105
Labor and Equipment Use by Highway	500	665	(165)
New Equipment for Building	500	0	500
Building Repairs/Maintenance	4,000	6,055	(2,055)
Utilities	6,500	5,925	575
Total Municipal Plant and Equipment	42,000	44,960	(2,960)
Fire Warden			
Fire Warden Fees	200	100	100
Burn Permit Expense	400	0	400
FICA/Medicare	0	8	(8)
Mileage Expenses	2,500	1,098	1,402
Total Fire Warden	3,100	1,206	1,894
Miscellaneous:			
Marriage License Fees	800	700	100
Emergency Management Fees	300	0	300
E-911 Contract Services	50	0	50
E-911 Mileage/ Supplies	100	0	100

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Miscellaneous/(Cont'd):			
Contracted Services - Accounting	\$ 2,000	\$ 1,900	\$ 100
Warnings - Meetings/Ordinance	200	0	200
Memorial Day Flags	500	662	(162)
Tax Abatement Costs	600	0	600
Ads/Special Meetings	250	0	250
Legal Fees - Not Budgeted	0	420	(420)
Unreimbursed Tax Sale Expenses	0	1,038	(1,038)
	<u>4,800</u>	<u>4,720</u>	<u>80</u>
Total Miscellaneous			
Listers:			
Lister's Services	23,000	21,600	1,400
Lister's Secretary	12,000	11,126	874
FICA/Medicare	3,000	2,512	488
Worker's Compensation Insurance	0	188	(188)
Unemployment Insurance	0	97	(97)
Lister's Mileage Reimbursement	1,000	323	677
Training Fees	1,000	250	750
Lister's Expenses	6,000	1,053	4,947
Property Map Changes	3,000	2,220	780
	<u>49,000</u>	<u>39,369</u>	<u>9,631</u>
Total Listers			
Special Appropriations:			
Rutland Community Services	3,020	3,020	0
Tax Transfer - First Response	10,750	10,750	0
Rutland National Resource Conservation	250	250	0
Visiting Nurse/Hospice	4,931	4,931	0
RC & D Council	100	100	0
R.C. Humane Society	1,000	1,000	0
Vermont Green-Up Day Expenses	250	250	0
Benn-Rut Opport. Council	925	925	0
Rutland West Neighborhood	900	900	0
Pittsford Cemetery Association	900	900	0
SWVT Council on Aging	1,100	1,100	0
Pittsford Historical Society	4,052	4,052	0
Rutland Senior Volunteer Program	427	427	0
Rutland Regional Ambulance Service	11,964	11,964	0
VT Center for Independent Living	314	314	0
Rutland County Adult Ed.	1,305	1,305	0
Association for Retarded Citizens	400	400	0
Rutland County Women's Network	200	200	0
Maclure Library	60,000	60,000	0
Diversion/Restoration	3,600	3,600	0
Pittsford Food Shelf	1,000	1,000	0
Bowen Walker Appropriation	1,500	1,500	0
Rutland Parent Child Center	400	400	0
	<u>109,288</u>	<u>109,288</u>	<u>0</u>
Total Special Appropriations			

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Health Officer:			
Health Officer Labor	\$ 800	\$ 255	\$ 545
FICA/Medicare	50	14	36
Health Officer Expenses	<u>50</u>	<u>0</u>	<u>50</u>
Total Health Officer	<u>900</u>	<u>269</u>	<u>631</u>
Solid Waste Management:			
Labor - Facility	22,000	20,792	1,208
Labor - Highway	3,500	1,716	1,784
FICA/Medicare	2,300	1,740	560
Insurance Workman's Comp.	2,750	1,813	937
Labor-Contract	200	1,908	(1,708)
New Equipment	500	57	443
Supplies	1,200	1,635	(435)
Telephone	325	282	43
Insurance - Property and Liability	350	243	107
Unemployment Insurance	100	121	(21)
Portalet Contract	1,500	1,495	5
Contracts/Materials	0	1,730	(1,730)
Waste Removal Fees	40,000	34,805	5,195
RCSWD Surcharge	8,500	5,757	2,743
Tire Disposal Fees	200	48	152
State Franchise Tax	2,400	1,846	554
Container Rental/Purchase	2,500	4,025	(1,525)
Labor and Equipment Use by Highway	3,500	546	2,954
Utilities	2,600	2,791	(191)
Equipment Maintenance	500	0	500
Miscellaneous	<u>0</u>	<u>120</u>	<u>(120)</u>
Total Solid Waste Management	<u>94,925</u>	<u>83,470</u>	<u>11,455</u>
Fire Hydrant			
Hydrant Fee to Water Department	<u>35,000</u>	<u>35,000</u>	<u>0</u>
Total Fire Hydrant	<u>35,000</u>	<u>35,000</u>	<u>0</u>
Constables:			
Local Services	86,700	78,522	8,178
Overtime Expense	0	1,752	(1,752)
Clerical	2,600	2,689	(89)
FICA/Medicare	6,600	6,178	422
Retirement Insurance	1,600	1,340	260
Medical Insurance	19,500	12,518	6,982
Dental Insurance	1,500	658	842
Life Insurance	1,100	584	516
New Equipment	1,500	5,411	(3,911)
Contracted Services	500	1,350	(850)
Supplies	1,800	2,377	(577)
Insurance - Property/Liability/Auto	4,800	3,910	890
Insurance - Worker's Compensation	2,650	2,972	(322)
Insurance - Car	2,500	1,059	1,441

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
Constables/(Cont'd):			
Unemployment Insurance	\$ 350	\$ 233	\$ 117
Mileage Reimbursement	0	145	(145)
Legal and Administration	300	105	195
Patrol Car - Fuel and Maintenance	8,000	9,647	(1,647)
Patrol Car Replace Fund	7,000	7,000	0
Equipment Maintenance	600	605	(5)
Communications	2,500	3,459	(959)
Safety Equipment Grant	0	6,100	(6,100)
BJA Grant Expenses	0	1,276	(1,276)
Training Fees	800	701	99
Reimbursement for Expenses	300	114	186
	<u>153,200</u>	<u>150,705</u>	<u>2,495</u>
Total Constables			
Fire Department:			
Firemen Expenses	25,000	31,053	(6,053)
FICA/Medicare	2,000	2,488	(488)
Building Fuel	8,200	9,731	(1,531)
Vehicle Fuel	3,500	5,027	(1,527)
Small Tools	2,000	1,258	742
Hose & Fittings	2,000	1,492	508
Protective Equipment	8,000	4,568	3,432
Supplies	1,000	1,347	(347)
Ins. - Worker's Comp	2,000	12,655	(10,655)
Ins. - Vehicles	3,000	4,975	(1,975)
Ins. - General Liability	1,500	473	1,027
Ins. - Accident	2,500	1,101	1,399
Ins. - Property	1,600	1,146	454
Telephone	1,600	463	1,137
Communications	4,000	1,873	2,127
Fire Alarm System	500	520	(20)
Dispatching Service	1,500	1,122	378
Building Maintenance	15,000	48,171	(33,171)
Truck Maintenance	6,000	12,943	(6,943)
Equipment Maintenance	2,000	2,924	(924)
Ladder Truck Certificate	500	0	500
New Equipment	3,000	3,723	(723)
Utilities	3,100	3,839	(739)
Training Fees	2,000	(260)	2,260
Mutual Aid Assoc. Fees	1,000	1,000	0
Grant Expense	0	1,493	(1,493)
Vehicle Replacement Fund	62,500	62,500	0
	<u>165,000</u>	<u>217,625</u>	<u>(52,625)</u>
Total Fire Department			

