

TOWN OF PITTSFORD, VERMONT

AUDIT REPORT

JUNE 30, 2010

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

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, 2010, which collectively comprise the Town of Pittsford, Vermont's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Town of Pittsford, Vermont's management. Our responsibility is to express opinions on these financial statements based on our audit.

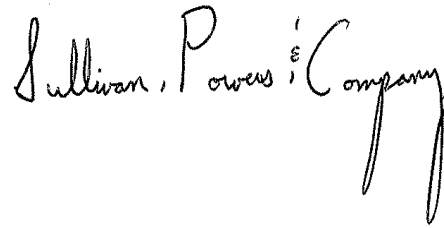
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pittsford, Vermont, as of June 30, 2010 and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Highway Fund and Village Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Information included under Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming our opinion 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 express no opinion on them.

February 1, 2011
Montpelier, Vermont
Vt Lic. #92-000180

A handwritten signature in black ink that reads "Sullivan, Powers & Company". The signature is written in a cursive style with a large, stylized 'S' at the beginning and a long, sweeping tail at the end.

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, 2010.

Financial Highlights

- Assets exceeded liabilities on June 30, 2010 by \$10,854,431 (*net assets*). Of this amount, \$1,687,558 (*unrestricted net assets*) may be used by the various funds of the Town to meet the Town's ongoing obligations.
- The Town's total net assets increased by \$1,905,194. Of this amount, net assets attributable to governmental activities increased by \$306,632. Net assets attributable to business-type activities increased by \$1,598,562.

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 assets* presents information on all of the Town of Pittsford's assets and liabilities with the difference between the two reported as net assets.

The *statement of activities* presents information showing how the Town's net assets changed during the past fiscal year. The *statement of activities* is on a full accrual basis (i.e. all changes in net assets 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 a modified accrual basis (i.e. revenue is recognized when it becomes measurable and available as net current assets, 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 Pittsford water operations, Florence 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, except for the Equipment Rental Fund which is an Internal Service Fund. 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 Assets

	Governmental Activities		Business-type Activities		Total	
	FY2010	FY2009	FY2010	FY2009	FY2010	FY2009
Current and Other Assets	\$ 2,028,972	\$ 1,937,618	\$ 903,344	\$ 32,742	\$ 2,932,316	\$ 1,970,360
Capital Assets	5,603,678	5,485,349	7,612,907	3,614,033	13,216,585	9,099,382
Total Assets	<u>7,632,650</u>	<u>7,422,967</u>	<u>8,516,251</u>	<u>3,646,775</u>	<u>16,148,901</u>	<u>11,069,742</u>
Current Liabilities	91,208	93,060	654,334	65,155	745,542	158,215
Long-term Liabilities	903,628	998,725	3,645,300	963,565	4,548,928	1,962,290
Total Liabilities	<u>994,836</u>	<u>1,091,785</u>	<u>4,299,634</u>	<u>1,028,720</u>	<u>5,294,470</u>	<u>2,120,505</u>
Net Assets						
Invested in Capital Assets, Net of Related Debt	4,722,874	4,504,153	3,975,092	2,659,246	8,697,966	7,163,399
Restricted	468,907	322,792	0	0	468,907	322,792
Unrestricted	1,446,033	1,504,237	241,525	(41,191)	1,687,558	1,463,046
Total Net Assets	<u>\$ 6,637,814</u>	<u>\$ 6,331,182</u>	<u>\$ 4,216,617</u>	<u>\$ 2,618,055</u>	<u>\$ 10,854,431</u>	<u>\$ 8,949,237</u>

As stated above, net assets exceeded liabilities by \$10,854,431 at the end of fiscal year 2010. Net assets at the end of fiscal year 2009 exceeded liabilities by \$8,949,237.

The largest portion of the Town's net assets are in its investment in capital assets (80.1%). 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 (4.3%) 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 assets (15.6%, or \$1,687,558) may be used to meet the government's ongoing obligations to citizens and creditors. Some of the amounts included in unrestricted net assets have been designated by management for particular purposes (e.g. capital projects).

Statement of Activities (Change in Net Assets)

	Governmental Activities		Business-type Activities		Total	
	FY2010	FY2009	FY2010	FY2009	FY2010	FY2009
Revenues						
Program Revenues						
Charges for services	\$ 174,035	\$ 155,188	\$ 457,106	\$ 418,280	\$ 631,141	\$ 573,468
Operating grants and contributions	141,585	133,119	0	0	141,585	133,119
Capital grants and contributions	12,360	436,989	1,593,684	0	1,606,044	436,989
General Revenues						
Property taxes	1,645,123	2,096,025	0	0	1,645,123	2,096,025
Interest & Penalties on Delinquent Taxes	17,448	27,278	0	0	17,448	27,278
Unrestricted investment earnings/(loss)	35,752	(3,358)	1,058	2,866	36,810	(492)
General State Grants	63,641	47,014	0	0	63,641	47,014
Other revenues	12	1,096	7,862	17,220	7,874	18,316
Transfers	(28,115)	0	28,115	0	0	0
Total Revenues	<u>2,061,841</u>	<u>2,893,351</u>	<u>2,087,825</u>	<u>438,366</u>	<u>4,149,666</u>	<u>3,331,717</u>
Expenses						
Governmental activities						
General Government	615,518	550,492	0	0	615,518	550,492
Highways & Streets	550,961	634,278	0	0	550,961	634,278
Public Safety	271,800	248,544	0	0	271,800	248,544
Sanitation	106,102	111,514	0	0	106,102	111,514
Culture and Recreation	162,137	159,565	0	0	162,137	159,565
Interest on Long-term Debt	48,691	52,883	0	0	48,691	52,883
Business-type activities						
Water	0	0	225,310	164,739	225,310	164,739
Sewer	0	0	263,953	279,120	263,953	279,120
Total Expenses	<u>1,755,209</u>	<u>1,757,276</u>	<u>489,263</u>	<u>443,859</u>	<u>2,244,472</u>	<u>2,201,135</u>
Change in net assets	306,632	1,136,075	1,598,562	(5,493)	1,905,194	1,130,582
Net assets - Beginning of Year	<u>6,331,182</u>	<u>5,195,107</u>	<u>2,618,055</u>	<u>2,623,548</u>	<u>8,949,237</u>	<u>7,818,655</u>
Net assets - End of Year	<u>\$ 6,637,814</u>	<u>\$ 6,331,182</u>	<u>\$ 4,216,617</u>	<u>\$ 2,618,055</u>	<u>\$ 10,854,431</u>	<u>\$ 8,949,237</u>

Comparative information is provided for Fiscal Year 2009.

Governmental activities. Governmental activities increased the Town’s net assets by \$306,632 in FY10. Major factors included underspending in numerous funds. Also, the Town incurred \$361,605 of capital expenditures and paid off \$100,392 in debt. After taking into consideration the adjustments from the Governmental Funds reporting to the Government-wide Activities reporting, this resulted in the \$306,632 increase in net assets.

Business-type activities. Business-type activities increased the Town’s net assets by \$1,598,562. Specifically, the Water Fund had a current year surplus of \$1,611,910, whereas the Sewer Fund had a current year deficit of \$13,348. The water surplus was due to grant revenue received to support the USDA loan for the water system upgrade.

The Pittsford Water Fund had a GAAP basis asset net gain of \$1,611,910 in FY10. This surplus was derived primarily from a capital grant from USDA. Significant improvements were required by the Water Supply Division. These were engineered by Otter Creek Engineering and bearing a total cost of \$4,725,000. A hydrant fee of \$22,360 is now being charged to the General Fund. Additionally, the Agency of Transportation is planning to upgrade U.S. Route 7 through the Town of Pittsford. The impact on the Pittsford Water System's infrastructure will be financially significant. Water rates will more than double in the coming year to finance the approved upgrade to the water system with rates to increase to the State average of approximately \$400 per year. Unrestricted net assets (resources available to meet future obligations) were \$424,780 on June 30, 2010.

Part of the Pittsford water system upgrade project was the interconnection of the Pittsford and Florence systems. During 2010, the Pittsford and Florence water systems were combined and the two separate enterprise funds are now reported as one.

The Sewer Fund had a GAAP basis net asset loss of \$13,348. This loss was primarily the result of needed repairs, depreciation and low sewer rates. An upgrade of the Sewer System and the Wastewater Treatment Facility is planned for 2011, at the insistence of the State's Department of Environmental Conservation. The Agency of Natural Resources, Wastewater Division has also required that the system correct several problems at the treatment plant and to reduce ground water infiltration of the collection system. 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 assets (resources available to meet future obligations) were a negative balance of (\$183,255) on June 30, 2010.

Financial Analysis of Major Governmental Funds

The General Fund

The General Fund balance decreased \$125,323 from \$769,427 at the end of fiscal year 2009 to \$644,104 at the end of fiscal year 2010. The General Fund deficit can largely be attributed to the Select Board's decision to return \$150,000 to the taxpayers in tax relief. Total budgeted revenues were exceeded by actual revenues by \$7,204. Property taxes and related fees, solid waste fees, investment interest and traffic fines were all under budget, however, State grants exceeded the budget by \$42,404. Partially offsetting that planned loss resulting from the above referenced tax relief were lower-than-expected heating fuel costs, building maintenance, solid waste removal fees and employee benefits and insurances. This was offset by zoning legal fees being \$45,551 over budget.

The Highway Fund

The Highway Fund balance increased \$144,345 from \$285,603 at the end of fiscal year 2009 to \$429,948 at the end of fiscal year 2010.

Revenues exceeded the budget by \$20,383. The majority of this is from State aid not being cut, as had been feared.

Expenses were less than budgeted by \$143,962. This is mostly due to a relatively mild winter, less paving done than planned and sidewalk grant matching funds not spent.

Equipment Rental Fund

The Equipment Rental Fund is an Internal Service Fund of the Town. This fund buys the majority of the Town Rolling stock (except police, fire and recreation) and then rents them to the applicable fund that uses the equipment. The majority of the revenue comes from the Highway Fund. At June 30, 2010, this fund had \$759,759 in net assets, however (51.7%) \$392,700 was invested in capital assets and the remaining \$367,059 was available for future purchases.

The Town has the following other reserve funds at June 30, 2010:

Designated for Village Fund – Sidewalks	\$ 30,464
Designated for Reappraisal Expenses	119,924
Designated for State Planning Grants	7,496
Designated for Cemetery Development	26,210
Designated for First Response Vehicle	17,750
Designated for Land Record Preservation	25,407
Designated for Veterans Memorial	709
Designated for Bridge Replacement	50,000
Designated for Municipal Office Capital Improvements	49,627
Designated for Fire Department Capital	4,086
Designated for Patrol Car Fund	18,196
Designated for Mower Replacement	4,533
Designated for William Dennison Fund – Fire	82,713
Designated for Belcher Miracle Fund – Recreation	<u>2,016</u>
Total Other Funds	<u>\$439,131</u>

Restricted Net Assets and Reserved Fund Balances

The restricted net assets were \$468,907 on June 30, 2010. These funds are reserved for specific future expenses, such as highway maintenance and other purposes determined by trust agreements.

The unreserved fund balance of the Governmental Funds was \$988,612 on June 30, 2010. These funds are available to address planned or unexpected expenses in the General Fund and other non-major governmental funds.

Capital Assets

Governmental Capital Assets increased \$403,705 in FY10. This was the a result of finalizing the construction of a fire truck, purchase of a highway truck, improvements to the Town office building and Town garage and various road construction projects.

Business-Type Capital Assets acquisitions were primarily engineering and construction contracts related to the new water line project and sewer plant upgrades.

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, 2010, the Town General Fund had a capital/financing lease balance of \$30,804 for a fire truck. The Highway Fund has a bond balance of \$850,000, the proceeds of which were used for highway improvements. The combined Pittsford and Florence Water System has a bond balance (current plus noncurrent balance) of \$2,886,810 that was used for system improvements; and the Sewer System has three bonds (current plus noncurrent balances) totaling \$751,005 with all of the proceeds used to upgrade the sewer treatment plant and engineering for other improvements.

Economic Factors and Next Year's Budgets and Rates

- The rate of inflation from December 2009 to December 2010 nationally was 1.1%. Increased costs for Health Care premiums, other insurances and all forms of energy are well above the inflation rate.
- The national economy has entered an anemic “recovery” from recession, with repercussions at the State and local levels of government. The outlook for 2011 is one of cautious optimism, with the first signs of increased economic activity finally apparent.

The following factors were considered in the development of budgets for FY11:

- **General Fund:** The budget for FY11 factors in substantial increases in health and dental insurance coverage for Town employees. The Town also reduced the amount raised by taxation by \$476,150 to afford relief to taxpayers. This reflects the return of approximately \$355,000 in erroneously overtaxed receipts from a prior year and the Select Board’s decision to return an additional \$120,000 in tax relief from the General Fund balance.
- **Highway Fund/Bridge Repair:** 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 road/bridge repairs at to \$50,000 in the Highway budget for FY11.
- **Water Fund:** Water rates, historically low, are being doubled in a two-step process to meet a State funding mandate and assist with debt service arising from \$2,600,000 in loans helping the Town upgrade its water system.
- **Sewer Fund:** Improvements to the sewage collection system, chlorine contact and sludge handling processes are planned for FY11 and FY12. Loan and grant funding for these improvements has been secured from the USDA/Rural Development program for this \$1,970,000 project.

The following factors will influence budgets in future fiscal years:

- Studies performed by Otter Creek Engineering and Weston & Sampson have identified the need for approximately \$1,970,000 in sewage collection upgrades and improvements to chlorine contact and sludge handling processes.
- The requirements of the Agency of Natural Resources and the Agency of Transportation's plans to upgrade U.S. Route 7 will have to be addressed in the next decade. While no definitive costs have been established at this time, the improvements that will have to be made to the Water and Sewer systems will 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 ASSETS
JUNE 30, 2010

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 871,395	\$ 0	\$ 871,395
Investments	113,436	0	113,436
Receivables (Net of Allowance for Uncollectibles)	77,101	1,807,988	1,885,089
Internal Balances	906,423	(906,423)	0
Inventories	60,617	0	60,617
Prepaid Expenses	0	1,779	1,779
Capital Assets:			
Land	103,699	68,355	172,054
Construction in Progress	4,015	4,289,818	4,293,833
Other Capital Assets, (Net of Accumulated Depreciation)	5,495,964	3,254,734	8,750,698
Total Assets	<u>7,632,650</u>	<u>8,516,251</u>	<u>16,148,901</u>
 <u>LIABILITIES</u>			
Accounts Payable	59,066	643,308	702,374
Accrued Payroll and Benefits Payable	16,174	4,586	20,760
Deferred Revenue	10,490	1,605	12,095
Accrued Interest Payable	5,478	4,835	10,313
Noncurrent Liabilities:			
Due within One Year	101,212	63,906	165,118
Due in More than One Year	802,416	3,581,394	4,383,810
Total Liabilities	<u>994,836</u>	<u>4,299,634</u>	<u>5,294,470</u>
 <u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	4,722,874	3,975,092	8,697,966
Restricted	468,907	0	468,907
Unrestricted	1,446,033	241,525	1,687,558
Total Net Assets	<u>\$ 6,637,814</u>	<u>\$ 4,216,617</u>	<u>\$ 10,854,431</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, 2010

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs:							
Governmental Activities:							
General Government	\$ 615,518	\$ 60,651	\$ 14,607	\$ 5,000	(535,260)	\$ 0	\$ (535,260)
Highways & Streets	550,961	7,803	121,978	0	(421,180)	0	(421,180)
Public Safety	271,800	4,799	5,000	7,360	(254,641)	0	(254,641)
Sanitation	106,102	61,649	0	0	(44,453)	0	(44,453)
Culture and Recreation	162,137	39,133	0	0	(123,004)	0	(123,004)
Interest on Long-term Debt	48,691	0	0	0	(48,691)	0	(48,691)
Total Governmental Activities	<u>1,755,209</u>	<u>174,035</u>	<u>141,585</u>	<u>12,360</u>	<u>(1,427,229)</u>	<u>0</u>	<u>(1,427,229)</u>
Business-Type Activities:							
Water	225,310	206,501	0	1,593,684	0	1,574,875	1,574,875
Sewer	263,953	250,605	0	0	0	(13,348)	(13,348)
Total Business-Type Activities	<u>489,263</u>	<u>457,106</u>	<u>0</u>	<u>1,593,684</u>	<u>0</u>	<u>1,561,527</u>	<u>1,561,527</u>
Total	<u>\$ 2,244,472</u>	<u>\$ 631,141</u>	<u>\$ 141,585</u>	<u>\$ 1,606,044</u>	<u>(1,427,229)</u>	<u>1,561,527</u>	<u>134,298</u>
General Revenues:							
Property Taxes					1,645,123	0	1,645,123
Interest and Penalties on Delinquent Taxes					17,448	0	17,448
Unrestricted Investment Earnings					35,752	1,058	36,810
General State Grants					63,641	0	63,641
Other Revenues					12	7,862	7,874
Transfers					<u>(28,115)</u>	<u>28,115</u>	<u>0</u>
Total General Revenues and Transfers					<u>1,733,861</u>	<u>37,035</u>	<u>1,770,896</u>
Change in Net Assets					306,632	1,598,562	1,905,194
Net Assets - July 1, 2009					<u>6,331,182</u>	<u>2,618,055</u>	<u>8,949,237</u>
Net Assets - June 30, 2010					<u>\$ 6,637,814</u>	<u>\$ 4,216,617</u>	<u>\$ 10,854,431</u>

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

TOWN OF PITTSFORD, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	General Fund	Highway Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash	\$ 871,395	\$ 0	\$ 0	\$ 871,395
Investments	0	0	113,436	113,436
Receivables (Net of Allowance for Uncollectibles)	76,955	146	0	77,101
Due from Other Funds	0	405,106	355,934	761,040
Inventory	1,689	53,975	0	55,664
Total Assets	\$ 950,039	\$ 459,227	\$ 469,370	\$ 1,878,636
<u>LIABILITIES</u>				
Liabilities:				
Accounts Payable	\$ 30,494	\$ 25,901	\$ 1,532	\$ 57,927
Due to Other Funds	189,313	0	28,707	218,020
Accrued Payroll and Benefits Payable	12,638	3,378	0	16,016
Deferred Revenue	73,490	0	0	73,490
Total Liabilities	305,935	29,279	30,239	365,453
Fund Balances:				
Reserved for				
Inventory and Prepaid Expenses	1,689	53,975	0	55,664
Other Purposes	0	375,973	92,934	468,907
Unreserved, Reported In				
General Fund	642,415	0	0	642,415
Special Revenue Funds	0	0	219,755	219,755
Capital Projects Funds	0	0	126,442	126,442
Total Fund Balances	644,104	429,948	439,131	1,513,183
Total Liabilities and Fund Balances	\$ 950,039	\$ 459,227	\$ 469,370	

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

Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds. 5,210,978

Other Assets are not Available to Pay for Current-Period Expenditures, and, Therefore, are Deferred in the Funds. 63,000

The Equipment Rental Fund is used by Management to Charge the Costs of the Fleet to Individual Funds. The Assets and Liabilities of the Equipment Rental Fund is Included in Governmental Activities in the Statement of Net Assets 759,759

Long-Term and Accrued Liabilities are not Due or Payable in the Current Period and, Therefore, are Not Reported in the Funds. (909,106)

Net Assets of Governmental Activities \$ 6,637,814

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, 2010

	General Fund	Highway Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$ 794,465	\$ 822,171	\$ 18,987	\$ 1,635,623
Interest and Penalties on Delinquents	17,448	0	0	17,448
Intergovernmental	85,364	121,978	18,965	226,307
Investment Income/(Loss)	12,575	4,300	15,729	32,604
Permits, Fees and Fines	76,401	860	6,204	83,465
Charges for Services	75,964	1,500	0	77,464
Other	12,554	2,495	0	15,049
Total Revenues	1,074,771	953,304	59,885	2,087,960
Expenditures:				
Current:				
General Government	594,951	0	17,028	611,979
Highways and Streets	0	401,461	0	401,461
Public Safety	217,562	0	0	217,562
Sanitation	106,696	0	0	106,696
Culture and Recreation	159,680	0	0	159,680
Capital Outlay:				
General Government	17,730	0	20,888	38,618
Highways and Streets	0	225,971	0	225,971
Public Safety	0	0	94,000	94,000
Culture and Recreation	3,016	0	0	3,016
Debt Service:				
Principal	15,392	85,000	0	100,392
Interest	2,593	46,527	736	49,856
Total Expenditures	1,117,620	758,959	132,652	2,009,231
Excess/(Deficiency) of Revenues Over Expenditures	(42,849)	194,345	(72,767)	78,729
Other Financing Sources/(Uses):				
Transfers In	26	0	132,500	132,526
Transfers Out	(82,500)	(50,000)	(28,141)	(160,641)
Total Other Financing Sources/ (Uses)	(82,474)	(50,000)	104,359	(28,115)
Net Change in Fund Balances	(125,323)	144,345	31,592	50,614
Fund Balances - July 1, 2009	769,427	285,603	407,539	1,462,569
Fund Balances - June 30, 2010	\$ 644,104	\$ 429,948	\$ 439,131	\$ 1,513,183

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, 2010

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

Net change in fund balances - total government funds (Exhibit D)	\$	50,614
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$361,605) is allocated over their estimated useful lives and reported as depreciation expense (\$233,740). This is the amount by which capital outlays exceeded depreciation in the current period.		127,865
The issuance of long-term debt (\$0) (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$100,392) 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.		100,392
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.		9,500
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.		(4,130)
The Internal Service Fund Change in Net Assets is included with Governmental Activities		<u>22,391</u>
Change in net assets of governmental activities (Exhibit B)	\$	<u><u>306,632</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, 2010