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Recreation Programs:			
Lifeguards	\$ 25,000	\$ 19,903	\$ 5,097
Management	44,000	42,152	1,848
Overtime	0	4,980	(4,980)
Grounds Management	7,200	9,138	(1,938)
Day Camp Labor	7,500	6,778	722
FICA/Medicare	6,050	6,232	(182)
Retirement Insurance	1,700	1,837	(137)
Medical Insurance	19,700	19,553	147
Dental Insurance	1,520	1,395	125
Life Insurance	550	577	(27)
Insurance - Workman's Comp.	0	3,433	(3,433)
Insurance - Personal Liability	0	380	(380)
Vehicle Insurance	0	220	(220)
Insurance - General Liability	1,000	347	653
Insurance - Unemployment	4,460	271	4,189
Mileage Reimbursement	150	0	150
Supplies - Recreation Area General	1,500	2,134	(634)
Supplies - Day Camp	2,000	1,464	536
Spring Programs	3,000	2,968	32
Summer Programs	2,000	3,586	(1,586)
Mower Maintenance & Fuel	1,000	3,715	(2,715)
Fall Programs	2,000	5,796	(3,796)
Winter Programs	2,500	5,133	(2,633)
Mower Replacement Fund	2,000	2,000	0
Training	250	0	250
Signup Refunds	0	110	(110)
Shootout Expenses	0	1,824	(1,824)
League Fees/Coaches, Umpires	2,000	1,732	268
Supplies - Youth League	2,000	2,682	(682)
Summer Softball Expense	500	561	(61)
Pittsford Day Celebration	0	552	(552)
State League Membership	150	0	150
Telephone	400	341	59
Communications	720	698	22
Donation Expenses	1,000	2,100	(1,100)
Rubbish Removal Contract	800	750	50
Other Contract Services	250	0	250
Advertising	200	168	32
Portalet Contract	800	360	440
Ballfield Maintenance	1,000	640	360
Signs Replacement	100	118	(18)
Equipment Rentals	1,000	0	1,000
Labor and Equipment Use by Highway	1,000	1,338	(338)
Utilities	800	1,051	(251)
Pool Water Tests	250	240	10
Trails & Bridging Maintenance	750	311	439
Green up Day Expense	200	0	200
Capital Improvements	4,000	10,398	(6,398)
	<u>153,000</u>	<u>169,966</u>	<u>(16,966)</u>
Total Recreation Programs	<u>153,000</u>	<u>169,966</u>	<u>(16,966)</u>

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Animal Management:			
Animal Control	\$ 2,200	\$ 802	\$ 1,398
FICA/Medicare	190	61	129
Mileage Reimbursement	300	204	96
Supplies	500	1,561	(1,061)
Contract Services	300	113	187
Ins.- Property/Liability	0	22	(22)
Ins.- Workman's Comp.	550	728	(178)
Legal - Animal Control	200	0	200
Animal Census	600	0	600
Vet/Humane Shelter Fees	300	0	300
Rabies Fees To State	2,700	2,876	(176)
Postage	50	0	50
Total Animal Management	<u>7,890</u>	<u>6,367</u>	<u>1,523</u>
Debt Service and Fixed Charges:			
Rutland County Tax	<u>23,000</u>	<u>23,486</u>	<u>(486)</u>
Total Debt Service and Fixed Charges	<u>23,000</u>	<u>23,486</u>	<u>(486)</u>
Total Expenditures	<u>1,287,803</u>	<u>1,310,489</u>	<u>(22,686)</u>
Excess/(Deficiency) of Revenue Over Expenditures	<u>\$ (100,000)</u>	(159,465)	<u>\$ (59,465)</u>
Fund Balance - July 1, 2013		<u>373,517</u>	
Fund Balance - June 30, 2014		<u>\$ 214,052</u>	

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Property Taxes	\$ 822,171	\$ 822,171	\$ 0
State Aid	122,000	126,251	4,251
Grant Revenue	0	77,980	77,980
Overload Permits	600	560	(40)
Highway Access Permit	200	75	(125)
Investment Income	3,000	3,495	495
Sale of Scrap Metal	0	148	148
Interfund Charges for Service	25,000	5,017	(19,983)
Interfund Sale of Fuel	8,500	7,841	(659)
Miscellaneous Revenue	0	5,108	5,108
	<u>981,471</u>	<u>1,048,646</u>	<u>67,175</u>
Total Revenue			
Expenditures:			
General:			
Labor - Vacation and Services	19,380	29,127	(9,747)
Overtime	0	15,466	(15,466)
Labor - Maintenance	29,750	40,410	(10,660)
Mileage Reimbursement	100	79	21
Social Security Contribution	12,000	13,321	(1,321)
Insurance - Retirement	6,400	7,533	(1,133)
Insurance - Medical	49,000	51,130	(2,130)
Insurance - Dental	4,200	3,762	438
Insurance - Life	2,620	2,834	(214)
Workman's Comp/Unemployment	10,000	9,178	822
Insurance - General Liability	8,000	1,678	6,322
Insurance - Property	1,700	1,656	44
Insurance - Vehicle	2,650	5,535	(2,885)
Bridges Insurance	3,200	2,436	764
Dam Insurance	350	122	228
Legal and Administrative	200	0	200
Small Tool Purchases	0	1,157	(1,157)
Communications	800	394	406
Telephone	1,100	1,358	(258)
Heating Fuel	4,000	3,518	482
Training Fees	200	0	200
Uniform Rentals	3,700	3,908	(208)
Highway Capital Reserve	95,000	95,000	0
Advertising/Postage	500	275	225
Utilities	5,200	5,474	(274)
Supplies	1,000	828	172
New Equipment Purchases	500	350	150
Building Expenses	2,000	3,136	(1,136)
	<u>263,550</u>	<u>299,665</u>	<u>(36,115)</u>
Total General			

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
Class II Maintenance:			
Labor	\$ 16,307	\$ 7,757	\$ 8,550
Cold Patch/Hot Mix	1,400	620	780
Signs and Posts	1,000	324	676
Gravel/Stone	2,000	1,802	198
Culverts and Bands	3,000	204	2,796
Contracted Services	0	225	(225)
Paving	47,000	40,028	6,972
Supplies/Miscellaneous	1,500	336	1,164
	<u>72,207</u>	<u>51,296</u>	<u>20,911</u>
Total Class II Maintenance			
Class III Maintenance:			
Labor	56,100	43,191	12,909
Overtime	0	14	(14)
Cold Patch and Hot Mix	1,000	1,622	(622)
Signs and Posts	2,000	1,135	865
Calcium Chloride	4,500	0	4,500
Gravel and Stone	12,000	10,329	1,671
Culverts and Bands	3,500	754	2,746
Contract Services	8,000	487	7,513
Paving	237,000	245,025	(8,025)
Supplies/Miscellaneous	0	834	(834)
	<u>324,100</u>	<u>303,391</u>	<u>20,709</u>
Total Class III Maintenance			
Winter Maintenance:			
Labor	37,740	32,344	5,396
Overtime	0	1,495	(1,495)
Sodium Chloride	74,000	104,667	(30,667)
Sand	15,000	28,423	(13,423)
Cold Patch	0	582	(582)
Gravel/Stone	2,000	1,830	170
Contract Services	1,000	0	1,000
Equipment Rentals - Sidewalks	1,000	0	1,000
Town Equipment Drawing Sand	1,500	0	1,500
Supplies/Miscellaneous	0	58	(58)
	<u>132,240</u>	<u>169,399</u>	<u>(37,159)</u>
Total Winter Maintenance			
Culvert Grant:			
Materials and Supplies	0	800	(800)
Culverts and Bands	0	43,362	(43,362)
Sub-Contractors	0	30,316	(30,316)
	<u>0</u>	<u>74,478</u>	<u>(74,478)</u>
Total Culvert Grant			

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
Highway Vehicles			
Supplies	\$ 3,000	\$ (816)	\$ 3,816
Vehicle Fuel	40,000	47,300	(7,300)
Contract Services	0	1,141	(1,141)
In-Shop Repairs and Maintenance	12,000	12,985	(985)
Outside Maintenance and Repairs	12,000	12,271	(271)
Total Highway Vehicles	67,000	72,881	(5,881)
Bridges:			
Labor	0	2,764	(2,764)
Covered Bridge Insurance	1,500	0	1,500
Supplies	0	29	(29)
Bridge Replacement Reserve Fund	50,000	50,000	0
Guardrails	5,000	5,189	(189)
Bridge Painting	0	20,150	(20,150)
Total Bridges	56,500	78,132	(21,632)
Special Projects - Arch Street:			
Sidewalks	0	1,324	(1,324)
Administration	10,000	2,708	7,292
Engineering	10,000	12,452	(2,452)
Total Special Projects - Arch Street	20,000	16,484	3,516
Debt Service:			
Principal	85,000	85,000	0
Interest	29,374	8,588	20,786
Total Debt Service	114,374	93,588	20,786
Total Expenditures	1,049,971	1,159,314	(109,343)
Excess/(Deficiency) of Revenue Over Expenditures	\$ (68,500)	(110,668)	\$ (42,168)
Fund Balance - July 1, 2013		432,813	
Fund Balance - June 30, 2014		\$ 322,145	

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

TOWN OF PITTSFORD, VERMONT
 STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - VILLAGE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Property Taxes	\$ 19,000	\$ 19,010	\$ 10
Interest Income	<u>0</u>	<u>140</u>	<u>140</u>
Total Revenue	<u>19,000</u>	<u>19,150</u>	<u>150</u>
Expenditures:			
Village Street Lights	<u>19,000</u>	<u>20,224</u>	<u>(1,224)</u>
Total Expenditures	<u>19,000</u>	<u>20,224</u>	<u>(1,224)</u>
Excess/(Deficiency) of Revenue Over Expenditures	<u>\$ 0</u>	(1,074)	<u>\$ (1,074)</u>
Fund Balance - July 1, 2013		<u>11,892</u>	
Fund Balance - June 30, 2014		<u>\$ 10,818</u>	

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Water Fund	Sewer Fund	Total
<u>ASSETS</u>			
Current Assets:			
Receivables (Net of Allowance for Uncollectible Accounts)	\$ 213,194	\$ 136,553	\$ 349,747
Due from Other Funds	262,935	0	262,935
Inventory	4,169	1,825	5,994
Total Current Assets	480,298	138,378	618,676
Noncurrent Assets:			
Capital Assets			
Land	66,855	1,500	68,355
Construction in Progress	62,930	0	62,930
Buildings and Building Improvements	43,005	2,614,321	2,657,326
Distribution/Collection Systems	6,988,021	1,811,768	8,799,789
Less Accumulated Depreciation	(1,157,393)	(629,253)	(1,786,646)
Total Noncurrent Assets	6,003,418	3,798,336	9,801,754
Total Assets	\$ 6,483,716	\$ 3,936,714	\$ 10,420,430
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	\$ 1,911	\$ 5,633	\$ 7,544
Due to Other Funds	0	271,899	271,899
Accrued Payroll	1,530	1,099	2,629
Unearned Revenue	1,737	1,067	2,804
Accrued Interest Payable	2,847	16,788	19,635
General Obligation Bonds Payable - Current Portion	51,078	51,467	102,545
Total Current Liabilities	59,103	347,953	407,056
Noncurrent Liabilities			
Compensated Absences Payable	7,467	4,959	12,426
General Obligation Bonds Payable - Noncurrent Portion	2,678,606	1,829,592	4,508,198
Total Noncurrent Liabilities	2,686,073	1,834,551	4,520,624
Total Liabilities	2,745,176	2,182,504	4,927,680
<u>NET POSITION</u>			
Net Investment in Capital Assets	3,273,734	1,917,277	5,191,011
Unrestricted/(Deficit)	464,806	(163,067)	301,739
Total Net Position	3,738,540	1,754,210	5,492,750
Total Liabilities and Net Position	\$ 6,483,716	\$ 3,936,714	\$ 10,420,430

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, 2014

	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	\$ 322,953	\$ 230,614	\$ 553,567
Penalties & Interest	4,337	4,692	9,029
Hydrant Fee	35,000	0	35,000
Contract - Otter Valley	0	23,918	23,918
Reserve Flow Fees/Permits	8,510	500	9,010
Miscellaneous	10,107	4,080	14,187
Total Operating Revenues	380,907	263,804	644,711
Operating Expenses:			
Labor and Stipends	71,653	63,785	135,438
Social Security	5,462	4,601	10,063
Insurances - Medical, Dental & Life	19,912	12,408	32,320
Retirement	1,013	2,763	3,776
Workmen's Comp/Unemployment	2,936	2,984	5,920
Insurance - General Liability/Property	1,881	3,636	5,517
Supplies	7,200	9,010	16,210
Depreciation	98,351	87,516	185,867
Postage/Billing Program	182	0	182
Advertising/Dues and Subscriptions	731	0	731
Telephone/Communications	1,040	2,721	3,761
Training	104	158	262
Property Tax	960	0	960
Contracts	32,158	12,218	44,376
Vermont Permit Renewals	3,122	183	3,305
Legal and Accounting	2,482	72	2,554
Administration	7,600	6,500	14,100
Interfund Services Expenses	1,783	1,800	3,583
Utilities	6,773	35,877	42,650
Testing	224	3,625	3,849
Sludge/Refuse Removal	0	29,293	29,293
Maintenance	18,420	3,955	22,375
Mileage Reimbursement	208	2,559	2,767
Engineering Studies/Projects	15,582	4,391	19,973
Vehicle Fuel	4,121	0	4,121
Other	51	70	121
Small Equipment Purchases	1,282	619	1,901
Total Operating Expenses	305,231	290,744	595,975
Operating Income/(Loss)	75,676	(26,940)	48,736
Nonoperating Revenues (Expenses):			
Investment Income	1,977	3	1,980
Interest Expense	(90,954)	(60,529)	(151,483)
Total Nonoperating Revenues (Expenses)	(88,977)	(60,526)	(149,503)
Net Income/(Loss) Before Capital Contributions and Transfers In/(Out)	(13,301)	(87,466)	(100,767)
Capital Contributions	121,585	10,055	131,640
Transfers In	4,750	0	4,750
Transfers Out	0	(4,750)	(4,750)
Change in Net Position	113,034	(82,161)	30,873
Net Position - July 1, 2013	3,625,506	1,836,371	5,461,877
Net Position - June 30, 2014	\$ 3,738,540	\$ 1,754,210	\$ 5,492,750