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Property Taxes:			
Taxes	\$ 798,613	\$ 794,465	\$ (4,148)
Interest on Delinquent Taxes	11,000	8,169	(2,831)
Penalty on Delinquent Taxes	14,000	9,279	(4,721)
Other Revenue	0	12	12
Total Property Taxes	823,613	811,925	(11,688)
Fees and Permits:			
First Class Liquor Licenses	300	350	50
Second Class Liquor Licenses	200	260	60
Marriage Licenses	450	945	495
Burial Permits	0	125	125
Certified Copy Fees	1,000	1,227	227
Recording Fees	20,000	25,062	5,062
Photocopy Fees	2,000	2,438	438
DMV Fees	500	420	(80)
Posting Permits	50	65	15
Site Plan Review/Zoning Fees	3,500	2,615	(885)
Fire Wardens Permit Fees	400	500	100
Miscellaneous Fees	2,000	3,796	1,796
Total Fees and Permits	30,400	37,803	7,403
Intergovernmental Revenues:			
State PILOT	16,000	32,982	16,982
Current Use Reimbursement	18,000	30,659	12,659
Act 68 State Payments	1,000	8,721	7,721
Vermont Railroad Tax	600	642	42
Election Grant	0	5,000	5,000
Total Intergovernmental Revenues	35,600	78,004	42,404
Solid Waste:			
Annual User Permits	10,500	11,172	672
Garbage Bag Charges	70,000	50,017	(19,983)
Recycling Income	2,000	460	(1,540)
Total Solid Waste	82,500	61,649	(20,851)

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, 2010

	Budget	Actual	Variance Favorable (Unfavorable)
Miscellaneous Receipts:			
School Share of Election Costs	\$ 1,000	\$ 500	\$ (500)
Property Sales	500	0	(500)
Lister's Education	0	398	398
Maclure Library Phone Reimbursement	1,100	759	(341)
Investment Interest	20,000	12,575	(7,425)
Pittsford Water Administration Fee	5,000	5,000	0
Florence Water Administration Fee	2,600	2,600	0
Sewer Administration Fee	6,000	6,000	0
Miscellaneous	200	0	(200)
Green Mountain Passport	25	64	39
Research Revenue	0	691	691
Sales of Ordinances	50	15	(35)
Total Miscellaneous Receipts	36,475	28,602	(7,873)
Recreation:			
Annual Family Permits	2,500	2,225	(275)
Daily Gate Passes	2,000	1,684	(316)
Tennis Court Permits	150	115	(35)
Group Picnic Charges	2,500	1,275	(1,225)
Food Vending Funds	200	0	(200)
School Programs	2,000	1,547	(453)
CVPS Line Rent	25	0	(25)
Belcher-Mericle Interest	30	26	(4)
Disc Golf Donation	0	3,061	3,061
Recreation Area Donations	1,000	2,636	1,636
Youth League Registration	3,225	2,975	(250)
Girls Softball Registration	500	50	(450)
Youth League Donations	3,000	2,650	(350)
Day Camp Registrations	11,000	8,258	(2,742)
Summer Programs	2,500	1,852	(648)
Fall Programs	2,500	2,191	(309)
Winter Programs	3,000	4,893	1,893
Spring Programs	4,000	3,721	(279)
Total Recreation	40,130	39,159	(971)
Animal Management Fees:			
Dog Licenses	4,600	5,410	810
Poundkeeper Fees	75	86	11
Total Animal Management Fees	4,675	5,496	821

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, 2010

	Budget	Actual	Variance Favorable (Unfavorable)
Police:			
Traffic Fines	\$ 14,000	\$ 4,306	\$ (9,694)
Serving Court Papers	0	40	40
Insurance Reports	0	20	20
Miscellaneous Revenue	200	433	233
Total Police	14,200	4,799	(9,401)
Fire Department:			
Grant Revenue	0	7,360	7,360
Total Fire Department	0	7,360	7,360
Total Revenue	1,067,593	1,074,797	7,204
Expenditures:			
Legislation:			
Selectmen Services	6,000	6,000	0
Selectmen Expenses	1,000	242	758
Secretary/Clerk	1,500	1,044	456
Recording Secretary	1,000	2,296	(1,296)
Total Legislation	9,500	9,582	(82)
Management:			
Town Manager	57,200	57,804	(604)
Secretary	30,659	31,821	(1,162)
Bookkeeper	10,384	9,900	484
Mileage Reimbursement	0	23	(23)
Training	2,000	2,700	(700)
Town Service Fund	300	0	300
Total Management	100,543	102,248	(1,705)
Elections:			
Ballot Clerks	1,200	687	513
Notices, Warnings, Ads	200	0	200
Ballots and Supplies	1,000	866	134
Ballot Machine Setup	1,750	825	925
Total Elections	4,150	2,378	1,772

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, 2010

	Budget	Actual	Variance Favorable (Unfavorable)
Finance:			
Treasurer	\$ 24,823	\$ 25,040	\$ (217)
Assistant Treasurer	8,828	11,246	(2,418)
Mileage Reimbursement	0	142	(142)
Tax Bills and Postage	1,500	1,511	(11)
CPA Audit	20,000	23,056	(3,056)
Town Report Coordinator	1,500	1,250	250
Town Report Printing	4,000	4,329	(329)
Town Report Postage	650	354	296
Tax Collector Expenses	1,000	0	1,000
Tax Collection/Legal Fees	750	0	750
Total Finance	63,051	66,928	(3,877)
Administration:			
Town Clerk	32,706	32,541	165
Assistant Town Clerk	17,656	20,044	(2,388)
Mileage Reimbursement	0	938	(938)
Office Supplies	12,000	11,777	223
Computer Supplies	13,000	12,992	8
Computer Contracts	8,000	8,304	(304)
Website Maintenance/Expenses	900	2,662	(1,762)
Newsletter Printing and Postage	4,500	4,538	(38)
Postage - General	5,500	4,945	555
Legal Fees - General	4,000	3,785	215
State Dues - Clerk Association	80	95	(15)
Training Fees	700	315	385
Total Administration	99,042	102,936	(3,894)
Boards and Agencies:			
VLCT Dues	3,307	3,307	0
Rutland Economic Development Corporation	500	625	(125)
Rutland Regional Planning Commission	750	750	0
Planning Commission Town Plan	3,000	342	2,658
Planning Commission - Clerical	1,400	943	457
Planning Commission - Legal Fees	1,000	6,622	(5,622)
Transportation	5,000	5,000	0
Labor-Zoning Administration	11,000	6,131	4,869
Zoning Clerical	600	640	(40)
Mileage Reimbursement	0	223	(223)
Labor-Zoning Board	1,060	0	1,060
Zoning Hearings	1,000	635	365
Zoning Expenses	750	580	170
Legal Fees - Zoning	4,000	49,551	(45,551)
Planning Grant Expense	400	207	193
Board of Civil Authority	3,000	864	2,136

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, 2010

	Budget	Actual	Variance Favorable (Unfavorable)
Boards and Agencies/(Cont'd):			
Clerical - BCA	\$ 800	\$ 227	\$ 573
Supplies - BCA	0	12	(12)
Legal - BCA	1,000	0	1,000
Miscellaneous/Training	500	209	291
Total Boards and Agencies	39,067	76,868	(37,801)
Municipal Plant and Equipment:			
Building Maintenance Supplies	1,200	1,294	(94)
Heating Fuel	6,913	1,139	5,774
Transfer Municipal Building Fund	5,000	5,000	0
Cemetery Development Fund	2,000	2,000	0
Contracts - Facilities	6,500	6,801	(301)
Copier Maintenance	4,000	4,935	(935)
Fire/Security Alarm Maintenance	800	186	614
Communications	100	0	100
Telephones	4,000	3,609	391
Maclure Library Phones	1,100	779	321
Modem Online Telephone	0	766	(766)
Rental Equipment/Vehicles	600	0	600
New Equipment for Building	0	236	(236)
Building Repairs/Maint.	19,500	10,645	8,855
Utilities	6,000	4,877	1,123
Total Municipal Plant and Equipment	57,713	42,267	15,446
Fire Warden			
Fire Warden Fees	1,620	240	1,380
Burn Permit Expense	0	10	(10)
Mileage Expenses	0	2,143	(2,143)
Total Fire Warden	1,620	2,393	(773)
State Fees and Unbudgeted Expenses:			
Tax Sale Purchases	0	287	(287)
Timber Sale Expenses	0	38	(38)
Marriage License Fees	400	770	(370)
Emergency Management Fees	500	0	500
E-911 Contract Services	100	30	70
E-911 Mileage/ Supplies	50	314	(264)
Contracted Services - Accounting	0	1,900	(1,900)
Warnings - Meetings/Ordinance	300	0	300
Memorial Day Flags	600	0	600
Tax Abatement Costs	1,000	665	335
Ads/Special Meetings	300	72	228
Legal Fees - Not Budgeted	3,000	0	3,000
Total State Fees and Unbudgeted Expenses	6,250	4,076	2,174

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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Listers:			
Lister's Services	\$ 25,000	\$ 21,154	\$ 3,846
Lister's Secretary	13,156	11,562	1,594
Lister's Expenses	10,000	6,380	3,620
Lister's Mileage Reimbursement	0	451	(451)
Property Map Changes	3,000	2,060	940
Training Fees	400	1,550	(1,150)
	<u>51,556</u>	<u>43,157</u>	<u>8,399</u>
Special Appropriations:			
Tax Transfer - First Response	10,750	10,750	0
Rutland Community Services	3,020	3,020	0
Visiting Nurse/Hospice	4,931	4,931	0
R.C. Humane Society	1,000	1,000	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	13,345	13,345	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	50,000	50,000	0
P.A.L.S. Program	450	450	0
Diversion/Restoration	3,600	3,600	0
Pittsford Food Shelf	1,000	1,000	0
Bowen Walker Appropriation	1,500	1,500	0
Aiken Resource Conservation	100	100	0
Rutland National Resource Conservation	250	250	0
Green-Up Day Expenses	100	100	0
	<u>100,569</u>	<u>100,569</u>	<u>0</u>
Health Officer:			
Health Officer Labor	2,000	655	1,345
FICA/Medicare Expense	0	35	(35)
Health Officer Expenses	50	0	50
Equipment Rental Expense	0	60	(60)
	<u>2,050</u>	<u>750</u>	<u>1,300</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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Solid Waste Management:			
Labor - Facility	\$ 23,995	\$ 27,272	\$ (3,277)
Labor - Highway	3,000	3,735	(735)
Mileage Reimbursement	0	9	(9)
FICA/Medicare	2,000	2,318	(318)
Insurance Workman's Comp.	1,650	2,357	(707)
Labor-Contract	300	625	(325)
New Equipment	500	0	500
Supplies	1,500	1,718	(218)
Telephone	200	295	(95)
Insurance - Property and Liability	350	327	23
Portalet Contract	1,800	1,605	195
Contracts/Material	0	55	(55)
Waste Removal Fees	60,000	45,939	14,061
RCSWD Surcharge	12,000	8,281	3,719
Tire Disposal Fees	300	256	44
State Franchise Tax	4,000	2,975	1,025
Equipment Rental/Maintenance	3,000	3,510	(510)
Container Rental/Purchase	2,000	1,800	200
Utilities	3,500	3,619	(119)
	<u>120,095</u>	<u>106,696</u>	<u>13,399</u>
Fire Hydrant			
Transfer to Water Department	<u>22,360</u>	<u>22,360</u>	<u>0</u>
	<u>22,360</u>	<u>22,360</u>	<u>0</u>
Constables:			
Local Services	47,738	51,061	(3,323)
Clerical	2,547	2,274	273
FICA/Medicare	4,069	3,906	163
New Equipment	1,000	232	768
Supplies	1,500	1,515	(15)
Insurance - Property/Liability/Auto	6,414	6,130	284
Insurance - Worker's Compensation	2,514	2,964	(450)
Insurance - Car	1,227	1,172	55
Legal and Administration	500	0	500
Patrol Car - Fuel and Maintenance	6,396	8,688	(2,292)
Patrol Car Replace Fund	7,000	7,000	0
Equipment Maintenance	500	133	367
Communications	1,500	1,736	(236)
Training Fees	500	180	320
Reimbursement for Expenses	250	0	250
	<u>83,655</u>	<u>86,991</u>	<u>(3,336)</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, 2010

	Budget	Actual	Variance Favorable (Unfavorable)
Fire Department:			
Firemen Reimbursements	\$ 15,000	\$ 15,000	\$ 0
Building Fuel	7,500	4,337	3,163
Vehicle Fuel	4,000	2,867	1,133
Small Tools	1,200	592	608
Hose & Fittings	2,000	2,541	(541)
Protective Equipment	6,000	4,376	1,624
Supplies	2,000	1,463	537
Ins. - Worker's Comp	2,500	2,589	(89)
Ins. - Vehicles	4,908	5,152	(244)
Ins. - General Liability	2,059	1,375	684
Ins. - Accident	2,500	4,727	(2,227)
Ins. - Property	1,135	1,677	(542)
Telephone	2,800	1,770	1,030
Communications	2,000	12,368	(10,368)
Fire Alarm System	500	1,957	(1,457)
Dispatching Services	800	1,072	(272)
Building Maintenance	15,000	2,849	12,151
Truck Maintenance	7,500	17,345	(9,845)
Equipment Maintenance	2,500	153	2,347
New Equipment	5,000	2,554	2,446
Utilities	3,000	3,045	(45)
Training Fees	1,000	1,107	(107)
Mutual Aid Assoc. Fees	300	200	100
Pumper Truck Lease Payment	14,500	15,392	(892)
Pumper Truck - Interest	3,800	2,593	1,207
Vehicle Replacement Fund	62,500	62,500	0
Total Fire Department	172,002	171,601	401
Recreation Programs:			
Lifeguards	18,000	23,837	(5,837)
Management	36,819	39,511	(2,692)
Grounds Management	6,989	6,151	838
Mileage Reimbursement	0	83	(83)
Day Camp Labor	7,000	7,363	(363)
FICA/Medicare	5,822	2,471	3,351
Supplies - Recreation Area General	1,500	1,850	(350)
Supplies - Day Camp	2,000	1,931	69
Spring Programs	3,000	3,248	(248)
Summer Programs	2,000	2,314	(314)

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, 2010

	Budget	Actual	Variance Favorable (Unfavorable)
Recreation Programs/(Cont'd):			
Mower Maintenance & Fuel	\$ 1,000	\$ 1,604	\$ (604)
Fall Programs	2,000	1,327	673
Winter Programs	2,500	4,878	(2,378)
Mower Replacement Fund	6,000	6,000	0
Training	250	30	220
Signup Refunds	0	30	(30)
League Fees/Coaches, Umpires	1,000	1,947	(947)
Supplies - Youth League	2,000	1,766	234
OV Summer Softball Expense	1,000	593	407
State League Membership	165	0	165
Disc Golf Expenses	0	3,061	(3,061)
Telephone	400	341	59
Communications	120	98	22
Ins. Property & Liability	932	890	42
Ins. Workman's Comp	2,350	2,471	(121)
Donation Expenses	1,000	504	496
Rubbish Removal Contract	1,300	690	610
Other Contract Services	250	0	250
Advertising	200	375	(175)
Portalet Contract	800	692	108
Ballfield Maintenance	1,000	360	640
Signs Replacement	100	60	40
Equipment Rentals	1,000	555	445
Utilities	800	641	159
Pool Water Tests	250	220	30
Trails & Bridging Maintenance	750	804	(54)
Green up Day Expense	200	0	200
Capital Improvements	4,000	0	4,000
Total Recreation Programs	<u>114,497</u>	<u>118,696</u>	<u>(4,199)</u>
Animal Management:			
Animal Control	3,395	2,231	1,164
Mileage Reimbursement	0	281	(281)
FICA/Medicare	260	170	90
Supplies	683	187	496
Contract Services	200	98	102
Ins.- Property/Liability	52	50	2
Ins.- Workman's Comp.	181	215	(34)
Legal - Animal Control	100	0	100
Animal Census	500	0	500
Vet/Humane Shelter Fees	500	0	500
Rabies Fees To State	1,500	2,824	(1,324)
Postage	100	100	0
Total Animal Management	<u>7,471</u>	<u>6,156</u>	<u>1,315</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, 2010

	Budget	Actual	Variance Favorable (Unfavorable)
Benefits and Town Insurance:			
Medical Claim Payments	\$ 200	\$ 0	\$ 200
Retirement	14,040	14,426	(386)
Insurance - Employee Medical	59,300	48,754	10,546
Insurance - Employee Dental	5,000	4,235	765
Insurance - Employee Life	3,105	2,289	816
FICA/Medicare	24,067	21,356	2,711
Unemployment Compensation	1,290	1,573	(283)
Insurance - Bonding	810	772	38
Insurance - Workman's Comp	2,900	2,515	385
Insurance - Property/Liability	4,570	1,362	3,208
Insurance - Public Officials	11,120	8,881	2,239
Contract Negotiations	3,000	0	3,000
	129,402	106,163	23,239
Total Benefits and Town Insurance			
Debt Service and Fixed Charges:			
Rutland County Tax	33,000	27,305	5,695
	33,000	27,305	5,695
Total Debt Service and Fixed Charges			
	1,217,593	1,200,120	17,473
Total Expenditures			
Excess/(Deficiency) of Revenue Over Expenditures	\$ <u>(150,000)</u>	(125,323)	\$ <u>24,677</u>
Fund Balance - July 1, 2009		769,427	
Fund Balance - June 30, 2010		\$ 644,104	

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, 2010

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Property Taxes	\$ 822,171	\$ 822,171	\$ 0
State Aid	100,000	121,978	21,978
Overload Permits	500	720	220
Highway Access Permit	250	140	(110)
Investment Income	10,000	4,300	(5,700)
Special Projects	0	1,500	1,500
Sale of Scrap Metal	0	2,167	2,167
Miscellaneous	0	328	328
Total Revenue	932,921	953,304	20,383
Expenditures:			
General:			
Labor - Vacation and Services	21,840	18,484	3,356
Labor - Maintenance	37,440	23,977	13,463
E-911 Labor Expenses	0	10	(10)
Mileage Reimbursement	0	80	(80)
Social Security Contribution	15,028	11,702	3,326
Insurance - Retirement	11,440	11,361	79
Insurance - Medical	54,936	41,974	12,962
Insurance - Dental	3,681	3,607	74
Insurance - Life	2,760	1,546	1,214
Workman's Comp/Unemployment	18,400	13,341	5,059
Insurance - General Liability	4,182	10,360	(6,178)
Legal and Administrative	200	0	200
E-911 Expense	0	28	(28)
Communications	0	175	(175)
Training Fees	1,000	280	720
Equipment Rentals	3,500	17,880	(14,380)
Uniform Rentals	3,500	3,193	307
Advertising/Postage	1,000	747	253
Utilities	0	381	(381)
Supplies	2,000	444	1,556
Building Expenses	0	7,422	(7,422)
Total General	180,907	166,992	13,915
Class II Maintenance:			
Labor	12,000	22,188	(10,188)
Cold Patch/Hot Mix	700	1,411	(711)
Signs and Posts	2,000	937	1,063
Calcium Chloride	500	500	0
Gravel/Stone	0	14,979	(14,979)
Culverts and Bands	2,000	4,017	(2,017)
Equipment Rentals	12,000	18,592	(6,592)
Paving	130,700	78,229	52,471
Contract Services	10,000	8,574	1,426
Supplies/Miscellaneous	3,000	3,639	(639)
Total Class II Maintenance	172,900	153,066	19,834

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, 2010

	Budget	Actual	Variance Favorable (Unfavorable)
Class III Maintenance:			
Labor	\$ 40,000	\$ 48,670	\$ (8,670)
Cold Patch and Hot Mix	1,000	820	180
Gravel/Stone	30,000	25,658	4,342
Culverts and Bands	5,000	2,592	2,408
Signs and Posts	2,000	1,164	836
Calcium Chloride	7,000	1,423	5,577
Equipment Rentals	40,000	66,405	(26,405)
Paving	40,000	15,984	24,016
Contracts and Supplies	3,000	1,830	1,170
Supplies/Miscellaneous	1,000	1,118	(118)
	169,000	165,664	3,336
Winter Maintenance:			
Labor	40,000	26,055	13,945
Gravel/Stone	3,000	2,479	521
Cold Patch	500	0	500
Sodium Chloride	70,000	56,803	13,197
Sand	26,000	14,005	11,995
Contract Services	1,000	0	1,000
Equipment Rentals	60,000	33,420	26,580
Equipment Rentals - Sidewalks	1,500	225	1,275
Town Equipment Drawing Sand	1,500	0	1,500
Miscellaneous	500	122	378
	204,000	133,109	70,891
Bridges:			
Labor	1,000	2,599	(1,599)
Covered Bridges Insurance	3,287	3,141	146
Guardrails	10,000	0	10,000
Bridge Replacement Reserve	50,000	50,000	0
Contract Services	4,300	2,500	1,800
	68,587	58,240	10,347
Special Projects:			
E911 Road Sign Installation	1,000	193	807
Sidewalks	5,000	0	5,000
Sidewalks - Grant Match	20,000	0	20,000
Sidewalks - Arch Street	0	168	(168)
	26,000	361	25,639
Debt Service:			
Interest	46,527	46,527	0
Principal	85,000	85,000	0
	131,527	131,527	0
Total Expenditures	952,921	808,959	143,962
Excess/(Deficiency) of Revenue Over Expenditures	\$ (20,000)	144,345	\$ 164,345
Fund Balance - July 1, 2009		285,603	
Fund Balance - June 30, 2010		\$ 429,948	