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, 2014

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 283,814	\$ 300,950	\$ 584,764
Receipts from Interfund Services	35,000	0	35,000
Payments to Suppliers	(96,554)	(111,435)	(207,989)
Payment for Interfund Services	(1,783)	(1,800)	(3,583)
Payments for Wages and Benefits	<u>(103,366)</u>	<u>(87,583)</u>	<u>(190,949)</u>
Net Cash Provided by Operating Activities	<u>117,111</u>	<u>100,132</u>	<u>217,243</u>
Cash Flows From Noncapital Financing Activities:			
Transfer in/(Out) from Other Funds	4,750	(4,750)	0
(Increase)/Decrease in Due To/From Other Funds	<u>1,192</u>	<u>976</u>	<u>2,168</u>
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>5,942</u>	<u>(3,774)</u>	<u>2,168</u>
Cash Flows From Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(258,983)	(11,537)	(270,520)
Proceeds of Long-Term Debt	154,000	0	154,000
Capital Contributions	121,585	27,601	149,186
Principal Paid on:			
General Obligation Bonds	(51,078)	(51,467)	(102,545)
Interest Paid on :			
General Obligation Bonds	<u>(90,554)</u>	<u>(60,958)</u>	<u>(151,512)</u>
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(125,030)</u>	<u>(96,361)</u>	<u>(221,391)</u>
Cash Flows From Investing Activities:			
Interest Received	<u>1,977</u>	<u>3</u>	<u>1,980</u>
Net Cash Provided by Investing Activities	<u>1,977</u>	<u>3</u>	<u>1,980</u>
Net Increase in Cash	0	0	0
Cash - July 1, 2013	<u>0</u>	<u>0</u>	<u>0</u>
Cash - June 30, 2014	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	75,676	(26,940)	48,736
Depreciation	98,351	87,516	185,867
(Increase)/Decrease in Receivables	(49,497)	36,161	(13,336)
(Increase)/Decrease in Inventory	6,882	1,164	8,046
Increase/(Decrease) in Accounts Payable	(1,196)	(1,348)	(2,544)
Increase/(Decrease) in Accrued Payroll	(5,607)	115	(5,492)
Increase/(Decrease) in Deferred Revenue	(12,596)	985	(11,611)
Increase/(Decrease) in Compensated Absences Payable	<u>5,098</u>	<u>2,479</u>	<u>7,577</u>
Net Cash Provided by Operating Activities	<u>\$ 117,111</u>	<u>\$ 100,132</u>	<u>\$ 217,243</u>

Capital Asset Acquisitions in the Amount of \$44,716 are Included in Accounts Payable at June 30, 2013

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014

	Private Purpose Trust Fund - Bowen Walker Fund <hr/>	Agency Fund - First Response Capital Fund <hr/>
<u>ASSETS</u>		
Investments	\$ 28,628	\$ 0
Due from Other Funds	<u>0</u>	<u>23,318</u>
Total Assets	<u>28,628</u>	<u>23,318</u>
<u>LIABILITIES</u>		
Due to Others	<u>0</u>	<u>23,318</u>
Total Liabilities	<u>0</u>	<u>23,318</u>
<u>NET POSITION</u>		
Net Position:		
Restricted	<u>28,628</u>	<u>0</u>
Total Net Position	<u>\$ 28,628</u>	<u>\$ 23,318</u>

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

	Private Purpose Trust Fund - Bowen Walker Fund
Additions:	
Investment Earnings	\$ <u>778</u>
Net Investment Earnings	<u>778</u>
Disbursements:	
Other	<u>778</u>
Total Disbursements	<u>778</u>
Change in Net Position	0
Net Position - July 1, 2013	<u>28,628</u>
Net Position - June 30, 2014	\$ <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, 2014

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Financial Reporting Entity

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

B. Basis of Presentation

The accounts of the Town are organized and operated on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts which comprise its assets, 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, 2014

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

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

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

The Town reports on the following major governmental funds:

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

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

The Town reports on the following major enterprise funds:

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

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

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

Additionally, the Town reports the following fund types:

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

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

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

C. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide financial statements are reported using the economic resources measurement focus. This means that all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds (whether current or noncurrent) are included on the balance sheet (or statement of net position). Equity (i.e., net total position) is segregated into net investment in capital assets, restricted net position; and unrestricted net position. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

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

D. Basis of Accounting

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

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

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

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

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

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

E. Use of Estimates

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

F. Future Changes in Accounting Standards

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Financial Reporting for Pension Plans" – an amendment of GASB Statement No. 27, effective for fiscal years beginning after June 15, 2014. This new accounting and reporting standard may impact the Town's measurement and recognition of pension liabilities, deferred outflows or resources, deferred inflows of resources, and expenses/expenditures in government-wide and/or enterprise fund financial statements. The requirements of this statement may require restating of beginning net position. The Town is currently not planning to early implement this Statement, and has made no estimation of the effect this Statement will have in the financial statements.

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity

1. Cash

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

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

2. Investments

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

3. Receivables

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

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

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

5. Inventories and Prepaid Expenses

Inventory quantities are determined by physical count and are valued at the lower of cost or market. Inventories in the Governmental Funds consists of sand, gravel and stone, sodium chloride and culverts. Inventories in the Proprietary Funds consist 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. 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 statement element, “deferred outflows of resources”, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. The Town did not have any items that qualified for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, “deferred inflows of resources”, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has four (4) types of items which arise under the modified accrual basis of accounting and one (1) type which arises under the accrual basis of accounting that qualify for reporting in this category. Accordingly, the item, “unavailable revenue”, is reported in the statement of net position and governmental funds balance sheet. The statement of net position reports unavailable revenues from one source; prepaid property taxes. The governmental funds report unavailable revenues from four (4) sources; prepaid property taxes, unavailable property taxes, penalties and interest, unavailable grant revenue, and unavailable loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

7. Capital Assets

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

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

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

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

8. Compensated Absences

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

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

9. Long-term Liabilities

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

10. Fund Equity

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

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

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

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

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

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

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

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

B. Budgeted Deficits

The Town elected to budget expenditures in excess of revenues by \$100,000 and \$68,500 in the General Fund and Highway Fund, respectively in order to utilize the prior years surpluses. These are reflected as a current year's budgeted deficiency of revenue over expenditures in Exhibits F and G.

C. Excess of Expenditures Over Appropriations

For the year ended June 30, 2014, expenditures in the General Fund, Highway Fund and Village Fund exceeded appropriations by \$22,686, \$109,343 and \$1,224 respectively. These were funded by excess revenues and available fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Town's cash and investments as of June 30, 2014 are comprised of the following:

Cash

Cash on Hand	\$ 325
Deposits with Financial Institutions	<u>1,332,730</u>
Total Cash	<u>1,333,055</u>

Investments

Certificate of Deposit, Lake Sunapee Bank, Interest at 1.144%, Due March 31, 2015	2,019
Certificate of Deposit, People's United Bank, Interest at 2.716%, Due February 28, 2015	28,628
Certificate of Deposit, Lake Sunapee Bank, Interest at .3%, Due July 27, 2014	<u>97,181</u>
Total Investments	<u>127,828</u>
Total Cash and Investments	<u>\$1,460,883</u>

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

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

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counter-party (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. The Town does not have any policy to limit the exposure to custodial credit risk. The table below shows the custodial credit risk of the Town's cash and certificates of deposit.

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured - (FDIC)	\$ 470,051	\$ 522,512
Uninsured, Collateralized by U.S. Government Securities Held by the Bank in the Town's Name	<u>990,507</u>	<u>986,366</u>
Total	<u>\$1,460,558</u>	<u>\$1,508,878</u>

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

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

Concentration of credit risk is the risk that a large percentage of the Town's investments are held within one security. The Town has no limit on the amount that they may invest with any one issuer, however, the Town tries to diversify to seek the maximum FDIC coverage at each financial institution. The Town does not have any investment in any one issuer that represent more than 5% of total investments.