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, 2010

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Property Taxes	\$ 19,000	\$ 18,987	\$ (13)
Interest Income	<u>0</u>	<u>273</u>	<u>273</u>
Total Revenue	<u>19,000</u>	<u>19,260</u>	<u>260</u>
Expenditures:			
Village Street Lights	<u>19,000</u>	<u>17,028</u>	<u>1,972</u>
Total Expenditures	<u>19,000</u>	<u>17,028</u>	<u>1,972</u>
Excess of Revenue Over Expenditures	<u>\$ 0</u>	2,232	<u>\$ 2,232</u>
Fund Balance - July 1, 2009		<u>28,232</u>	
Fund Balance - June 30, 2010		<u>\$ 30,464</u>	

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Fund	Sewer Fund	Total	Equipment Rental Fund
ASSETS				
Current Assets:				
Receivables (Net of Allowance for Uncollectible Accounts)	\$ 1,698,227	\$ 109,761	\$ 1,807,988	\$ 0
Due from Other Funds	0	0	0	363,403
Prepaid Expenses	0	1,779	1,779	0
Inventory	0	0	0	4,953
Total Current Assets	<u>1,698,227</u>	<u>111,540</u>	<u>1,809,767</u>	<u>368,356</u>
Noncurrent Assets:				
Capital Assets				
Land	66,855	1,500	68,355	0
Construction in Progress	4,209,247	80,571	4,289,818	0
Buildings and Building Improvements	43,005	1,978,734	2,021,739	82,930
Vehicles, Machinery and Equipment	0	0	0	809,810
Distribution/Collection Systems	1,991,584	426,690	2,418,274	0
Less Accumulated Depreciation	<u>(805,478)</u>	<u>(379,801)</u>	<u>(1,185,279)</u>	<u>(500,040)</u>
Total Noncurrent Assets	<u>5,505,213</u>	<u>2,107,694</u>	<u>7,612,907</u>	<u>392,700</u>
Total Assets	<u>\$ 7,203,440</u>	<u>\$ 2,219,234</u>	<u>\$ 9,422,674</u>	<u>\$ 761,056</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 596,738	\$ 46,570	\$ 643,308	\$ 1,139
Due to Other Funds	669,362	237,061	906,423	0
Accrued Payroll	2,686	1,900	4,586	158
Accrued Interest Payable	905	3,930	4,835	0
Deferred Revenue	0	1,605	1,605	0
General Obligation Bonds Payable - Current Portion	<u>43,730</u>	<u>20,176</u>	<u>63,906</u>	<u>0</u>
Total Current Liabilities	<u>1,313,421</u>	<u>311,242</u>	<u>1,624,663</u>	<u>1,297</u>
Noncurrent Liabilities				
Compensated Absences Payable	3,756	3,729	7,485	0
General Obligation Bonds Payable Noncurrent Portion	<u>2,843,080</u>	<u>730,829</u>	<u>3,573,909</u>	<u>0</u>
Total Noncurrent Liabilities	<u>2,846,836</u>	<u>734,558</u>	<u>3,581,394</u>	<u>0</u>
Total Liabilities	<u>4,160,257</u>	<u>1,045,800</u>	<u>5,206,057</u>	<u>1,297</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	2,618,403	1,356,689	3,975,092	392,700
Unrestricted	<u>424,780</u>	<u>(183,255)</u>	<u>241,525</u>	<u>367,059</u>
Total Net Assets	<u>3,043,183</u>	<u>1,173,434</u>	<u>4,216,617</u>	<u>759,759</u>
Total Liabilities and Net Assets	<u>\$ 7,203,440</u>	<u>\$ 2,219,234</u>	<u>\$ 9,422,674</u>	<u>\$ 761,056</u>

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Fund	Sewer Fund	Total	Equipment Rental Fund
Operating Revenues:				
Charges for Services	\$ 177,117	\$ 210,986	\$ 388,103	\$ 169,065
Penalties & Interest	1,817	2,942	4,759	0
Hydrant Fee	22,360	0	22,360	0
Contract - Otter Valley	0	22,967	22,967	0
Reserve Flow Fees/Permits	4,800	13,710	18,510	0
Miscellaneous	407	0	407	0
	<u>206,501</u>	<u>250,605</u>	<u>457,106</u>	<u>169,065</u>
Total Operating Revenues				
Operating Expenses:				
Labor and Stipends	73,619	72,561	146,180	0
Social Security Contribution	4,821	5,485	10,306	0
Insurances - Medical, Dental & Life	24,498	13,102	37,600	0
Retirement	5,075	4,312	9,387	0
Workmen's Comp/Unemployment	3,983	4,677	8,660	0
Insurance - General Liability/Property	762	3,137	3,899	284
Supplies	4,512	7,122	11,634	3,707
Depreciation	28,332	33,977	62,309	51,060
Postage	1,000	600	1,600	0
Advertising/Dues and Subscriptions	773	0	773	62
Telephone/Communications	538	2,252	2,790	1,398
Training	666	535	1,201	0
Property Tax	1,453	0	1,453	0
Contracts	10,412	6,712	17,124	1,683
Vermont Permit Renewals	3,606	183	3,789	0
Legal	0	300	300	0
Administration	7,600	6,000	13,600	0
Equipment Rental	26,303	615	26,918	0
Utilities	1,206	15,947	17,153	4,221
Testing	2,722	3,228	5,950	568
Sludge/Refuse Removal	0	18,462	18,462	0
Maintenance	12,228	4,712	16,940	55,840
Facility Improvements	0	2,138	2,138	0
Mileage Reimbursement	0	2,762	2,762	0
Engineering Studies/Projects	0	4,000	4,000	0
State Fine	0	13,375	13,375	0
Other	0	282	282	0
Building Fuel	0	3,596	3,596	0
Loss on Disposal of Equipment	0	0	0	576
Equipment Fuel	0	0	0	30,423
	<u>214,109</u>	<u>230,072</u>	<u>444,181</u>	<u>149,822</u>
Total Operating Expenses				
Operating Income/(Loss)	<u>(7,608)</u>	<u>20,533</u>	<u>12,925</u>	<u>19,243</u>
Nonoperating Revenues (Expenses):				
Timber Sales (Net of Expenses)	7,862	0	7,862	0
Investment Income	1,058	0	1,058	3,148
Interest Expense	(11,201)	(33,881)	(45,082)	0
	<u>(2,281)</u>	<u>(33,881)</u>	<u>(36,162)</u>	<u>3,148</u>
Total Nonoperating Revenues (Expenses)				
Net Income/(Loss) Before Capital Contributions and Transfers In	(9,889)	(13,348)	(23,237)	22,391
Capital Contributions	1,593,684	0	1,593,684	0
Transfer In	28,115	0	28,115	0
	<u>1,611,910</u>	<u>(13,348)</u>	<u>1,598,562</u>	<u>22,391</u>
Change in Net Assets				
Net Assets - July 1, 2009	1,431,273	1,186,782	2,618,055	737,368
	<u>1,431,273</u>	<u>1,186,782</u>	<u>2,618,055</u>	<u>737,368</u>
Net Assets - June 30, 2010	<u>\$ 3,043,183</u>	<u>\$ 1,173,434</u>	<u>\$ 4,216,617</u>	<u>\$ 759,759</u>

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Fund	Sewer Fund	Total	Equipment Rental Fund
Cash Flows From Operating Activities:				
Receipts from Customers and Users	\$ 156,579	\$ 254,917	\$ 411,496	\$ 169,340
Receipts from Interfund Services	22,360	0	22,360	0
Receipts from Timber Sales	7,862	0	7,862	0
Payments to Suppliers	(42,937)	(89,804)	(132,741)	(88,819)
Payment for Interfund Services	(33,903)	(6,615)	(40,518)	0
Payments for Wages and Benefits	(105,588)	(90,335)	(195,923)	0
Net Cash Provided by Operating Activities	<u>4,373</u>	<u>68,163</u>	<u>72,536</u>	<u>80,521</u>
Cash Flows From Noncapital Financing Activities:				
Interest Expense on Interfund Balances	0	(1,370)	(1,370)	0
Decrease in Interfund Loan Receivable	0	0	0	1,525
Transfer In	28,115	0	28,115	0
(Increase)/Decrease in Due To/From Other Funds	687,048	21,362	708,410	(43,094)
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>715,163</u>	<u>19,992</u>	<u>735,155</u>	<u>(41,569)</u>
Cash Flows From Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	(3,440,144)	(49,051)	(3,489,195)	(42,100)
Proceeds of Long-Term Debt	2,700,000	12,816	2,712,816	0
Principal Paid on:				
General Obligation Bonds	(10,487)	(19,301)	(29,788)	0
Interest Paid on:				
General Obligation Bonds	(11,268)	(32,619)	(43,887)	0
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(761,899)</u>	<u>(88,155)</u>	<u>(850,054)</u>	<u>(42,100)</u>
Cash Flows From Investing Activities:				
Decrease in Investments	41,305	0	41,305	0
Interest Received	1,058	0	1,058	3,148
Net Cash Provided by Investing Activities	<u>42,363</u>	<u>0</u>	<u>42,363</u>	<u>3,148</u>
Net Increase in Cash	0	0	0	0
Cash - July 1, 2009	0	0	0	0
Cash - June 30, 2010	<u>\$ 0</u>	<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)	(7,608)	20,533	12,925	19,243
Depreciation	28,332	33,977	62,309	51,060
Timber Sales Revenue	7,862	0	7,862	0
Loss on Disposal of Equipment	0	0	0	576
(Increase)/Decrease in Receivables	(27,562)	2,707	(24,855)	275
(Increase)/Decrease in Prepaid Expenses	0	(1,779)	(1,779)	0
(Increase)/Decrease in Inventory	0	0	0	10,608
Increase/(Decrease) in Accounts Payable	2,123	12,436	14,559	(655)
Increase/(Decrease) in Accrued Payroll	1,737	(534)	1,203	(586)
Increase/(Decrease) in Deferred Revenue	0	1,605	1,605	0
Increase/(Decrease) in Compensated Absences Payable	(511)	(782)	(1,293)	0
Net Cash Provided by Operating Activities	<u>\$ 4,373</u>	<u>\$ 68,163</u>	<u>\$ 72,536</u>	<u>\$ 80,521</u>

The Equipment Fund Disposed of Equipment with a Cost of \$9,600 and with Accumulated Depreciation of \$9,024.

Capital Asset Acquisitions in the Amount of \$571,988 are Included in Accounts Payable.

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

TOWN OF PITTSFORD, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

	Private Purpose Trust Fund - Bowen Walker Fund
Additions:	
Investment Earnings:	
Interest Earnings	\$ <u>313</u>
Net Investment Earnings	<u>313</u>
Disbursements:	
Other	<u>313</u>
Total Disbursements	<u>313</u>
Change In Net Assets	0
Net Assets - July 1, 2009	<u>28,635</u>
Net Assets - June 30, 2010	<u><u>\$ 28,635</u></u>

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

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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, liabilities, 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, 2010

Government-wide Statements: The statement of net assets 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 required to be 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 Wastewater Department of the Town.

Additionally, the Town reports the following fund types:

Equipment Rental Fund – This Fund accounts for the rental of vehicles and certain equipment to various departments within the Town.

The Town also reports on a Private-Purpose Trust Fund for the monies held for the benefit of planting flowers at the memorials within the Town.

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

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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 and liabilities associated with the operation of these funds (whether current or noncurrent) are included on the balance sheet (or statement of net assets). Equity (i.e., net total assets) is segregated into invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Governmental fund financial statements are reported using the current financial resources measurement focus. This means that only current assets and current liabilities are generally reported on their balance sheets. Their reported fund balances (net current assets) are considered a measure of available spendable resources, and are segregated into reserved and unreserved 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 assets. 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, 2010

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 assets 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.

The government-wide and proprietary fund financial statements follow Financial Accounting Standards Board (FASB) Statements and Interpretations and Accounting Principles Board (APB) Opinions; and Accounting Research Bulletins, issued on or before November 30, 1989; unless those pronouncements conflict with GASB pronouncements. As permitted under Statement of Governmental Accounting Standards No. 20, the Town has elected not to apply FASB Statements and Interpretations issued after November 30, 1989.

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Assets, Liabilities and Equity

1. Cash

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

2. Investments

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

3. Receivables

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

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

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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 either “due to/from other funds” or “interfund loan receivable/payable”. 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”.

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 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 fund balance reserve which indicates that they do not constitute “available expendable resources” even through they are a component of net current assets.

6. 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. The Town has not capitalized any interest costs.

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:

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	<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

7. 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.

8. 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.

9. Fund Equity

Fund balances and net assets are classified based upon any reservations/restrictions that have been placed on those balances or any tentative plans management may have made for those balances. Reservations of fund balances and restrictions of net assets represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a grant, contract, or other binding agreement. Designations of fund balance represent tentative management plans that are subject to change. Undesignated fund balances are available for future appropriations.

**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:

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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.

A. Governmental Funds Balance Sheet and the Statement of Net Assets

The differences between the governmental funds balance sheet and government-wide statement of net assets are as follows:

	Balance Sheet	Long-term Revenues/ Expenses	Capital Related/ Long-Term Debt Items	Internal Service Fund Items	Elimination of Interfund Balances	Statement of Net Assets
ASSETS						
Cash	\$ 871,395	\$ 0	\$ 0	\$ 0	\$ 0	\$ 871,395
Investments	113,436	0	0	0	0	113,436
Receivables	77,101	0	0	0	0	77,101
Due from Other Funds	761,040	0	0	363,403	(218,020)	906,423
Inventories	55,664	0	0	4,953	0	60,617
Capital Assets	0	0	5,210,978	392,700	0	5,603,678
Total Assets	<u>1,878,636</u>	<u>0</u>	<u>5,210,978</u>	<u>761,056</u>	<u>(218,020)</u>	<u>7,632,650</u>
LIABILITIES						
Accounts Payable	57,927	0	0	1,139	0	59,066
Due to Other Funds	218,020	0	0	0	(218,020)	0
Accrued Payroll and Benefits Payable	16,016	0	0	158	0	16,174
Deferred Revenue	73,490	(63,000)	0	0	0	10,490
Accrued Interest Payable	0	5,478	0	0	0	5,478
Noncurrent Liabilities	0	22,824	880,804	0	0	903,628
Total Liabilities	<u>365,453</u>	<u>(34,698)</u>	<u>880,804</u>	<u>1,297</u>	<u>(218,020)</u>	<u>994,836</u>
NET ASSETS						
Invested in Capital Assets	0	0	4,330,174	392,700	0	4,722,874
Other	1,513,183	34,698	0	367,059	0	1,914,940
Total Net Assets	<u>\$ 1,513,183</u>	<u>\$ 34,698</u>	<u>\$ 4,330,174</u>	<u>\$ 759,759</u>	<u>\$ 0</u>	<u>\$ 6,637,814</u>

TOWN OF PITTSFORD, VERMONT
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B. Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities

The differences between the governmental funds statement of revenues, expenditures and changes in fund balances and government-wide statement of activities are as follows:

	Statement of Revenue, Expenditures and Changes in Fund Balances	Long-term Revenues/ Expenses	Capital Related/ Long-Term Debt Items	Internal Service Fund Items	Reclassifications and Elimination of Interfund Activity	Statement of Activities
REVENUES						
Taxes	\$ 1,635,623	\$ 9,500	\$ 0	\$ 0	\$ 0	\$ 1,645,123
Penalties and Interest	17,448	0	0	0	0	17,448
Intergovernmental Revenues	226,307	0	0	0	(162,666)	63,641
Investment Income	32,604	0	0	3,148	0	35,752
Permits, Fees and Fines	83,465	0	0	0	(83,465)	0
Charges for Services	77,464	0	0	169,065	(72,494)	174,035
Operating Grants and Contributions	0	0	0	0	141,585	141,585
Capital Grants and Contributions	0	0	0	0	12,360	12,360
Other Revenues	15,049	0	0	0	(15,037)	12
Transfers from Other Funds	132,526	0	0	0	(132,526)	0
Total Revenues	2,220,486	9,500	0	172,213	(312,243)	2,089,956
EXPENDITURES						
General Government	611,979	6,782	10,416	0	(13,659)	615,518
Highways and Streets	401,461	438	164,964	149,822	(165,724)	550,961
Public Safety	217,562	(232)	54,470	0	0	271,800
Sanitation	106,696	(849)	1,278	0	(1,023)	106,102
Culture and Recreation	159,680	(844)	2,612	0	689	162,137
Capital Outlay	361,605	0	(361,605)	0	0	0
Debt Service	150,248	(1,165)	(100,392)	0	0	48,691
Transfers to Other Funds	160,641	0	0	0	(132,526)	28,115
Total Expenditures	2,169,872	4,130	(228,257)	149,822	(312,243)	1,783,324
Net Change for the Year	\$ 50,614	\$ 5,370	\$ 228,257	\$ 22,391	\$ 0	\$ 306,632

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 \$150,000 in the General Fund and \$20,000 in the Highway Fund in order to utilize the prior years surpluses. These are reflected as a current year's budgeted deficiency of revenue over expenditures in Exhibits F and G.

TOWN OF PITTSFORD, VERMONT
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C. Consolidation of Funds

During 2010, the Town consolidated its Water Fund and its Florence Water Fund. The Town now reports on only one (1) Water Fund.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments are comprised of the following:

Cash	\$ 871,395
Investments - Certificates of Deposit	30,829
Investments - Mutual Funds – Equities	<u>111,242</u>
 Total	 <u>\$1,013,466</u>

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

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 Town’s mutual funds are not exposed 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)	\$ 278,635	\$ 278,635
Uninsured, Collateralized by U.S. Government		
Securities Held by the Bank in the Town’s Name	623,184	682,674
Cash on Hand	<u>405</u>	<u>N/A</u>
Total	<u>\$ 902,224</u>	<u>\$ 961,309</u>

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

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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.

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Town's investments by maturity. When available, mutual funds are shown at their weighted average maturity. The certificates of deposit are not subject to the interest rate risk disclosure requirements.

<u>Investment Type</u>	<u>Maturity</u>	
	<u>Not Available</u>	<u>Total</u>
Mutual Funds	\$ <u>111,242</u>	\$ <u>111,242</u>
Total	\$ <u><u>111,242</u></u>	\$ <u><u>111,242</u></u>

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 equity mutual funds and 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, other than mutual funds, that represent more than 5% of total investments.

TOWN OF PITTSFORD, VERMONT
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B. Receivables

Receivables at June 30, 2010, as reported in the statement of net assets, net of applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Delinquent Taxes	\$ 60,457	\$ 0	\$ 60,457
Penalties and Interest	13,177	404	13,581
Billed Services	0	3,839	3,839
Unbilled Services	0	208,666	208,666
Grants Receivable	0	1,593,684	1,593,684
Miscellaneous	4,467	1,395	5,862
Allowance for Doubtful Accounts	(1,000)	0	(1,000)
	<u>\$ 77,101</u>	<u>\$ 1,807,988</u>	<u>\$ 1,885,089</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2010 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	276,626	4,015	276,626	4,015
Total Capital Assets, Not Being Depreciated	<u>380,325</u>	<u>4,015</u>	<u>276,626</u>	<u>107,714</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	779,468	54,619	0	834,087
Vehicles	1,427,010	386,100	0	1,813,110
Computers	34,433	6,291	0	40,724
Equipment	290,572	3,016	9,600	283,988
Infrastructure	4,346,407	226,290	0	4,572,697
Totals	<u>6,877,890</u>	<u>676,316</u>	<u>9,600</u>	<u>7,544,606</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	260,988	14,820	0	275,808
Vehicles	651,506	79,161	0	730,667
Computers	27,142	3,669	0	30,811
Equipment	111,374	23,426	9,024	125,776
Infrastructure	721,856	163,724	0	885,580
Totals	<u>1,772,866</u>	<u>284,800</u>	<u>9,024</u>	<u>2,048,642</u>
Total Capital Assets, Being Depreciated	<u>5,105,024</u>	<u>391,516</u>	<u>576</u>	<u>5,495,964</u>
Governmental Activities Capital Assets, Net	<u>\$ 5,485,349</u>	<u>\$ 395,531</u>	<u>\$ 277,202</u>	<u>\$ 5,603,678</u>

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	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 68,355	\$ 0	\$ 0	\$ 68,355
Construction in Progress	228,635	4,061,183	0	4,289,818
Total Capital Assets, Not Being Depreciated	296,990	4,061,183	0	4,358,173
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	2,021,739	0	0	2,021,739
Distribution and Collection Systems	2,418,274	0	0	2,418,274
Totals	4,440,013	0	0	4,440,013
Less Accumulated Depreciation for:				
Buildings and Building Improvements	200,395	27,329	0	227,724
Distribution and Collection Systems	922,575	34,980	0	957,555
Totals	1,122,970	62,309	0	1,185,279
Total Capital Assets, Being Depreciated	3,317,043	(62,309)	0	3,254,734
Business-Type Activities Capital Assets, Net	\$ 3,614,033	\$ 3,998,874	\$ 0	\$ 7,612,907

Depreciation was charged as follows:

Governmental Activities:		Business - Type Activities:	
General Government	\$ 10,416	Water	\$ 28,332
Public Safety	54,470	Sewer	33,977
Highways and Streets	216,024		33,977
Sanitation	1,278		
Culture and Recreation	2,612		
Total Depreciation Expense - Governmental Activities	\$ 284,800	Total Depreciation Expense - Business- Type Activities	\$ 62,309

TOWN OF PITTSFORD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
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D. Interfund Balances and Activity

The composition of due to/from other funds at June 30, 2010 is as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 0	\$ 189,313
Highway Fund	405,106	0
Other Governmental Funds	355,934	28,707
Water Fund	0	669,362
Sewer Fund	0	237,061
Equipment Rental Fund	<u>363,403</u>	<u>0</u>
Total	<u>\$ 1,124,443</u>	<u>\$ 1,124,443</u>

Interfund transfers during the year ended June 30, 2010 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Cemetery Development Fund	\$ 2,000	Annual Funding
General Fund	Municipal Office Fund	5,000	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	6,000	Annual Funding
Highway Fund	Bridge Reserve Fund	50,000	Annual Funding
Garage Reserve Fund	Water Fund	28,115	Reallocate Capital
Belcher Mericle Fund	General Fund	<u>26</u>	Annual Funding
Total		<u>\$ 160,641</u>	

E. Deferred Revenue

Deferred Revenue in the General Fund consists of \$63,000 of delinquent property taxes, penalty and interest on taxes that are not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. Also included are \$4,861 of prepaid property taxes and \$5,629 of recreation fees for fiscal year 2011. Total deferred revenue in the General Fund is \$73,490.