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

B. Receivables

Receivables at June 30, 2014, 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	\$ 104,913	\$ 0	\$ 104,913
Penalties and Interest	19,991	1,742	21,733
Billed Services	1,800	12,286	14,086
Unbilled Services	19,289	280,332	299,621
Tax Sale Receivables	9,613	0	9,613
Grants Receivable	17,553	50,640	68,193
Miscellaneous	1,633	4,747	6,380
Allowance for Doubtful Accounts	(1,000)	0	(1,000)
	\$ 173,792	\$ 349,747	\$ 523,539

C. Loans Receivable

Loans receivable at June 30, 2014 are as follows:

Loans Receivable, Twenty-Three (23) 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. H.

\$125,150

Total Notes Receivable

\$125,150

Maturities are expected to be as follows:

2015	\$ 13,800
2016	13,800
2017	13,800
2018	13,800
2019	13,800
2020-2023	56,150
Total	\$125,150

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

D. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 103,699	\$ 0	\$ 0	\$ 103,699
Construction in Progress	<u>21,577</u>	<u>89,639</u>	<u>74,738</u>	<u>36,478</u>
Total Capital Assets, Not Being Depreciated	<u>125,276</u>	<u>89,639</u>	<u>74,738</u>	<u>140,177</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	948,895	39,020	0	987,915
Vehicles	2,116,591	160,640	0	2,277,231
Computers	24,979	5,622	0	30,601
Equipment	374,925	0	0	374,925
Infrastructure	<u>5,590,653</u>	<u>374,445</u>	<u>0</u>	<u>5,965,098</u>
Totals	<u>9,056,043</u>	<u>579,727</u>	<u>0</u>	<u>9,635,770</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	312,590	19,218	0	331,808
Vehicles	793,383	102,708	0	896,091
Computers	13,516	4,182	0	17,698
Equipment	198,810	25,865	0	224,675
Infrastructure	<u>1,545,704</u>	<u>272,590</u>	<u>0</u>	<u>1,818,294</u>
Totals	<u>2,864,003</u>	<u>424,563</u>	<u>0</u>	<u>3,288,566</u>
Total Capital Assets, Being Depreciated	<u>6,192,040</u>	<u>155,164</u>	<u>0</u>	<u>6,347,204</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,317,316</u>	<u>\$ 244,803</u>	<u>\$ 74,738</u>	<u>\$ 6,487,381</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 68,355	\$ 0	\$ 0	\$ 68,355
Construction in Progress	<u>121,931</u>	<u>214,267</u>	<u>273,268</u>	<u>62,930</u>
Total Capital Assets, Not Being Depreciated	<u>190,286</u>	<u>214,267</u>	<u>273,268</u>	<u>131,285</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	2,645,789	11,537	0	2,657,326
Distribution and Collection Systems	<u>8,526,521</u>	<u>273,268</u>	<u>0</u>	<u>8,799,789</u>
Totals	<u>11,172,310</u>	<u>284,805</u>	<u>0</u>	<u>11,457,115</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	368,824	63,388	0	432,212
Distribution and Collection Systems	<u>1,231,955</u>	<u>122,479</u>	<u>0</u>	<u>1,354,434</u>
Totals	<u>1,600,779</u>	<u>185,867</u>	<u>0</u>	<u>1,786,646</u>
Total Capital Assets, Being Depreciated	<u>9,571,531</u>	<u>98,938</u>	<u>0</u>	<u>9,670,469</u>
Business-Type Activities Capital Assets, Net	<u>\$ 9,761,817</u>	<u>\$ 313,205</u>	<u>\$ 273,268</u>	<u>\$ 9,801,754</u>

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

Depreciation was charged as follows:

Governmental Activities:		Business - Type Activities:	
General Government	\$ 15,137	Water	\$ 98,351
Public Safety	66,090	Sewer	<u>87,516</u>
Highways and Streets	337,344		
Sanitation	1,278		
Culture and Recreation	<u>4,714</u>		
 Total Depreciation Expense - Governmental Activities	 \$ <u>424,563</u>	 Total Depreciation Expense - Business- Type Activities	 \$ <u>185,867</u>

E. Interfund Balances and Activity

The composition of due to/from other funds at June 30, 2014 is as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 0	\$ 1,088,578
Highway Fund	291,971	0
Other Governmental Funds	782,253	0
Water Fund	262,935	0
Sewer Fund	0	271,899
First Response Capital Agency Fund	<u>23,318</u>	<u>0</u>
 Total	 \$ <u>1,360,477</u>	 \$ <u>1,360,477</u>

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Municipal Office Fund	\$ 7,000	Annual Funding
General Fund	Fire Department Fund	62,500	Annual Funding
General Fund	Patrol Car Fund	7,000	Annual Funding
General Fund	Mower Replacement Fund	2,000	Annual Funding
General Fund	Cemetery Development Fund	2,000	Annual Funding
Highway Fund	Bridge Reserve Fund	50,000	Annual Funding
Highway Fund	Highway Capital Fund	95,000	Annual Funding
Belcher Mericle Fund	General Fund	<u>14</u>	Recreation Subsidy
 Total		 \$ <u>225,514</u>	

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

F. Unearned Revenue

Unearned revenue in the General Fund consists of \$5,851 of recreation fees and \$2,046 of grant revenue received in advance. The recreation fees will be earned at the recreation program occurs and the grant revenue will be earned as grant expenditures occur. Total unearned revenue in the General Fund is \$7,897.

Unearned revenue in the Water and Sewer Funds consists of \$1,737 and \$1,067 respectively of fees received in advance. Total unearned revenue in the Proprietary Funds is \$2,804.

G. Deferred Inflows of Resources

Deferred inflows of resources in the General Fund consists of \$126,226 of delinquent property taxes, penalties and interest on those taxes that was not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. It also includes \$7,850 of prepaid property taxes. Total deferred inflows of resources in the General Fund is \$134,076.

Deferred inflows of resources in the Highway Fund consists of \$19,289 of grant receivables not collected within sixty (60) days after year end as these would not be available to liquidate current liabilities.

Deferred inflows of resources in the Well Drilling Fund consists of \$125,120 of loans receivable not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities.

H. Long-term Liabilities

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

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

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

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

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

Long-Term Liabilities outstanding as of June 30, 2014 were as follows:

	<u>Beginning Balance 07/01/13</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 06/30/14</u>
Governmental Activities:				
Bond Payable - Vermont Municipal Bond Bank - Highway Improvements, Principal Payments of \$85,000 Due Annually on December 1, Interest at 5.0226% Due Semi-Annually on June 1 and December 1, Due December, 2019	\$ 595,000	\$ 0	\$ 85,000	\$510,000
Bond Payable – State of Vermont Special Environmental Revolving Fund, Water Drilling Loan Program, Authorized to \$200,000, 0% Interest, \$20,000 Due Annually Beginning in 2015 through 2023	<u>87,358</u>	<u>54,402</u>	<u>0</u>	<u>141,760</u>
Total Governmental Activities	\$ <u>682,358</u>	\$ <u>54,402</u>	\$ <u>85,000</u>	\$ <u>651,760</u>

	<u>Beginning Balance 07/01/13</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 06/30/14</u>
Business-Type Activities:				

Water Fund:

Bond Payable - Vermont Municipal Bond Bank - Pittsford Water System Improvements, Principal Payments Ranging from \$2,667 to \$17,426 Due Annually on December 1, Interest Ranging from 5.7% to 7.65% Due Semi-Annually on June 1 and December 1, Due December, 2018	\$ 86,821	\$ 0	\$11,805	\$75,016
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TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