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F. 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 of Pittsford, Vermont 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.

Long-Term Liabilities outstanding as of June 30, 2010 were as follows:

	<u>Beginning Balance 07/01/09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 06/30/10</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	\$ 935,000	\$ 0	\$ 85,000	\$850,000

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	Beginning Balance <u>07/01/09</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>06/30/10</u>
Capital Lease Payable - Fire Pumper Truck - Associates Commercial Municipal Financing, Annual Principal and Interest Payments of \$17,985, Interest at 5.32%, Due July, 2012	\$ <u>46,196</u>	\$ <u>0</u>	\$ <u>15,392</u>	\$ <u>30,804</u>
Total Governmental Activities	\$ <u>981,196</u>	\$ <u>0</u>	\$ <u>100,392</u>	\$ <u>880,804</u>

	Beginning Balance <u>07/01/09</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>06/30/10</u>
Business-Type Activities:				
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	\$125,835	\$ 0	\$8,645	\$117,190
Bond Payable – State of Vermont Special Environmental Revolving Fund, Water Planning Loan, Authorized to \$35,675, 0% Interest, \$7,135 Due Annually Beginning 2013, Due 2017	30,831	0	0	30,831
Bond Payable – State of Vermont Special Environmental Revolving Fund, Water Planning Loan, Authorized to \$113,990, 0% Interest, \$22,798 Due Annually Beginning 2014, Due 2018	13,990	100,000	0	113,990

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	<u>Beginning Balance 07/01/09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 06/30/10</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	\$ 26,641	\$ 0	\$ 1,842	\$ 24,799
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	<u>0</u>	<u>2,600,000</u>	<u>0</u>	<u>2,600,000</u>
Total Water Fund	<u>197,297</u>	<u>2,700,000</u>	<u>10,487</u>	<u>2,886,810</u>
Bond Payable - USDA Rural Development, Sewer System Improvements, Semi-Annual Principal and Interest Payments of \$6,108, Interest at 4.5%, Due November 15, 2031	171,639	0	4,541	167,098
Bond Payable - USDA Rural Development, Sewer System Improvements, Semi-Annual Principal and Interest Payments of \$19,851, Interest at 4.5%, Due November 15, 2031	557,845	0	14,760	543,085
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 2013, Due 2017	<u>28,006</u>	<u>12,816</u>	<u>0</u>	<u>40,822</u>
Total Sewer Fund	<u>757,490</u>	<u>12,816</u>	<u>19,301</u>	<u>751,005</u>
Total Business-Type Activities	\$ <u>954,787</u>	\$ <u>2,712,816</u>	\$ <u>29,788</u>	\$ <u>3,637,815</u>

During 2010, the Town borrowed and repaid \$2,600,000. This was used as interim financing for the water system improvements.

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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	\$ 935,000	\$ 0	\$ 85,000	\$ 850,000	\$ 85,000
Capital Lease Payable	46,196	0	15,392	30,804	16,212
Compensated Absences	<u>17,529</u>	<u>5,295</u>	<u>0</u>	<u>22,824</u>	<u>0</u>
Total Governmental-type Activities Long-Term Liabilities	<u>998,725</u>	<u>5,295</u>	<u>100,392</u>	<u>903,628</u>	<u>\$ 101,212</u>
Business-type Activities					
General Obligation Bonds Payable	954,787	2,712,816	29,788	3,637,815	63,906
Compensated Absences	<u>8,778</u>	<u>0</u>	<u>1,293</u>	<u>7,485</u>	<u>0</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 963,565</u>	<u>\$ 2,712,816</u>	<u>\$ 31,081</u>	<u>\$ 3,645,300</u>	<u>\$ 63,906</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>Capital Lease</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 85,000	\$ 42,336	\$ 17,985	\$ 63,906	\$ 126,415
2012	85,000	38,065	15,501	66,800	123,534
2013	85,000	33,743	0	76,983	120,501
2014	85,000	29,374	0	115,495	117,311
2015	85,000	24,954	0	118,872	113,951
2016-2020	425,000	57,112	0	510,269	513,639
2021-2025	0	0	0	411,170	431,600
2026-2030	0	0	0	495,698	347,038
2031-2035	0	0	0	403,614	256,390
2036-2040	0	0	0	387,221	195,959
2041-2045	0	0	0	454,948	128,232
2046-2050	<u>0</u>	<u>0</u>	<u>0</u>	<u>532,839</u>	<u>48,656</u>
Total	850,000	225,584	33,486	3,637,815	2,523,226
Less: Imputed Interest	<u>0</u>	<u>0</u>	<u>(2,682)</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 850,000</u>	<u>\$ 225,584</u>	<u>\$ 30,804</u>	<u>\$ 3,637,815</u>	<u>\$ 2,523,226</u>

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

G. Reserved and Designated Fund Balances/Restricted Net Assets

The reserved and designated fund balances of the Town as of June 30, 2010 consisted of the following:

Reserved:

Major Funds

General Fund

Reserved for Inventory	\$ <u>1,689</u>
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Highway Fund

Reserved for Inventory	53,975
Reserved for Highway Expenses by State Statute	<u>375,973</u>
Total Highway Fund	<u>429,948</u>

Nonmajor Funds

Special Revenue Funds

Reserved for Planning by Grant Agreement	7,496
Reserved for Veterans Memorial by Donations	<u>709</u>
Total Special Revenue Funds	<u>8,205</u>

Permanent Funds

Reserved for William Dennison Fund by Trust Agreement	82,713
Reserved for Belcher Mercle Fund by Trust Agreement	<u>2,016</u>
Total Permanent Funds	<u>84,729</u>
Total Reserved Fund Balances	\$ <u>524,571</u>

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

Governmental Funds

The Restricted Net Assets in the Governmental Activities includes the Reserved Fund Balances of \$524,571 less the \$55,664 reserved for inventory for a total of \$468,907.

Designated:

Governmental Funds

General Fund

Designated to Reduce Property Taxes Raised for Fiscal Year 2011	\$476,150
Designated for Recreation Improvements	1,000
Designated for Recreation Equipment	<u>1,434</u>
 Total General Fund	 <u>478,584</u>

Special Revenue Funds

Designated to Reduce Property Taxes Raised for Fiscal Year 2011 in Village Fund	19,000
Designated for Village Fund	11,464
Designated for Reappraisal	119,924
Designated for Cemetery Development	26,210
Designated for First Response Vehicle	17,750
Designated for Land Records Preservation	<u>25,407</u>
 Total Special Revenue Funds	 <u>219,755</u>

Capital Projects Funds

Designated for Bridge Reserve	50,000
Designated for Municipal Office Building	49,627
Designated for Fire Department	4,086
Designated for Patrol Car	18,196
Designated for Mower Replacement	<u>4,533</u>
 Total Capital Projects Funds	 <u>126,442</u>
 Total Designated Fund Balances	 <u>\$824,781</u>

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

Proprietary Funds

Enterprise Funds

Designated for Pittsford Water Operations	\$396,665
Designated for Pittsford Water Capital	<u>28,115</u>
Total Enterprise Funds	<u>\$424,780</u>

Internal Service Fund

Designated for Equipment	<u>\$367,059</u>
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The \$183,255 undesignated deficit in the Sewer Fund will be funded with future sewer charges.

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, which the Town pays, 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. Due to the nature of this pension plan, net assets available for benefits as well as the present value of vested and nonvested plan benefits by municipality are not determinable. The Town's total payroll was \$714,342 while its covered payroll for the retirement plan was \$504,724. Pension expense for the year, including the employees share, was \$32,810.

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, 2010 was \$2,040.

TOWN OF PITTSFORD, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2010

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.

In addition, the Town of Pittsford is a member of Vermont League of Cities and Towns Health Trust. The Health Trust is a nonprofit corporation formed to provide health insurance and wellness programs for Vermont municipalities and is owned by the participating members. The agreement does not permit the Health Trust to make additional assessments to its members unless the member leaves the Trust during the calendar year. An exit fee equivalent to the final monthly premium paid by that member will be assessed.

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.

C. PROPERTY TAXES

Property taxes are historically levied in mid July and are due in three installments payable in August, September and November 12, and become delinquent on November 13. The Town of Pittsford bills and collects its own property taxes and also for the State for school taxes. For the fiscal year ended June 30, 2010, the tax rate is as follows:

	<u>Residential</u>	<u>Non-Residential</u>
Education	1.3214	1.3856
Local Agreement	.0018	.0018
General Town	.2135	.2135
Village	.0411	.0411
Highway	<u>.2198</u>	<u>.2198</u>
 Total Tax Rate/per \$100 of Assessed Valuation	 <u>1.7976</u>	 <u>1.8618</u>

TOWN OF PITTSFORD, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

D. OTHER COMMITMENTS

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, 2010, the Town received 18.4% of its total property taxes and 7.8% of total water sales from OMYA, Inc.

F. SUBSEQUENT EVENTS

Subsequent to year-end, the voters authorized the Town to expend up to \$1,970,000 for wastewater improvements. It is the Town's intent to finance these improvements over a forty year period.