	<u>Beginning Balance 07/01/13</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 06/30/14</u>
Bond Payable - Vermont Municipal Bond Bank, Florence Water System Improvements, Principal Payments Ranging from \$584 to \$3,673 Due Annually on December 1, Interest Ranging from 5.8% to 7.654% Due Semi-Annually on June 1 and December 1, Due December, 2018	\$ 18,347	\$ 0	\$ 2,502	\$ 15,845
Bond Payable - USDA Rural Development, Water System Improvements, Principal and Interest Payments Due Semi-Annually of \$58,318 Beginning April, 2011, Interest at 3.5% Due October, 2050	2,499,594	0	35,684	2,463,910
Note Payable – State of Vermont Special Environmental Revolving Fund, Water Planning Loan – Authorized to \$22,000, 0% Interest, \$4,400 Due Annually Beginning May 1, 2015	22,000	0	0	22,000
Bond Payable – USDA Rural Development, System Improvements Principal and Interest Payments Due Semi-annually of \$3,187 Beginning May 15, 2014 Interest at 2.75% Due November 15, 2053	<u>0</u>	<u>154,000</u>	<u>1,087</u>	<u>152,913</u>
Total Water Fund	<u>2,626,762</u>	<u>154,000</u>	<u>51,078</u>	<u>2,729,684</u>

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

	<u>Beginning Balance 07/01/13</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 06/30/14</u>
Sewer Fund:				
Bond Payable – State of Vermont Special Environmental Revolving Fund, Pollution Control Loan, Sewer Line Upgrades, Authorized to \$62,550, 0% Interest, \$12,510 Due Annually Beginning October 1, 2015, Due October 1, 2019	\$ 44,717	\$ 0	\$ 0	\$ 44,717
Bond Payable – Vermont Municipal Bond Bank, Sewer System Improvements Refunding Bond, Annual Principal Payments Ranging from \$17,647 to \$36,707 Beginning December 1, 2012, Interest at 3.93% Due Semi-Annually on June 1 and December 1, Due December 2031	504,042	0	18,340	485,702
Bond Payable – Vermont Municipal Bond Bank, Sewer System Improvements Refunding Bond, Annual Principal Payments Ranging from \$5,430 to \$11,294 Beginning December 1, 2012, Interest at 3.93% Due Semi-Annually on June 1 and December 1, Due December, 2031	155,090	0	5,643	149,447
Bond Payable – USDA Rural Development, Sewer System Improvements, Semi-Annual Principal and Interest Payments of \$30,541, Interest at 2.75%, Due August 1, 2042	<u>1,228,677</u>	<u>0</u>	<u>27,484</u>	<u>1,201,193</u>
Total Sewer Fund	<u>1,932,526</u>	<u>0</u>	<u>51,467</u>	<u>1,881,059</u>
Total Business-Type Activities	<u>\$4,559,288</u>	<u>\$ 154,000</u>	<u>\$ 102,545</u>	<u>\$4,610,743</u>

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

Changes in all 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					
Bonds Payable	\$ 682,358	\$ 54,402	\$ 85,000	\$ 651,760	\$ 105,000
Compensated Absences	<u>25,884</u>	<u>8,396</u>	<u>0</u>	<u>34,280</u>	<u>0</u>
Total Governmental Activities Long-Term Liabilities	<u>708,242</u>	<u>62,798</u>	<u>85,000</u>	<u>686,040</u>	<u>\$ 105,000</u>
Business-type Activities					
General Obligation Bonds Payable	4,559,288	154,000	102,545	4,610,743	107,672
Compensated Absences	<u>4,849</u>	<u>7,577</u>	<u>0</u>	<u>12,426</u>	<u>0</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 4,564,137</u>	<u>\$ 161,577</u>	<u>\$ 102,545</u>	<u>4,623,169</u>	<u>\$ 107,672</u>

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

Maturities are estimated as follows:

Year Ending June 30	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 105,000	\$ 10,067	\$ 107,672	\$ 147,644
2016	105,000	12,057	128,858	143,365
2017	105,000	3,544	133,341	138,882
2018	105,000	0	138,037	133,387
2019	105,000	3,876	137,636	129,357
2020-2024	126,760	2,301	583,367	587,719
2025-2029	0	0	681,122	484,881
2030-2034	0	0	699,948	367,450
2035-2039	0	0	652,579	267,881
2040-2044	0	0	665,544	162,956
2045-2049	0	0	543,748	71,302
2049-2052	<u>0</u>	<u>0</u>	<u>138,891</u>	<u>4,590</u>
Total	<u>\$ 651,760</u>	<u>\$ 31,845</u>	<u>\$ 4,610,743</u>	<u>\$ 2,639,414</u>

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

I. Fund Balances

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

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

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

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

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

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

The purpose for each major Special Revenue Fund, including which specific revenues and other resources are authorized to be reported in each, are described in the following section.

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

Nonspendable Fund Balances

Nonspendable General Fund Prepaid Expenses	\$ 5,107
Nonspendable General Fund Inventories	236
Nonspendable Highway Fund Inventories	55,298
Nonspendable Belcher Mericle Fund Principal	<u>1,250</u>
Total Nonspendable Fund Balances	\$ <u>61,891</u>

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

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

Restricted Fund Balances

Major Funds

Restricted for Highway Fund Expenditures by Statute (Source of Revenue is Restricted Taxes and Grant Revenue)	<u>\$266,847</u>
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Non-Major Funds

Restricted for Planning Expenditures by Grant	7,721
Restricted for Records Preservation by Statute	33,201
Restricted for Veterans Memorial by Donations	732
Restricted for William Dennison Fund by Trust Agreement	97,181
Restricted for Well Drilling Fund Debt Service by Debt Agreement	11,828
Restricted for Belcher Mericle Fund by Trust Agreement – Expendable Portion	<u>769</u>
Total Non-Major Funds	<u>151,432</u>
Total Restricted Fund Balances	<u>\$418,279</u>

The Fund Balance in the following fund is committed as follows:

Committed Fund Balances

Committed for Village Expenses by the Voters	<u>\$ 10,818</u>
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The Fund Balances in the following funds are assigned as follows:

Assigned Fund Balances

General Fund

Assigned to Reduce Taxes Raised in 2015	<u>\$ 75,000</u>
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Special Revenue Funds

Assigned for Reappraisal Expenses (Source of Revenue is Grant Revenue)	<u>180,048</u>
Total Special Revenue Funds	<u>180,048</u>

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

Capital Projects Funds

Assigned for Bridge Reserve	\$254,339
Assigned for Municipal Office Building	8,776
Assigned for Fire Department	45,842
Assigned for Patrol Car	16,047
Assigned for Mower Replacement	14,625
Assigned for Cemetery Development	35,116
Assigned for Highway Capital Fund	<u>161,431</u>
Total Capital Projects Funds	<u>536,176</u>
Total Assigned Fund Balances	<u><u>\$791,224</u></u>

J. Restricted and Designated Net Position

The restricted net position in the Governmental Activities are as follows:

Restricted for Highway Fund Expenditures	\$341,434
Restricted for Planning Expenditures	7,721
Restricted for Records Preservation	33,201
Restricted for Veterans Memorial	732
Restricted for William Dennison Fund – Fire Department Expenses	97,181
Restricted for Belcher Mericle Fund - Recreation	<u>2,019</u>
Total Restricted Net Position	<u><u>\$482,288</u></u>

The Designated Net Assets in the Proprietary Funds are as follows:

Proprietary Funds

Enterprise Funds

Water Fund:	
Designated for Water Operations	\$214,779
Designated for Water Capital – Improvements	188,459
Designated for Water Capital - Truck	<u>61,568</u>
Total Water Fund	<u>464,806</u>
Sewer Fund:	
Designated for Sewer Capital	52,677
Amount Designated in Excess of Amounts Available	<u>(52,677)</u>
Total Sewer Fund	<u>0</u>
Total Enterprise Funds	<u><u>\$464,806</u></u>

The \$163,067 unrestricted deficit in the Sewer Fund will be funded by future operational surpluses.

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

V. OTHER INFORMATION

A. BENEFIT PLANS

All applicable employees of the Town of Pittsford are covered under the State of Vermont Municipal Employee's Group A Retirement Plan. The plan requires a 2.5% contribution of gross salary by the employee and a 4.0% contribution by the Town of Pittsford. The Town of Pittsford pays all costs accrued each year for the plan. The premise of this plan is to provide a retirement plan covering municipal employees at a uniform State-wide contribution rate based upon an actuarial valuation of all State of Vermont municipal employees. Activity in this plan is done in the aggregate, not by municipality. The net position available for benefits as well as the present value of vested and nonvested plan benefits by municipality is not available. The Town's total payroll was \$815,362 while its covered payroll for the retirement plan was \$568,017. Pension expense for the year ending June 30, 2014, 2013 and 2012 was as \$22,721, \$21,224 and \$22,220, respectively.

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

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, 2014 was \$1,020.

B. RISK MANAGEMENT

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

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

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

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, 2014, taxes were due and payable on August 10, 2013, September 10, 2013 and November 10, 2013. The Town assesses an 8% penalty on delinquent taxes and interest is charged at one percent (1%) per month after the taxes become delinquent on November 11, 2013. Unpaid taxes become an enforceable lien on the property and such properties are subject to tax sale. The tax rates for 2014 were as follows:

	<u>Residential</u>	<u>Non-Residential</u>
Education	1.3655	1.3567
Local Agreement	0.0016	0.0016
General Town	0.2222	0.2222
Village	0.0396	0.0396
Highway	<u>0.2186</u>	<u>0.2186</u>
 Total Tax Rate/per \$100 of Assessed Valuation	 <u>1.8475</u>	 <u>1.8387</u>

D. OTHER COMMITMENTS

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

The Town of Pittsford voters have approved borrowing up to \$200,000 from the State of Vermont Special Environmental Loan Fund to be used to issue no interest (0%) well drilling loans for residents who can no longer get water from the Town of Proctor. The terms of the loans are for ten (10) years with a maximum loan amount of \$6,000. As of June 30, 2014, the Town has drawn \$141,760 of this amount and repaid \$0 leaving a balance owed of \$141,760.

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

E. CONCENTRATION OF REVENUE

The Town receives a major portion of its revenue from OMYA, Inc. For the year ended June 30, 2014, the Town received 19.4% of its total property taxes and 11.43% of total water sales from OMYA, Inc.

TOWN OF PITTSFORD, VERMONT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Special Revenue Funds	Capital Projects Funds	Permanent Fund - Belcher Mericle Fund	Total
<u>ASSETS</u>				
Investments	\$ 97,181	\$ 0	\$ 2,019	\$ 99,200
Due from Other Funds	246,077	536,176	0	782,253
Loans Receivable	<u>125,150</u>	<u>0</u>	<u>0</u>	<u>125,150</u>
Total Assets	<u>\$ 468,408</u>	<u>\$ 536,176</u>	<u>\$ 2,019</u>	<u>\$ 1,006,603</u>
<u>LIABILITIES</u>				
Liabilities:				
Accounts Payable	\$ <u>1,729</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>1,729</u>
Total Liabilities	<u>1,729</u>	<u>0</u>	<u>0</u>	<u>1,729</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Loans Receivable	<u>125,150</u>	<u>0</u>	<u>0</u>	<u>125,150</u>
Total Deferred Inflows of Resources	<u>125,150</u>	<u>0</u>	<u>0</u>	<u>125,150</u>
<u>FUND BALANCES</u>				
Nonspendable	0	0	1,250	1,250
Restricted	150,663	0	769	151,432
Committed	10,818	0	0	10,818
Assigned	<u>180,048</u>	<u>536,176</u>	<u>0</u>	<u>716,224</u>
Total Fund Balances	<u>341,529</u>	<u>536,176</u>	<u>2,019</u>	<u>879,724</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 468,408</u>	<u>\$ 536,176</u>	<u>\$ 2,019</u>	<u>\$ 1,006,603</u>

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TOWN OF PITTSFORD, VERMONT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds	Capital Projects Funds	Permanent Fund - Belcher Mericle Fund	Total
Revenues:				
Property Taxes	\$ 19,010	\$ 0	\$ 0	\$ 19,010
Intergovernmental	13,917	0	0	13,917
Investment Income	1,981	4,021	14	6,016
Loan Repayments	11,800	0	0	11,800
Permits and Fees	4,777	0	0	4,777
Total Revenues	<u>51,485</u>	<u>4,021</u>	<u>14</u>	<u>55,520</u>
Expenditures:				
Current Expenditures				
General Government	20,224	0	0	20,224
Community Development	24,000	0	0	24,000
Capital Outlay				
Public Safety	0	160,640	0	160,640
Total Expenditures	<u>44,224</u>	<u>160,640</u>	<u>0</u>	<u>204,864</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>7,261</u>	<u>(156,619)</u>	<u>14</u>	<u>(149,344)</u>
Other Financing Sources/(Uses):				
Proceeds of Long-Term Debt	54,402	0	0	54,402
Proceeds from the Sale of a Vehicle	0	80	0	80
Transfers In	0	225,500	0	225,500
Transfers Out	0	0	(14)	(14)
Total Other Financing Sources/(Uses)	<u>54,402</u>	<u>225,580</u>	<u>(14)</u>	<u>279,968</u>
Net Change in Fund Balances	61,663	68,961	0	130,624
Fund Balances - July 1, 2013	<u>279,866</u>	<u>467,215</u>	<u>2,019</u>	<u>749,100</u>
Fund Balances - June 30, 2014	<u>\$ 341,529</u>	<u>\$ 536,176</u>	<u>\$ 2,019</u>	<u>\$ 879,724</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF PITTSFORD, VERMONT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	Village Fund	Reappraisal Fund	State Planning Grants Fund	Land Records Preservation Fund	Veterans Memorial Fund	William Dennison Fund	Well Drilling Fund	Total
<u>ASSETS</u>								
Investments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 97,181	\$ 0	\$ 97,181
Due from Other Funds	12,547	180,048	7,721	33,201	732	0	11,828	246,077
Loans Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>125,150</u>	<u>125,150</u>
TOTAL ASSETS	<u>\$ 12,547</u>	<u>\$ 180,048</u>	<u>\$ 7,721</u>	<u>\$ 33,201</u>	<u>\$ 732</u>	<u>\$ 97,181</u>	<u>\$ 136,978</u>	<u>\$ 468,408</u>
<u>LIABILITIES</u>								
Accounts Payable	<u>\$ 1,729</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,729</u>
Total Liabilities	<u>1,729</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,729</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>125,150</u>	<u>125,150</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>125,150</u>	<u>125,150</u>
<u>FUND BALANCES</u>								
Restricted	0	0	7,721	33,201	732	97,181	11,828	150,663
Committed	10,818	0	0	0	0	0	0	10,818
Assigned	<u>0</u>	<u>180,048</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>180,048</u>
Total Fund Balances	<u>10,818</u>	<u>180,048</u>	<u>7,721</u>	<u>33,201</u>	<u>732</u>	<u>97,181</u>	<u>11,828</u>	<u>341,529</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 12,547</u>	<u>\$ 180,048</u>	<u>\$ 7,721</u>	<u>\$ 33,201</u>	<u>\$ 732</u>	<u>\$ 97,181</u>	<u>\$ 136,978</u>	<u>\$ 468,408</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF PITTSFORD, VERMONT
 COMBINING STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Village Fund	Reappraisal Fund	State Planning Grants Fund	Land Records Preservation Fund	Veterans Memorial Fund	William Dennison Fund	Well Drilling Fund	Total
Revenue:								
Property Taxes	\$ 19,010	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,010
Intergovernmental	0	13,917	0	0	0	0	0	13,917
Investment Income	140	1,269	57	233	7	266	9	1,981
Loan Repayments	0	0	0	0	0	0	11,800	11,800
Permits and Fees	0	0	0	4,777	0	0	0	4,777
Total Revenue	19,150	15,186	57	5,010	7	266	11,809	51,485
Expenditures:								
Current Expenditures								
General Government	20,224	0	0	0	0	0	0	20,224
Community Development	0	0	0	0	0	0	24,000	24,000
Total Expenditures	20,224	0	0	0	0	0	24,000	44,224
Excess/(Deficiency) of Revenue Over Expenditures	(1,074)	15,186	57	5,010	7	266	(12,191)	7,261
Other Financing Sources:								
Proceeds of Long-Term Debt	0	0	0	0	0	0	54,402	54,402
Total Other Financing Sources	0	0	0	0	0	0	54,402	54,402
Net Change in Fund Balances	(1,074)	15,186	57	5,010	7	266	42,211	61,663
Fund Balance/(Deficit) - July 1, 2013	11,892	164,862	7,664	28,191	725	96,915	(30,383)	279,866
Fund Balance - June 30, 2014	\$ 10,818	\$ 180,048	\$ 7,721	\$ 33,201	\$ 732	\$ 97,181	\$ 11,828	\$ 341,529