TOWN OF PITTSFORD, VERMONT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2010

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total
<u>ASSETS</u>				
Investments	\$ 0	\$ 0	\$ 113,436	\$ 113,436
Due from Other Funds	<u>229,492</u>	<u>126,442</u>	<u>0</u>	<u>355,934</u>
Total Assets	<u>\$ 229,492</u>	<u>\$ 126,442</u>	<u>\$ 113,436</u>	<u>\$ 469,370</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts Payable	\$ 1,532	\$ 0	\$ 0	\$ 1,532
Due to Other Funds	<u>0</u>	<u>0</u>	<u>28,707</u>	<u>28,707</u>
Total Liabilities	<u>1,532</u>	<u>0</u>	<u>28,707</u>	<u>30,239</u>
Fund Balances:				
Reserved for:				
Restricted Purposes	8,205	0	84,729	92,934
Unreserved:				
Designated	<u>219,755</u>	<u>126,442</u>	<u>0</u>	<u>346,197</u>
Total Fund Balances	<u>227,960</u>	<u>126,442</u>	<u>84,729</u>	<u>439,131</u>
Total Liabilities and Fund Balances	<u>\$ 229,492</u>	<u>\$ 126,442</u>	<u>\$ 113,436</u>	<u>\$ 469,370</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, 2010

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total
Revenues:				
Property Taxes	\$ 18,987	\$ 0	\$ 0	\$ 18,987
Intergovernmental	18,965	0	0	18,965
Investment Income	1,666	1,015	13,048	15,729
Permits and Fees	6,204	0	0	6,204
	<u>45,822</u>	<u>1,015</u>	<u>13,048</u>	<u>59,885</u>
Total Revenues				
Expenditures:				
Current Expenditures				
General Government	17,028	0	0	17,028
Capital Outlay				
General Government	10,924	9,964	0	20,888
Public Safety	0	94,000	0	94,000
Debt Service				
Interest	0	736	0	736
	<u>27,952</u>	<u>104,700</u>	<u>0</u>	<u>132,652</u>
Total Expenditures				
Excess/(Deficiency) of Revenues Over Expenditures	<u>17,870</u>	<u>(103,685)</u>	<u>13,048</u>	<u>(72,767)</u>
Other Financing Sources/(Uses):				
Transfers In	2,000	130,500	0	132,500
Transfers Out	0	(28,115)	(26)	(28,141)
	<u>2,000</u>	<u>102,385</u>	<u>(26)</u>	<u>104,359</u>
Total Other Financing Sources/(Uses)				
Net Change in Fund Balances	19,870	(1,300)	13,022	31,592
Fund Balances - July 1, 2009	<u>208,090</u>	<u>127,742</u>	<u>71,707</u>	<u>407,539</u>
Fund Balances - June 30, 2010	<u>\$ 227,960</u>	<u>\$ 126,442</u>	<u>\$ 84,729</u>	<u>\$ 439,131</u>

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TOWN OF PITTSFORD, VERMONT
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 JUNE 30, 2010

	Village Fund	Reappraisal Fund	State Planning Grants Fund
<u>ASSETS</u>			
Due from Other Funds	\$ <u>31,996</u>	\$ <u>119,924</u>	\$ <u>7,496</u>
TOTAL ASSETS	\$ <u><u>31,996</u></u>	\$ <u><u>119,924</u></u>	\$ <u><u>7,496</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts Payable	\$ <u>1,532</u>	\$ <u>0</u>	\$ <u>0</u>
Total Liabilities	<u>1,532</u>	<u>0</u>	<u>0</u>
Fund Balances:			
Reserved For:			
Restricted Purposes	0	0	7,496
Unreserved:			
Designated	<u>30,464</u>	<u>119,924</u>	<u>0</u>
Total Fund Balances	<u>30,464</u>	<u>119,924</u>	<u>7,496</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u><u>31,996</u></u>	\$ <u><u>119,924</u></u>	\$ <u><u>7,496</u></u>

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Cemetery Development Fund	First Response Vehicle Fund	Land Records Preservation Fund	Veterans Memorial Fund	Total
\$ <u>26,210</u>	\$ <u>17,750</u>	\$ <u>25,407</u>	\$ <u>709</u>	\$ <u>229,492</u>
\$ <u><u>26,210</u></u>	\$ <u><u>17,750</u></u>	\$ <u><u>25,407</u></u>	\$ <u><u>709</u></u>	\$ <u><u>229,492</u></u>
\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>1,532</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,532</u>
0	0	0	709	8,205
<u>26,210</u>	<u>17,750</u>	<u>25,407</u>	<u>0</u>	<u>219,755</u>
<u>26,210</u>	<u>17,750</u>	<u>25,407</u>	<u>709</u>	<u>227,960</u>
\$ <u><u>26,210</u></u>	\$ <u><u>17,750</u></u>	\$ <u><u>25,407</u></u>	\$ <u><u>709</u></u>	\$ <u><u>229,492</u></u>

TOWN OF PITTSFORD, VERMONT
 COMBINING STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Village Fund	Reappraisal Fund	State Planning Grants Fund
	<u> </u>	<u> </u>	<u> </u>
Revenue:			
Property Taxes	\$ 18,987	\$ 0	\$ 0
Intergovernmental	0	13,965	0
Investment Income	273	832	56
Permits and Fees	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenue	<u>19,260</u>	<u>14,797</u>	<u>56</u>
Expenditures:			
Current Expenditures			
General Government	17,028	0	0
Capital Outlay			
General Government	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>17,028</u>	<u>0</u>	<u>0</u>
Excess/(Deficiency) of Revenue Over Expenditures	<u>2,232</u>	<u>14,797</u>	<u>56</u>
Other Financing Sources:			
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	2,232	14,797	56
Fund Balance - July 1, 2009	<u>28,232</u>	<u>105,127</u>	<u>7,440</u>
Fund Balance - June 30, 2010	<u>\$ 30,464</u>	<u>\$ 119,924</u>	<u>\$ 7,496</u>

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Cemetery Development Fund	First Response Vehicle Fund	Land Records Preservation Fund	Veterans Memorial Fund	Total
\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,987
0	5,000	0	0	18,965
187	121	192	5	1,666
<u>0</u>	<u>0</u>	<u>6,204</u>	<u>0</u>	<u>6,204</u>
<u>187</u>	<u>5,121</u>	<u>6,396</u>	<u>5</u>	<u>45,822</u>
0	0	0	0	17,028
<u>0</u>	<u>0</u>	<u>10,924</u>	<u>0</u>	<u>10,924</u>
<u>0</u>	<u>0</u>	<u>10,924</u>	<u>0</u>	<u>27,952</u>
<u>187</u>	<u>5,121</u>	<u>(4,528)</u>	<u>5</u>	<u>17,870</u>
<u>2,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,000</u>
<u>2,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,000</u>
2,187	5,121	(4,528)	5	19,870
<u>24,023</u>	<u>12,629</u>	<u>29,935</u>	<u>704</u>	<u>208,090</u>
<u>\$ 26,210</u>	<u>\$ 17,750</u>	<u>\$ 25,407</u>	<u>\$ 709</u>	<u>\$ 227,960</u>

TOWN OF PITTSFORD, VERMONT
 COMBINING BALANCE SHEET
 CAPITAL PROJECTS FUNDS
 JUNE 30, 2010

	Bridge Reserve Fund	Municipal Office Fund	Fire Department Fund	Patrol Car Fund	Mower Replacement Fund	Garage Reserve Fund	Total
<u>ASSETS</u>							
Due from Other Funds	\$ 50,000	\$ 49,627	\$ 4,086	\$ 18,196	\$ 4,533	\$ 0	\$ 126,442
TOTAL ASSETS	<u>\$ 50,000</u>	<u>\$ 49,627</u>	<u>\$ 4,086</u>	<u>\$ 18,196</u>	<u>\$ 4,533</u>	<u>\$ 0</u>	<u>\$ 126,442</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balances:							
Unreserved:							
Designated	50,000	49,627	4,086	18,196	4,533	0	126,442
Total Fund Balances	50,000	49,627	4,086	18,196	4,533	0	126,442
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 50,000</u>	<u>\$ 49,627</u>	<u>\$ 4,086</u>	<u>\$ 18,196</u>	<u>\$ 4,533</u>	<u>\$ 0</u>	<u>\$ 126,442</u>

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TOWN OF PITTSFORD, VERMONT
 COMBINING STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Bridge Reserve Fund	Municipal Office Fund	Fire Department Fund	Patrol Car Fund	Mower Replacement Fund	Garage Reserve Fund	Total
Revenue:							
Investment Income	\$ 0	\$ 423	\$ 245	\$ 107	\$ 30	\$ 210	\$ 1,015
Total Revenue	<u>0</u>	<u>423</u>	<u>245</u>	<u>107</u>	<u>30</u>	<u>210</u>	<u>1,015</u>
Expenditures:							
Capital Outlay							
General Government	0	9,964	0	0	0	0	9,964
Public Safety	0	0	94,000	0	0	0	94,000
Debt Service							
Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>736</u>	<u>0</u>	<u>736</u>
Total Expenditures	<u>0</u>	<u>9,964</u>	<u>94,000</u>	<u>0</u>	<u>736</u>	<u>0</u>	<u>104,700</u>
Excess/(Deficiency) of Revenue Over Expenditures	<u>0</u>	<u>(9,541)</u>	<u>(93,755)</u>	<u>107</u>	<u>(706)</u>	<u>210</u>	<u>(103,685)</u>
Other Financing Sources/(Uses):							
Transfers In	50,000	5,000	62,500	7,000	6,000	0	130,500
Transfer Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(28,115)</u>	<u>(28,115)</u>
Total Other Financing Sources/(Uses)	<u>50,000</u>	<u>5,000</u>	<u>62,500</u>	<u>7,000</u>	<u>6,000</u>	<u>(28,115)</u>	<u>102,385</u>
Net Change in Fund Balances	50,000	(4,541)	(31,255)	7,107	5,294	(27,905)	(1,300)
Fund Balance/(Deficit) - July 1, 2009	<u>0</u>	<u>54,168</u>	<u>35,341</u>	<u>11,089</u>	<u>(761)</u>	<u>27,905</u>	<u>127,742</u>
Fund Balance - June 30, 2010	<u>\$ 50,000</u>	<u>\$ 49,627</u>	<u>\$ 4,086</u>	<u>\$ 18,196</u>	<u>\$ 4,533</u>	<u>\$ 0</u>	<u>\$ 126,442</u>

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TOWN OF PITTSFORD, VERMONT
 COMBINING BALANCE SHEET
 PERMANENT FUNDS
 JUNE 30, 2010

	William Dennison Fund	Belcher Mericle Fund	Total
<u>ASSETS</u>			
Investments	\$ <u>111,242</u>	\$ <u>2,194</u>	\$ <u>113,436</u>
TOTAL ASSETS	\$ <u><u>111,242</u></u>	\$ <u><u>2,194</u></u>	\$ <u><u>113,436</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Due to Other Funds	\$ <u>28,529</u>	\$ <u>178</u>	\$ <u>28,707</u>
Total Liabilities	<u>28,529</u>	<u>178</u>	<u>28,707</u>
Fund Balances:			
Reserved	<u>82,713</u>	<u>2,016</u>	<u>84,729</u>
Total Fund Balances	<u>82,713</u>	<u>2,016</u>	<u>84,729</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u><u>111,242</u></u>	\$ <u><u>2,194</u></u>	\$ <u><u>113,436</u></u>

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TOWN OF PITTSFORD, VERMONT
 COMBINING STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	William Dennison Fund	Belcher Mericle Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Revenue:			
Investment Income	\$ <u>13,022</u>	\$ <u>26</u>	\$ <u>13,048</u>
Total Revenue	<u>13,022</u>	<u>26</u>	<u>13,048</u>
Expenditures:	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenue Over Expenditures	<u>13,022</u>	<u>26</u>	<u>13,048</u>
Other Financing Sources/(Uses):			
Transfers Out	<u>0</u>	<u>(26)</u>	<u>(26)</u>
Total Other Financing Sources/(Uses)	<u>0</u>	<u>(26)</u>	<u>(26)</u>
Net Change in Fund Balances	13,022	0	13,022
Fund Balance - July 1, 2009	<u>69,691</u>	<u>2,016</u>	<u>71,707</u>
Fund Balance - June 30, 2010	<u>\$ 82,713</u>	<u>\$ 2,016</u>	<u>\$ 84,729</u>

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