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TOWN OF PITTSFORD, VERMONT
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2014

	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	\$ 254,339	\$ 8,776	\$ 45,842	\$ 16,047	\$ 14,625	\$ 35,116	\$ 161,431	\$ 536,176
TOTAL ASSETS	<u>\$ 254,339</u>	<u>\$ 8,776</u>	<u>\$ 45,842</u>	<u>\$ 16,047</u>	<u>\$ 14,625</u>	<u>\$ 35,116</u>	<u>\$ 161,431</u>	<u>\$ 536,176</u>
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL LIABILITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:								
Assigned	<u>254,339</u>	<u>8,776</u>	<u>45,842</u>	<u>16,047</u>	<u>14,625</u>	<u>35,116</u>	<u>161,431</u>	<u>536,176</u>
Total Fund Balances	<u>254,339</u>	<u>8,776</u>	<u>45,842</u>	<u>16,047</u>	<u>14,625</u>	<u>35,116</u>	<u>161,431</u>	<u>536,176</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 254,339</u>	<u>\$ 8,776</u>	<u>\$ 45,842</u>	<u>\$ 16,047</u>	<u>\$ 14,625</u>	<u>\$ 35,116</u>	<u>\$ 161,431</u>	<u>\$ 536,176</u>

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TOWN OF PITTSFORD, VERMONT
 COMBINING STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Bridge Reserve Fund	Municipal Office Fund	Fire Department Fund	Patrol Car Fund	Mower Replacement Fund	Cemetery Development Fund	Highway Capital Fund	Total
Revenue:								
Investment Income	\$ 1,721	\$ 42	\$ 932	\$ 95	\$ 102	\$ 254	\$ 875	\$ 4,021
Total Revenue	<u>1,721</u>	<u>42</u>	<u>932</u>	<u>95</u>	<u>102</u>	<u>254</u>	<u>875</u>	<u>4,021</u>
Expenditures:								
Capital Outlay								
Public Safety	<u>0</u>	<u>0</u>	<u>160,640</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>160,640</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>160,640</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>160,640</u>
Excess/(Deficiency) of Revenue Over Expenditures	<u>1,721</u>	<u>42</u>	<u>(159,708)</u>	<u>95</u>	<u>102</u>	<u>254</u>	<u>875</u>	<u>(156,619)</u>
Other Financing Sources:								
Proceeds from the Sale of Equipment	0	0	80	0	0	0	0	80
Transfers In	<u>50,000</u>	<u>7,000</u>	<u>62,500</u>	<u>7,000</u>	<u>2,000</u>	<u>2,000</u>	<u>95,000</u>	<u>225,500</u>
Total Other Financing Sources	<u>50,000</u>	<u>7,000</u>	<u>62,580</u>	<u>7,000</u>	<u>2,000</u>	<u>2,000</u>	<u>95,000</u>	<u>225,580</u>
Net Change in Fund Balances	51,721	7,042	(97,128)	7,095	2,102	2,254	95,875	68,961
Fund Balance - July 1, 2013	<u>202,618</u>	<u>1,734</u>	<u>142,970</u>	<u>8,952</u>	<u>12,523</u>	<u>32,862</u>	<u>65,556</u>	<u>467,215</u>
Fund Balance - June 30, 2014	<u>\$ 254,339</u>	<u>\$ 8,776</u>	<u>\$ 45,842</u>	<u>\$ 16,047</u>	<u>\$ 14,625</u>	<u>\$ 35,116</u>	<u>\$ 161,431</u>	<u>\$ 536,176</u>

See Disclaimer in Accompanying Independent Auditor's Report.

Sullivan, Powers & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with "Government Auditing Standards"

Board of Selectmen
Town of Pittsford
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, 2014, 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 January 29, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Pittsford, Vermont's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Pittsford, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Pittsford, Vermont's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as described in the accompanying Schedule of Findings and Deficiencies in Internal Control, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town of Pittsford, Vermont's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Deficiencies in Internal Control as Item 14-1 to be a material weakness.

Compliance and Other Matters

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

We also noted certain other matters that we reported to the management of the Town of Pittsford, Vermont in a separate letter dated January 29, 2015.

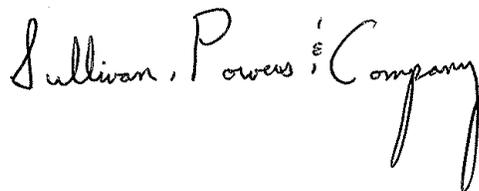
Town of Pittsford, Vermont's Response to Finding

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Pittsford, Vermont's internal control or on compliance. This report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the Town of Pittsford, Vermont's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

January 29, 2015
Montpelier, Vermont
VT Lic. #92-000180



TOWN OF PITTSFORD, VERMONT
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2014

Deficiencies in Internal Control:

Material Weakness:

14-1 Reconciliation of Balance Sheet Accounts

Criteria:

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

Condition:

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

Cause:

Unknown.

Effect:

The Town's account balances were incorrect.

Recommendation:

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

MEMORANDUM

To: Sullivan & Powers

From: Helen McKinlay/Clerk & Treasurer
Denise Mahoney/Accountant

Date: January 20, 2015

Re: Management Responses to Material Weakness Items in Audit

14-1. Reconciliation of Balance Sheet Accounts - The Town's Accounting Office is occupied by a part-time employee whose workload has increased substantially during recently-concluded water and sewer projects and during the administration of several other grant/loan-funded projects. It is anticipated that, now that this workload has eased, all balance sheets will be reconciled to supporting documentation on a monthly basis in order to detect and correct errors.